

## Appendix 4D

### 1. Company details

Name of entity:	Ensurance Limited
ABN:	80 148 142 634
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

### 2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	17.2% to	4,218,659
Revenue from continuing operations	up	33.5% to	1,706,194
Revenue from discontinued operations	up	8.2% to	2,512,465
Profit from ordinary activities after tax attributable to the owners of Ensurance Limited	up	23.6% to	325,728
Profit for the half-year attributable to the owners of Ensurance Limited	up	23.6% to	325,728

#### *Dividends*

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

#### *Comments*

The profit for the consolidated entity after providing for income tax amounted to \$325,728 (31 December 2021: \$263,429).

The profit from continuing operations was \$78,940 (31 December 2021: \$160,468). The profit from discontinued operations was \$246,788 (31 December 2021: \$102,961).

### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	3.37	2.95

### 4. Control gained over entities

Not applicable.

### 5. Loss of control over entities

Not applicable.

### 6. Audit qualification or review

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

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

## **Appendix 4D**

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### **7. Attachments**

*Details of attachments (if any):*

The Interim Report of Ensurance Limited for the half-year ended 31 December 2022 is attached.

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### **8. Signed**

Signed \_\_\_\_\_



**Vaughan Kent**  
**Chief Executive Officer**

27 February 2023

# **Ensurance Limited and controlled entities**

**ABN 80 148 142 634**

**Interim Report  
31 December 2022**

## Corporate directory

<b>Directors</b>	<p><b>Mr Tony Leibowitz</b> Chairman Appointed 27 September 2017</p> <p><b>Mr Tony Wehby</b> Independent Non-Executive Director Appointed 3 May 2018</p> <p><b>Mr Vaughan (Tom) Kent</b> Executive Director Appointed 17 February 2022</p> <p><b>Mr Sam Hallab</b> Independent Non-Executive Director Resigned 30 November 2022</p>
<b>Company Secretary</b>	<p><b>Mr Sam Hallab</b> Appointed 1 February 2017</p>
<b>Registered office &amp; principal place of Business</b>	<p>Level 21, Westfield Tower 2 101 Grafton Street Bondi Junction NSW 2022</p>
<b>Postal address</b>	<p>PO Box 199 Bondi Junction NSW 1355 +61 2 9167 8050</p>
<b>Share register</b>	<p>Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth WA 6000 1300 850 505 (investors within Australia) +61 3 9415 4000 www.investorcentre.com</p>
<b>Auditor</b>	<p>William Buck (SA) Level 6, 211 Victoria Square Adelaide SA 5000 +61 8 8409 4333 www.williambuck.com.au</p>
<b>Solicitors</b>	<p>Steinepreis Paganin Level 4, The Read Buildings 16 Milligan St Perth WA 6000 www.steinpag.com.au</p>
<b>Stock exchange listing</b>	<p>Ensurance Limited (ASX code: ENA)</p>
<b>Website</b>	<p>www.ensurance.com.au</p>

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## **General information**

The financial statements cover Ensurance Limited as a consolidated entity consisting of Ensurance Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Ensurance Limited's functional and presentation currency.

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2023.

## **Directors' report**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Ensurance Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

### **Directors**

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

Mr Tony Leibowitz  
Mr Tony Wehby  
Mr Vaughan (Tom) Kent  
Mr Sam Hallab (resigned on 30 November 2022)

### **Principal activities**

During the financial half-year, the principal continuing activities of the consolidated entity consisted of providing customised insurance products to its insurance broker network. The products retailed by the Company include, but are not limited to; professional indemnity, construction, general liability, terrorism and sabotage.

### **Review of operations**

The profit for the consolidated entity after providing for income tax amounted to \$325,728 (31 December 2021: \$263,429).

The strong financial performance of the Company has mainly been attributable to the continued efforts of the underlying business units, in a market conducive to organic growth.

The Australian operational arm of the Company continued to expand its broker distribution networks, which has led to improved market penetration and higher levels of deal flow. The establishment of a Casualty division in October 2022, with new Environmental Impairment Liability and General Liability products due for release in the second half of this financial year, represents a significant area of potential growth for the Company.

The Company continues to pursue new and alternative distribution models to complement its existing product suite, thereby creating additional revenue lines for the business. The Company has signed a binding agreement to sell its UK subsidiary (Ensurance UK Limited). This was announced on 4th November 2022. The proceeds are expected to be received in the third quarter of this financial year. The funds will be used to support the continued organic expansion of the Company's Australian operations and to target suitable business acquisitions in the domestic market.

### **Significant changes in the state of affairs**

Prior to 31 December 2022, a binding Sale & Purchase Agreement (SPA) was executed with Chase UK Holdings Limited, a subsidiary of PSC Insurance Group Ltd (ASX: PSI), for A\$8.2 million. This has resulted in the presentation of Ensurance UK Limited as a discontinued operation, in the 31 December 2022 half-year report.

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

### **Matters subsequent to the end of the financial half-year**

Regulatory approval for the sale of Ensurance UK Limited was received subsequent to the half-year end, paving the way for a targeted completion of the A\$8.2M transaction, in the third quarter of the current financial year.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Directors' report**

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Vaughan Kent', written over a horizontal line.

**Vaughan Kent**  
**Chief Executive Officer**

27 February 2023

## Auditor's Independence Declaration Under Section 307C of The Corporations Act 2001 To The Directors Of Ensurance Limited And Controlled Entities

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2022 there have been:

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

William Buck

**William Buck (SA)**  
ABN: 38 280 203 274

M.D King

**M.D King**  
Partner

Dated this 27<sup>th</sup> day of February, 2023.

**Consolidated statement of profit or loss and other comprehensive income**

	Note	31 Dec 2022 \$	31 Dec 2021 \$
<b>Revenue from continuing operations</b>	4	1,702,471	1,259,596
Interest revenue		3,723	18,243
<b>Expenses</b>			
Insurance		(11,637)	(3,662)
Business development		(11,567)	(2,200)
Compliance costs		(63,351)	(98,864)
Computers and communications		(83,538)	(42,635)
Depreciation and amortisation	5	(21,242)	(25,306)
Employment costs	5	(1,280,515)	(756,944)
Legal and consulting fees		(56,067)	(44,001)
Occupancy costs		(48,500)	(17,089)
Travel and accommodation		(32,316)	(751)
Other expenses		(18,289)	(11,904)
Finance costs	5	(232)	(114,015)
<b>Profit before income tax expense from continuing operations</b>		78,940	160,468
Income tax expense		-	-
Profit after income tax expense from continuing operations		78,940	160,468
Profit after income tax expense from discontinued operations	6	246,788	102,961
<b>Profit after income tax expense for the half-year attributable to the owners of Ensurance Limited</b>		325,728	263,429
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		21,428	51,421
Other comprehensive income for the half-year, net of tax		21,428	51,421
<b>Total comprehensive income for the half-year attributable to the owners of Ensurance Limited</b>		347,156	314,850
Total comprehensive income for the half-year is attributable to:			
Continuing operations		78,940	160,468
Discontinued operations		268,216	154,382
		347,156	314,850

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

**Consolidated statement of profit or loss and other comprehensive income**

	<b>Note</b>	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit from continuing operations attributable to the owners of Ensurance Limited</b>			
Basic earnings per share	21	0.09	0.19
Diluted earnings per share	21	0.09	0.19
<b>Earnings per share for profit from discontinued operations attributable to the owners of Ensurance Limited</b>			
Basic earnings per share	21	0.27	0.12
Diluted earnings per share	21	0.27	0.12
<b>Earnings per share for profit attributable to the owners of Ensurance Limited</b>			
Basic earnings per share	21	0.36	0.32
Diluted earnings per share	21	0.36	0.32

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

**Consolidated statement of financial position**

	Note	31 Dec 2022 \$	30 Jun 2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		826,047	635,000
Trade and other receivables	7	219,897	290,702
Trust account insurer assets	8	3,337,185	2,547,446
Bonds on deposit		1,448	-
Prepayments		68,824	41,468
Total current assets of continuing operations		4,453,401	3,514,616
Assets of disposal group classified as discontinued operations	9	22,170,840	24,528,946
Total current assets		26,624,241	28,043,562
<b>Non-current assets</b>			
Investments		1,200	1,200
Property, plant and equipment	10	22,257	22,477
Right-of-use assets	11	13,506	28,776
Intangibles	12	2,228,979	2,232,134
Bonds on deposit		-	1,448
Total non-current assets		2,265,942	2,286,035
<b>Total assets</b>		28,890,183	30,329,597
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	310,295	413,095
Lease liabilities		14,022	26,585
Employee benefits		141,669	107,692
Trust account insurer liabilities	14	3,392,916	2,602,137
Total current liabilities of continuing operations		3,858,902	3,149,509
Liabilities directly associated with assets classified as discontinued operations	15	19,735,904	22,258,224
Total current liabilities		23,594,806	25,407,733
<b>Non-current liabilities</b>			
Lease liabilities		-	2,940
Employee benefits		28,621	26,556
Total non-current liabilities		28,621	29,496
<b>Total liabilities</b>		23,623,427	25,437,229
<b>Net assets</b>		5,266,756	4,892,368
<b>Equity</b>			
Issued capital	16	26,697,280	26,697,280
Reserves	17	(63,306)	(55,966)
Accumulated losses		(21,367,218)	(21,748,946)
<b>Total equity</b>		5,266,756	4,892,368

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

**Consolidated statement of changes in equity**

	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	22,241,201	74,164	(22,126,464)	188,901
Profit after income tax expense for the half-year	-	-	263,429	263,429
Other comprehensive income for the half-year, net of tax	-	51,421	-	51,421
Total comprehensive income for the half-year	-	51,421	263,429	314,850
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	2,111,179	-	-	2,111,179
Share-based payments (note 22)	48,000	-	-	48,000
Purchase of Ensurance Australia Pty Limited	2,250,000	-	-	2,250,000
Lapse of options & performance rights	-	(50,049)	50,049	-
Expense of Options	-	41,439	-	41,439
Balance at 31 December 2021	26,650,380	116,975	(21,812,986)	4,954,369

	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2022	26,697,280	(55,966)	(21,748,946)	4,892,368
Profit after income tax expense for the half-year	-	-	325,728	325,728
Other comprehensive income for the half-year, net of tax	-	21,428	-	21,428
Total comprehensive income for the half-year	-	21,428	325,728	347,156
Lapse of options	-	(56,000)	56,000	-
Expense of Options	-	27,232	-	27,232
Balance at 31 December 2022	26,697,280	(63,306)	(21,367,218)	5,266,756

**Consolidated statement of cash flows**

	Note	31 Dec 2022 \$	31 Dec 2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,923,607	1,385,555
Payments to suppliers and employees (inclusive of GST)		(1,801,449)	(1,118,318)
		122,158	267,237
Interest received		3,723	18,243
Interest and other finance costs paid		-	(113,479)
Net cash from/(used in) discontinued operations		119,100	(85,970)
Net cash from operating activities		244,981	86,031
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	10	(2,597)	(2,361)
Payments for intangibles		-	(5,250)
Proceeds from disposal of business		-	457,974
Funds received on acquisition of Ensurance Australia Pty Limited		-	336,312
Net cash used in discontinued operations		(2,655)	(3,388)
Net cash from/(used in) investing activities		(5,252)	783,287
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	2,145,001
Share issue transaction costs		-	(33,822)
Interest and other finance costs paid		(232)	(44,309)
Repayment of borrowings		-	(2,272,506)
Repayment of lease liabilities		(15,648)	(15,562)
Pre-acquisition dividend less expenses paid for Ensurance Australia Pty Limited		-	(276,154)
Net cash used in discontinued operations		(79,001)	(71,835)
Net cash used in financing activities		(94,881)	(569,187)
Net increase in cash and cash equivalents		144,848	300,131
Cash and cash equivalents at the beginning of the financial half-year		1,018,530	1,464,031
Cash and cash equivalents included in the discontinued operations		(337,331)	(227,765)
Cash and cash equivalents at the end of the financial half-year		826,047	1,536,397

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

## **Notes to the consolidated financial statements**

### **1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

#### **New or amended Accounting Standards and Interpretations adopted**

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

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

### **2. Critical accounting judgements, estimates and assumptions**

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

#### *Share-based payment transactions*

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

#### *Employee incentive share plans*

Employees who hold these plans are required to maintain their performance metrics and be employed by the Group for a specified period. These plans have a vesting period of 2, 3 and 4 years.

#### *Allowance for expected credit losses*

The allowance for expected credit losses requires a degree of estimation and judgement. There is an increased risk of fee and commission income not being received, once the income is past the payment due dates. These assumptions include a historical analysis of credit losses from contracts in arrears.

#### *Goodwill*

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

## **Notes to the consolidated financial statements**

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

#### *Impairment of non-financial assets*

Goodwill and other intangible assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

#### *Profit from discontinued operations*

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale. A discontinued operation represents a separate major line of the business. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal group(s) constituting the discontinued operation.

#### *Non-current assets and liabilities classified as held for sale and discontinued operations*

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations.

#### *Trust assets and liabilities*

Insurance intermediaries act as agents in placing the insurable risks of their clients with insurers and as such generally are not liable as principals for the amounts arising from such transactions. Accordingly, we have accounted for the trust asset and trust liability insurance transactions until the Group receives cash in respect of Commissions.

Fiduciary cash arising from insurance intermediary transactions is included as Trust assets. The company is entitled to retain the investment income on any cash flows arising from insurance related transactions.

### **3. Operating segments**

#### *Identification of reportable operating segments*

The consolidated entity is organised into 3 operating segments: These being the business in the UK, the business and the head office in Australia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

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

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

#### *Intersegment transactions*

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

Notes to the consolidated financial statements

3. Operating segments (continued)

Operating segment information

	Ensurance Australia \$	Head Office \$	Ensurance UK \$	Total \$
<b>31 Dec 2022</b>				
<b>Revenue</b>				
Commission and administration fees	1,702,471	-	2,512,465	4,214,936
Interest revenue	3,035	688	-	3,723
<b>Total revenue</b>	<b>1,705,506</b>	<b>688</b>	<b>2,512,465</b>	<b>4,218,659</b>
<b>EBITDA</b>	<b>837,162</b>	<b>(736,748)</b>	<b>263,922</b>	<b>364,336</b>
Depreciation and amortisation	(19,832)	(1,410)	(13,948)	(35,190)
Finance costs	(232)	-	(3,186)	(3,418)
<b>Profit/(loss) before income tax expense</b>	<b>817,098</b>	<b>(738,158)</b>	<b>246,788</b>	<b>325,728</b>
Income tax expense				-
<b>Profit after income tax expense</b>				<b>325,728</b>
<b>Assets</b>				
Segment assets	4,374,022	28,199,271	22,170,840	54,744,133
Intersegment eliminations				(25,853,950)
<b>Total assets</b>				<b>28,890,183</b>
<b>Liabilities</b>				
Segment liabilities	2,178,551	12,088,657	19,735,904	34,003,112
Intersegment eliminations				(10,379,685)
<b>Total liabilities</b>				<b>23,623,427</b>
<b>31 Dec 2021</b>				
<b>Revenue</b>				
Commission and administration fees	1,259,596	-	2,321,106	3,580,702
Interest revenue	-	18,243	136	18,379
<b>Total revenue</b>	<b>1,259,596</b>	<b>18,243</b>	<b>2,321,242</b>	<b>3,599,081</b>
<b>EBITDA</b>	<b>822,997</b>	<b>(523,208)</b>	<b>128,155</b>	<b>427,944</b>
Depreciation and amortisation	(24,287)	(1,019)	(22,701)	(48,007)
Finance costs	(536)	(113,479)	(2,493)	(116,508)
<b>Profit/(loss) before income tax expense</b>	<b>798,174</b>	<b>(637,706)</b>	<b>102,961</b>	<b>263,429</b>
Income tax expense				-
<b>Profit after income tax expense</b>				<b>263,429</b>
<b>30 Jun 2022</b>				
<b>Assets</b>				
Segment assets	2,840,426	27,631,243	24,528,946	55,000,615
Intersegment eliminations				(24,671,018)
<b>Total assets</b>				<b>30,329,597</b>
<b>Liabilities</b>				
Segment liabilities	1,454,216	10,997,615	22,258,224	34,710,055
Intersegment eliminations				(9,272,826)
<b>Total liabilities</b>				<b>25,437,229</b>



**Ensurance Limited and controlled entities**  
**Notes to the consolidated financial statements**  
**31 December 2022**



**6. Discontinued operations**

Ensurance Limited signed a binding Sale & Purchase Agreement (SPA) with Chase UK Holdings Limited, a subsidiary of PSC Insurance Group Ltd (ASX: PSI), for the sale of 100% of the share capital of Ensurance UK Limited. The sale is for A\$8.2 million.

Under the terms of the SPA, Chase UK Holdings Limited will pay A\$6.15 million (excluding any settlement adjustments) in cash and the balance of A\$2.05 million in PSC shares (to be held in escrow for a period of 12 months) for the acquisition of 100% of the issued share capital of Ensurance UK Ltd.

Regulatory approval for the sale in the UK was received subsequent to the end of the period, paving the way for targeted completion of the A\$8.2M transaction in the third quarter of the current financial year.

*Financial performance information*

	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	\$	\$
Discontinued revenue	2,512,465	2,321,106
Other discontinued income	85	137
Discontinued expense	(2,265,762)	(2,218,282)
Profit before income tax expense	246,788	102,961
Income tax expense	-	-
Profit after income tax expense from discontinued operations	246,788	102,961

*Cash flow information*

	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	\$	\$
Net cash from/(used in) operating activities	119,100	(85,970)
Net cash used in investing activities	(2,655)	(3,388)
Net cash used in financing activities	(79,001)	(71,835)
Net increase/(decrease) in cash and cash equivalents from discontinued operations	37,444	(161,193)

**7. Trade and other receivables**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	\$	\$
Commission on Trust Assets	194,163	284,242
Other receivables	25,734	6,460
	219,897	290,702

**8. Trust account insurer assets**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	\$	\$
Trust accounts	3,337,185	2,547,446

Please see the reconciliation of trust assets in the trust liabilities note 14.

**Notes to the consolidated financial statements**

**9. Assets of disposal groups classified as discontinued operations**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	337,331	383,530
Trade and other receivables	2,213,214	2,125,210
Trust account	5,339,789	7,671,948
Insurance debtors	14,113,370	14,115,802
Prepayments	51,166	106,693
Property, plant and equipment	8,947	7,703
Intangibles	87,160	100,465
Bonds on deposit	19,863	17,595
	<hr/>	<hr/>
	22,170,840	24,528,946

**10. Property, plant and equipment**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment - at cost	43,917	41,320
Less: Accumulated depreciation	(21,660)	(18,843)
	<hr/>	<hr/>
	22,257	22,477

*Reconciliations*

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

	Plant & Equipment \$	Total \$
Balance at 1 July 2022	22,477	22,477
Additions	2,597	2,597
Depreciation expense	(2,817)	(2,817)
	<hr/>	<hr/>
Balance at 31 December 2022	22,257	22,257

**11. Right-of-use assets**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	<b>\$</b>	<b>\$</b>
Right of use assets	46,251	46,251
Less: Accumulated depreciation	(32,745)	(17,475)
	<hr/>	<hr/>
	13,506	28,776

## Notes to the consolidated financial statements

### 11. Right-of-use assets (continued)

#### Reconciliations

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

	Office Space \$	Total \$
Balance at 1 July 2022	28,776	28,776
Depreciation expense	(15,270)	(15,270)
Balance at 31 December 2022	13,506	13,506

### 12. Intangibles

	31 Dec 2022 \$	30 Jun 2022 \$
Goodwill - at cost	2,223,867	2,223,867
Software - at cost	35,869	35,869
Less: Accumulated amortisation	(30,757)	(27,602)
	5,112	8,267
	2,228,979	2,232,134

#### Reconciliations

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

	Software \$	Goodwill \$	Total \$
Balance at 1 July 2022	8,267	2,223,867	2,232,134
Amortisation expense	(3,155)	-	(3,155)
Balance at 31 December 2022	5,112	2,223,867	2,228,979

Goodwill is tested for impairment annually in accordance with AASB136 Impairment of Assets.

The Group identifies its cash generating unit (CGU) which is the smallest identifiable group of assets that generate cash inflows largely independent of the cash inflows of other assets of the Group. Management have determined there are multiple CGUs, and Ensurance Australia has been selected as the most appropriate CGU, for the allocation of goodwill and impairment testing. To assess whether goodwill is impaired, the carrying amount of the CGU is compared to the recoverable amount, determined based on the greater of its value in use and its recoverable value less costs of disposal.

Value in use was calculated at 30 June 2022 using a discounted cash flow model covering a five-year period with an appropriate terminal growth rate used to calculate a terminal value for the CGU at the end of that five-year period. To calculate Value in Use the estimated future cash flows were determined over the next 5 years and a 5% improvement in cashflow has been factored in. These future year cash flows were discounted with 90-day bank bill rate at 2.18%.

The Directors review intangible assets for impairment annually.

**Notes to the consolidated financial statements**

**13. Trade and other payables**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	\$	\$
Trade payables	131,105	136,386
Other payables	179,190	276,709
	<hr/> 310,295	<hr/> 413,095

**14. Trust account insurer liabilities**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	\$	\$
Underwriter's liability	3,392,916	2,602,137

**Reconciliation of insurer assets**

<b>Trust account insurer assets</b>		
Trust accounts	3,337,185	2,547,446

<b>Trust account insurer liabilities</b>		
Underwriter's liability	(3,392,916)	(2,602,137)

<b>Trust account debtors</b>		
Commission on Trust Assets	55,731	54,691

**15. Liabilities directly associated with assets classified as discontinued operations**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	\$	\$
Trade payables	429,627	441,598
Other payables	95,500	126,628
Premium Finance Loan	-	73,109
Underwriter's liability	18,717,740	20,493,807
Amounts due to associates	493,037	1,123,082
	<hr/> 19,735,904	<hr/> 22,258,224

**16. Issued capital**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	Shares	Shares	\$	\$
Ordinary shares - fully paid	90,109,937	90,109,937	26,697,280	26,697,280

**Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Notes to the consolidated financial statements**

**16. Issued capital (continued)**

*Options and incentive shares*

500,000 unlisted options at \$0.60 which expired on 31 December 2022 lapsed.

*Share buy-back*

There is no current on-market share buy-back.

**17. Reserves**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	\$	\$
Asset revaluation	(800)	(800)
Foreign currency translation reserve	(182,342)	(203,771)
Share-based payments reserve	119,836	148,605
	<hr/>	<hr/>
	(63,306)	(55,966)

*Asset revaluation reserve*

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

*Foreign currency reserve*

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

*Share-based payments reserve*

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

*Movements in reserves*

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

	Asset Revaluation \$	Share Based Payment \$	Foreign Currency Translation \$	Total \$
Balance at 1 July 2022	(800)	148,604	(203,770)	(55,966)
Foreign currency translation	-	-	21,428	21,428
Expense of options	-	27,232	-	27,232
Lapse of options	-	(56,000)	-	(56,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	(800)	119,836	(182,342)	(63,306)

**18. Contingent liabilities**

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

**Notes to the consolidated financial statements**

**19. Related party transactions**

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	\$	\$
Interest paid to Kalonda Pty Limited	-	113,479
A pre-acquisition dividend of \$498,548 was paid to the CEO, as per the Binding Heads of Agreement with TK Specialty Risks Pty Ltd (TKSR). This was offset by amounts owed by the CEO and his related entities of \$222,394.	-	276,154
An executive service fee was paid to Mr Tony Leibowitz in relation to the share placement.	-	27,500

*Receivable from and payable to related parties*

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

*Terms and conditions*

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

**20. Events after the reporting period**

Regulatory approval for the sale of Ensurance UK Limited was received subsequent to the half-year end, paving the way for a targeted completion of the A\$8.2M transaction in the third quarter of the current financial year.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**21. Earnings per share**

	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	\$	\$
<i>Earnings per share for profit from continuing operations</i>		
Profit after income tax attributable to the owners of Ensurance Limited	78,940	160,468
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.09	0.19
Diluted earnings per share	0.09	0.19
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	\$	\$
<i>Earnings per share for profit from discontinued operations</i>		
Profit after income tax attributable to the owners of Ensurance Limited	246,788	102,961
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.27	0.12
Diluted earnings per share	0.27	0.12

**Notes to the consolidated financial statements**

**21. Earnings per share (continued)**

	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for profit</i>		
Profit after income tax attributable to the owners of Ensurance Limited	325,728	263,429
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.36	0.32
Diluted earnings per share	0.36	0.32

During half-year ended 31 December 2022 the Group's unissued shares under option were anti-dilutive.

In calculating the number of ordinary shares outstanding (the denominator of the EPS calculation) for the half-year ended 31 December 2022 the number of ordinary shares outstanding at the beginning of the half-year ended 31 December 2022 shall be adjusted by the number of shares issued in the period multiplied by the number of days they were in issue divided by the total number of days in the reporting period.

	<b>Number</b>	<b>Number</b>
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	90,109,937	83,309,619
Adjustments for calculation of diluted earnings per share:		
Shares under incentive share scheme	425,000	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	90,534,937	83,309,619

**22. Share-based payments**

**Options**

At the date of signing this report, the following unlisted options were on issue:

**31 Dec 2022**

Grant date	Expiry date	Exercise price	Balance at 1 Jul 2022	Expired	Balance at 31 Dec 2022
28/11/2018	31/12/2022	\$0.60	500,000	(500,000)	-
28/11/2018	31/12/2023	\$0.90	700,000	-	700,000
25/11/2021	02/07/2023	\$0.30	100,000	-	100,000
25/11/2021	02/07/2023	\$0.50	100,000	-	100,000
			1,400,000	(500,000)	900,000

**Notes to the consolidated financial statements**

**22. Share-based payments (continued)**

Set out below are the options granted last year:

31 Dec 2021

Grant date	Expiry date	Exercise price	Balance at 1 Jul 2021	Granted	Expired	Balance at 31 Dec 2021
28/11/2018	31/12/2021	\$0.40	300,000	-	(300,000)	-
28/11/2018	10/07/2021	\$0.50	100,000	-	(100,000)	-
28/11/2018	10/07/2021	\$0.80	100,000	-	(100,000)	-
28/11/2018	31/12/2022	\$0.60	500,000	-	-	500,000
28/11/2018	31/12/2023	\$0.90	700,000	-	-	700,000
25/11/2021	02/07/2023	\$0.30	-	100,000	-	100,000
25/11/2021	02/07/2023	\$0.50	-	100,000	-	100,000
			1,700,000	200,000	(500,000)	1,400,000

**Performance rights**

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

	<b>Number of rights</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
Outstanding at the beginning of the financial half-year	1,000,000	2,500,000
Expired/forfeited	(1,000,000)	(750,000)
Outstanding at the end of the financial half-year	-	1,750,000

On 24 February 2021, 1,000,000 Performance Rights (Class E Rights) were granted to Tim James, to vest upon Ensurance UK achieving an NRC of 4,595,970 pounds and EBITDA of 1,426,675 pounds for the year ending 30 June 2023. During the half year, the class E rights were forfeited by agreement between the Company and Tim James.

**Incentive Share Plan**

An offer of fully paid ordinary shares were made and accepted by four employees under the Incentive Share Plan, to be issued in four tranches. There are two tranches remaining as follows:

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
Target issue date of March 2022 (issued)	-	100,000
Target issue date of February 2023	100,000	100,000
Target issue date of June 2022 (issued)	-	325,000
Target issue date of February 2023	325,000	325,000
	425,000	850,000

## **Directors' declaration**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Vaughan Kent', written over a horizontal line.

**Vaughan Kent**  
**Chief Executive Officer**

27 February 2023

## Independent auditor's review report

# Report on the Review of the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of Ensurance Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated group) on pages 6 to 22, which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ensurance Limited on pages 6 to 22 is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Responsibility of Management for the Financial Report

The directors of the group 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 preparation 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 Responsibilities for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 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*.

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 the independence requirements of the Corporations Act 2001.

William Buck

**William Buck (SA)**  
ABN: 38 280 203 274

M.D. King

**M.D. King**  
Partner

Adelaide, 27<sup>th</sup> February 2023