

Ensurance Limited and controlled entities

Appendix 4D

Half-year report



1. Company details

Name of entity:	Ensurance Limited
ABN:	80 148 142 634
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	48.6% to	3,599,081
Profit from ordinary activities after tax attributable to the owners of Ensurance Limited	up	185.7% to	263,429
Profit for the half-year attributable to the owners of Ensurance Limited	up	185.7% to	263,429

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 \$263,429 (31 December 2020: loss of \$307,510).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.87	0.08

4. Control gained over entities

Name of entities (or group of entities)	TK Specialty Risks Pty Ltd
Date control gained	1 July 2021

	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	798,174
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	602,407

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.

7. Attachments

Details of attachments (if any):

The Interim Report of Ensurance Limited for the half-year ended 31 December 2021 is attached.

8. Signed

Signed  _____

Tony Leibowitz
Non-Executive Chairman

Date: 17 February 2022

Ensurance Limited and controlled entities

ABN 80 148 142 634

Interim Report - 31 December 2021

Directors	Mr Tony Leibowitz Non-Executive Chairman Appointed 29 September 2017 Mr Tony Wehby Independent Non-Executive Director Appointed 3 May 2018 Mr Sam Hallab Independent Non-Executive Director Appointed 2 July 2021
Company secretary	Mr Sam Hallab Appointed 1 February 2017
Registered office & Principal place of Business	Level 21, Westfield Tower 2 101 Grafton Street Bondi Junction NSW 2022
Postal Address	PO Box 199 Bondi Junction NSW 1355 +61 2 9167 8050
Share register	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
Auditor	William Buck (SA) Level 6, 211 Victoria Square Adelaide SA 5000 +61 8 8409 4333 www.williambuck.com.au
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan St Perth WA 6000
Stock exchange listing	Ensurance Limited (ASX code: ENA)
Website	www.ensuranceltd.com

Ensurance Limited and controlled entities
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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 17 February 2022.

Ensurance Limited and controlled entities

Directors' report

31 December 2021



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 2021.

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 Sam Hallab (appointed on 2 July 2021)
Mr Adam Davey (resigned on 2 July 2021)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of providing customised insurance solutions specialising in construction, liability product range, terrorism and sabotage.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$263,429 (31 December 2020: loss of \$307,510).

The strong financial performance of the Company has mainly been attributable to the continued growth experienced by the underlying business units combined with other new revenue initiatives. The Australian and UK divisions continued to expand their broker networks, which has led to improved penetration in their respective markets and higher levels of deal flow.

As a group, the UK and Australian divisions are now beginning to enjoy a strong camaraderie, laying the foundation for a resilient insurance business with global partnerships and a diverse set of products yielding increasing and sustainable revenue streams.

The Company received commitments from new and existing professional, sophisticated and institutional investors and raised \$2.145M by way of share placement.

Australian Division – Ensurance Australia

Ensurance acquired TK Specialty Risks Pty Ltd (TKSR) and re-branded it as Ensurance Australia Pty Ltd, a wholly owned subsidiary of the Company. Expansion plans are well underway for the Australian arm of the Company. Hardening market conditions coupled with recently developed in-house software tools has resulted in Ensurance Australia being able to partner closely with key brokers who are in need of fast solutions to complex insurance placements.

UK Business

The UK's positive performance continues to be driven by a combination of organic growth within the Company and the rolling out of new insurance products. Notably, Ensurance UK recently launched new offerings in Terrorism and Construction classes, which allow the business to better position itself within the market.

Significant changes in the state of affairs

There were no 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

No matter or circumstance has arisen since 31 December 2021 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.

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.

Ensurance Limited and controlled entities
Directors' report
31 December 2021



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 read 'A. H. Leibowitz', written over a horizontal line.

Tony Leibowitz
Non-Executive Chairman

17 February 2022

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 2021 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 17th day of February, 2022.

ACCOUNTANTS & ADVISORS

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Ensurance Limited and controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021



	Note	31 Dec 2021 \$	31 Dec 2020 \$
Revenue	4	3,580,702	2,415,181
Other income	5	-	205,144
Interest revenue		18,379	6,145
Expenses			
Business development		(72,562)	(36,764)
Compliance costs		(141,960)	(150,239)
Computers and communications		(257,411)	(150,715)
Depreciation and amortisation	6	(48,007)	(62,317)
Employment costs	6	(2,397,621)	(1,834,314)
Payaway commissions		(32,200)	(13,431)
Legal and consulting fees		(59,640)	(60,783)
Occupancy costs		(92,176)	(137,520)
Travel and accommodation		(12,292)	(4,543)
Write off of assets		-	(66,961)
Other expenses		(105,275)	(78,363)
Finance costs	6	(116,508)	(335,944)
Operating profit/(loss)		263,429	(305,424)
Modified loss on sale of subsidiary		-	(2,086)
Profit/(loss) before income tax expense		263,429	(307,510)
Income tax expense		-	-
Profit/(loss) after income tax expense for the half-year attributable to the owners of Ensurance Limited		263,429	(307,510)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		51,421	(47,381)
Other comprehensive income/(loss) for the half-year, net of tax		51,421	(47,381)
Total comprehensive income/(loss) for the half-year attributable to the owners of Ensurance Limited		314,850	(354,891)
		Cents	Cents
Basic earnings per share	23	0.32	(0.53)
Diluted earnings per share	23	0.32	(0.53)

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

Ensurance Limited and controlled entities
Consolidated statement of financial position
As at 31 December 2021



	Note	31 Dec 2021 \$	30 Jun 2021 \$
Assets			
Current assets			
Cash and cash equivalents		1,764,162	1,464,031
Trade and other receivables	7	2,435,184	1,768,778
Trust account insurer assets	8	20,961,743	19,226,262
Prepayments		98,501	129,281
Total current assets		25,259,590	22,588,352
Non-current assets			
Receivables	9	-	273,347
Investments		1,200	1,200
Property, plant and equipment	10	33,863	11,506
Right-of-use assets	11	44,046	-
Intangibles	12	2,385,174	133,692
Bonds on deposit		20,363	18,743
Total non-current assets		2,484,646	438,488
Total assets		27,744,236	23,026,840
Liabilities			
Current liabilities			
Trade and other payables	13	628,860	1,309,351
Borrowings	14	1,000,000	66,665
Lease liabilities		30,765	-
Provisions		129,551	88,917
Trust account insurer liabilities	15	20,969,969	18,859,720
Total current liabilities		22,759,145	20,324,653
Non-current liabilities			
Borrowings		-	2,500,000
Lease liabilities		14,023	-
Provisions		16,699	9,936
Total non-current liabilities		30,722	2,509,936
Total liabilities		22,789,867	22,834,589
Net assets		4,954,369	192,251
Equity			
Issued capital	16	26,650,380	22,241,201
Reserves	17	116,975	74,164
Accumulated losses		(21,812,986)	(22,123,114)
Total equity		4,954,369	192,251

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

Ensurance Limited and controlled entities
Consolidated statement of changes in equity
For the half-year ended 31 December 2021



	Issued capital \$	Reserves \$	Retained profits \$	Total deficiency in equity \$
Balance at 1 July 2020	19,291,070	1,911,212	(22,266,475)	(1,064,193)
Loss after income tax expense for the half-year	-	-	(307,510)	(307,510)
Other comprehensive loss for the half-year, net of tax	-	(47,381)	-	(47,381)
Total comprehensive loss for the half-year	-	(47,381)	(307,510)	(354,891)
Expense of Options	-	41,013	-	41,013
Lapse of options & performance rights	-	(1,154,339)	1,154,339	-
Balance at 31 December 2020	19,291,070	750,505	(21,419,646)	(1,378,071)
	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	22,241,201	74,164	(22,123,114)	192,251
Adjustment for correction of error	-	-	(3,350)	(3,350)
Balance at 1 July 2021 - restated	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 (note 16)	2,111,179	-	-	2,111,179
Share-based payments (note 24)	48,000	-	-	48,000
Purchase of TK Specialty Risks Pty Ltd	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

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Ensurance Limited and controlled entities
Consolidated statement of cash flows
For the half-year ended 31 December 2021



	Note	31 Dec 2021 \$	31 Dec 2020 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,734,026	2,230,099
Payments to suppliers and employees (inclusive of GST)		(3,552,895)	(2,841,830)
		181,131	(611,731)
Interest received		18,379	6,145
Other revenue		-	168,242
Interest and other finance costs paid		(113,479)	(201,092)
Net cash from/(used in) operating activities		86,031	(638,436)
Cash flows from investing activities			
Payments for property, plant and equipment	10	(5,749)	(3,949)
Payments for intangibles	12	(5,250)	(35,317)
Payments for financial assets		-	(5,650)
Proceeds from disposal of business		457,974	633,128
Funds received on acquisition of TK Specialty Risks Pty Ltd		336,312	-
Net cash from investing activities		783,287	588,212
Cash flows from financing activities			
Proceeds from issue of shares	16	2,145,001	-
Share issue transaction costs		(33,822)	-
Interest and other finance costs paid		(47,263)	(89,103)
Repayment of borrowings		(2,341,387)	(26,662)
Repayment of lease liabilities		(15,562)	(52,219)
Pre-acquisition dividend less expenses paid for TK Specialty Risks Pty Ltd		(276,154)	-
Net cash used in financing activities		(569,187)	(167,984)
Net increase/(decrease) in cash and cash equivalents		300,131	(218,208)
Cash and cash equivalents at the beginning of the financial half-year		1,464,031	1,276,309
Cash and cash equivalents at the end of the financial half-year		1,764,162	1,058,101

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

1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 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 2021 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.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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.

Goodwill

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill have suffered any impairment. 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.

Goodwill relating to the business combination has been provisionally accounted for.

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

Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into 3 operating segments: These being the operational businesses in the UK and Australia and the head office which is also 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 monthly basis.

Intersegment transactions

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

Operating segment information

	Ensurance UK \$	Head Office \$	Ensurance Australia \$	Total \$
31 Dec 2021				
Revenue				
Sales to external customers	2,321,106	-	1,259,596	3,580,702
Interest revenue	136	18,243	-	18,379
Total revenue	2,321,242	18,243	1,259,596	3,599,081
EBITDA	128,155	(523,208)	822,997	427,944
Depreciation and amortisation	(22,701)	(1,019)	(24,287)	(48,007)
Finance costs	(2,493)	(113,479)	(536)	(116,508)
Profit/(loss) before income tax expense	102,961	(637,706)	798,174	263,429
Income tax expense				-
Profit after income tax expense				263,429
Assets				
Segment assets	20,682,216	27,882,768	3,988,987	52,553,971
Intersegment eliminations				(24,809,735)
Total assets				27,744,236
Liabilities				
Segment liabilities	18,460,630	10,514,998	3,190,713	32,166,341
Intersegment eliminations				(9,376,474)
Total liabilities				22,789,867

Ensurance Limited and controlled entities
Notes to the consolidated financial statements
31 December 2021



3. Operating segments (continued)

	Ensurance UK \$	Head Office \$	Total \$
31 Dec 2020			
Revenue			
Sales to external customers	2,415,181	-	2,415,181
Interest revenue	4,542	1,603	6,145
Total revenue	2,419,723	1,603	2,421,326
EBITDA	492,889	(335,177)	157,712
Depreciation and amortisation	(61,589)	(728)	(62,317)
Impairment of assets	(66,961)	-	(66,961)
Finance costs	(4,138)	(331,806)	(335,944)
Profit/(loss) before income tax expense	360,201	(667,711)	(307,510)
Income tax expense			-
Loss after income tax expense			(307,510)

30 Jun 2021

Assets			
Segment assets	21,418,769	26,456,738	47,875,507
Intersegment eliminations			(24,848,667)
Total assets			23,026,840
Liabilities			
Segment liabilities	19,351,543	13,148,557	32,500,100
Intersegment eliminations			(9,665,511)
Total liabilities			22,834,589

4. Revenue

	31 Dec 2021 \$	31 Dec 2020 \$
Underwriting commission	3,275,607	2,167,044
Profit commission	-	206,451
Policy administration fees	305,095	41,686
Revenue	3,580,702	2,415,181

5. Other income

	31 Dec 2021 \$	31 Dec 2020 \$
Net gain on disposal of business	-	36,902
Government grants - cash flow boost	-	153,798
Other income	-	14,444
Other income	-	205,144

Ensurance Limited and controlled entities
Notes to the consolidated financial statements
31 December 2021



6. Expenses

	31 Dec 2021	31 Dec 2020
	\$	\$
Depreciation and amortisation		
Depreciation expense	(12,852)	(20,263)
Amortisation - Software	(19,885)	(12,681)
Amortisation - Right of use assets	(15,270)	(29,373)
	(48,007)	(62,317)

	31 Dec 2021	31 Dec 2020
Finance costs		
Interest on convertible notes	-	(128,843)
Short-term loan interest and finance costs	(2,493)	(835)
Interest on related party loans	(113,479)	(201,093)
Interest on lease liability	(536)	(5,173)
	(116,508)	(335,944)

	31 Dec 2021	31 Dec 2020
	\$	\$
Employee Entitlements		
Non-Executive Director fees	(39,877)	(45,043)
Increase in employee benefit provisions	(17,325)	(36,012)
Superannuation expenses	(155,795)	(109,242)
Wages and salaries	(1,888,890)	(1,423,449)
Other employment related costs	(33,576)	(24,309)
Employee National Insurance Contributions (UK)	(172,719)	(155,245)
Share based payments	(89,439)	(41,014)
	(2,397,621)	(1,834,314)

7. Trade and other receivables

	31 Dec 2021	30 Jun 2021
	\$	\$
Other receivables	12,737	17,850
Commission on Trust Assets	2,456,885	1,613,593
Less: Allowance for expected credit losses	(34,438)	(34,125)
	2,435,184	1,597,318
Funds on the sale of Ensurance Underwriting Pty Limited	-	171,460
	2,435,184	1,768,778

Ensurance Limited and controlled entities
Notes to the consolidated financial statements
31 December 2021



8. Trust account insurer assets

	31 Dec 2021	30 Jun 2021
	\$	\$
Insurance debtors	12,647,678	11,418,742
Trust accounts	8,314,065	7,807,520
	20,961,743	19,226,262

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

9. Receivables

	31 Dec 2021	30 Jun 2021
	\$	\$
Other receivables	-	280,859
Less: Allowance for expected credit losses	-	(7,512)
	-	273,347

Other receivables relate to the sale of Ensurance Underwriting Pty Limited to 360 Construction and Engineering Pty Limited (360) on the 1st March 2020. The sale proceeds were to be paid in instalments over a number of years. 360 made the decision to pay all amounts outstanding ahead of the contract dates of the 31st of July 2022 and the 31st July 2023 and as a consequence, all funds were received by the 12th August 2021.

10. Property, plant and equipment

	31 Dec 2021	30 Jun 2021
	\$	\$
Plant and equipment - at cost	102,073	77,673
Less: Accumulated depreciation	(69,099)	(67,529)
	32,974	10,144
Fixtures and fittings - at cost	4,875	5,283
Less: Accumulated depreciation	(3,986)	(3,921)
	889	1,362
	33,863	11,506

Reconciliations

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

	Plant & Equipment	Furniture & Fittings	Total
	\$	\$	\$
Balance at 1 July 2021	10,144	1,362	11,506
Additions	5,749	-	5,749
Additions through business combinations (note 21)	29,621	-	29,621
Exchange differences	(172)	11	(161)
Depreciation expense	(12,368)	(484)	(12,852)
Balance at 31 December 2021	32,974	889	33,863

11. Right-of-use assets

	31 Dec 2021 \$	30 Jun 2021 \$
Right of use assets	76,516	684,753
Less: Accumulated depreciation	(32,470)	(684,753)
	44,046	-

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 2021	-	-
Additions through business combinations (note 21)	59,316	59,316
Depreciation expense	(15,270)	(15,270)
Balance at 31 December 2021	44,046	44,046

The company has leases in Western Australia and South Australia. In the prior year we had leases in London, Sydney and Melbourne.

12. Intangibles

	31 Dec 2021 \$	30 Jun 2021 \$
Goodwill - at cost	2,264,876	-
Software - at cost	167,538	166,013
Less: Accumulated amortisation	(52,490)	(32,321)
	115,048	133,692
AFSL Licence preliminary cost	5,250	-
	2,385,174	133,692

Reconciliations

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

	Software \$	Goodwill \$	AFSL Licence \$	Total \$
Balance at 1 July 2021	133,692	-	-	133,692
Additions	-	-	5,250	5,250
Additions through business combinations (note 21)	-	2,264,876	-	2,264,876
Exchange differences	1,241	-	-	1,241
Amortisation expense	(19,885)	-	-	(19,885)
Balance at 31 December 2021	115,048	2,264,876	5,250	2,385,174

Ensurance Limited and controlled entities
Notes to the consolidated financial statements
31 December 2021



13. Trade and other payables

	31 Dec 2021	30 Jun 2021
	\$	\$
Trade payables	275,198	332,851
Convertible note redemption payout with interest	-	816,814
Other payables	353,662	159,686
	628,860	1,309,351

The convertible notes expired on 30 June 2021. Of these notes, \$1,448,982 were converted into share capital, resulting in the issue of 96,598,794 ordinary shares. The remaining notes balance of \$772,506 was repaid to subscribers with interest of \$44,308.

14. Borrowings

	31 Dec 2021	30 Jun 2021
	\$	\$
Bank loans	-	66,665
Related party loan	1,000,000	-
	1,000,000	66,665

On 1st July 2021, the \$2,500,000 loan from Kalonda Pty Ltd, a related entity of Mr Tony Leibowitz was renewed for a term of 18 months. Interest on the facility is charged at 11% per annum. During the period \$1,500,000 was repaid and is able to be used as an offset facility if required. At 30 June 2021, the \$2,500,000 loan was disclosed as non-current.

15. Trust account insurer liabilities

	31 Dec 2021	30 Jun 2021
	\$	\$
Underwriter's liability	19,829,696	18,336,288
Other	826,872	523,432
Unearned revenue	313,401	-
	20,969,969	18,859,720

Reconciliation of insurer assets

Trust account insurer assets

Insurance debtors	12,647,678	11,418,742
Trust accounts	8,314,065	7,807,520
Total trust account assets	20,961,743	19,226,262

Trust account insurer liabilities

Underwriter's liability	(19,829,696)	(18,336,288)
Other	(826,872)	(523,432)
Total trust account liabilities	(20,656,568)	(18,859,720)

Excess of insurance assets over liabilities	305,175	366,542
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The reconciling difference represents cash in the trust account that belongs to Ensurance UK. This amount had not been drawn out of the account as at 31 December 2021.

Ensurance Limited and controlled entities
Notes to the consolidated financial statements
31 December 2021



16. Issued capital

	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	89,684,937	71,825,511	26,650,380	22,241,201

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	71,825,511		22,241,201
Shares issued on purchase of TKSR (escrowed until 28 July 2023) at fair value	28 July 2021	8,333,334	\$0.270	2,250,000
Share placement (net of expenses)	8 October 2021	9,326,092	\$0.230	2,111,179
Incentive share plan	1 October 2021	200,000	\$0.240	48,000
Balance	31 December 2021	89,684,937		26,650,380

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.

Share buy-back

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

Share consolidation

The Company implemented a 10 for 1 share consolidation. This was approved at the General Meeting of shareholders on 28th July 2021.

17. Reserves

	31 Dec 2021	30 Jun 2021
	\$	\$
Revaluation surplus reserve	(800)	(800)
Financial assets at fair value through other comprehensive income reserve	51,421	16,752
Foreign currency translation reserve	(144,361)	(161,114)
Share-based payments reserve	210,715	219,326
	116,975	74,164

Revaluation surplus reserve

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

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

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.

Ensurance Limited and controlled entities
Notes to the consolidated financial statements
31 December 2021



17. Reserves (continued)

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 2021	(800)	219,326	(144,362)	74,164
Foreign currency translation	-	-	51,421	51,421
Expense of options	-	41,439	-	41,439
Lapse of options and performance rights	-	(50,049)	-	(50,049)
Balance at 31 December 2021	(800)	210,716	(92,941)	116,975

18. Contingent liabilities

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

19. Commitments

The consolidated entity has entered into a new lease for Sydney office space. The lease is from the 1st February 2022 for 12 months. The lease payment is \$4,763.70 per month.

20. Related party transactions

Parent entity

Ensurance Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	31 Dec 2021 \$	31 Dec 2020 \$
Interest paid to Kalonda Pty Limited	113,479	201,093
<u>Other transactions:</u>		
A pre-acquisition dividend paid to the CEO, as per the Binding Heads of Agreement with TK Speciality Risks Pty Ltd (TKSR) net of the loan with his related entity and expenses incurred on behalf of the CEO unrelated to Ensurance Ltd	276,154	-
An executive service fee was paid to Mr Tony Leibowitz in relation to the share placement	27,500	-
On 18 August 2020, the Company paid Mr Tony Leibowitz for a letter of guarantee, confirming he would continue to support the Company financially for eighteen months.	-	20,000

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.

20. Related party transactions (continued)

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	31 Dec 2021	30 Jun 2021
	\$	\$
Current borrowings:		
On 1st July 2021, the \$2,500,000 loan from Kalonda Pty Ltd, a related entity of Mr Tony Leibowitz was renewed for a term of 18 months. Interest on the facility is charged at 11% per annum. During the period \$1,500,000 was repaid and is able to be used as an offset facility if required. At 30 June 2021, the \$2,500,000 loan was disclosed as non-current.	1,000,000	2,500,000

Terms and conditions

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

21. Business combinations

On 1 July 2021 Ensurance Limited acquired 100% of the ordinary shares of TK Specialist Risk Pty Ltd (TKSR), a boutique underwriting agency. The total consideration transferred was for 8,333,334 Ensurance shares. The fair value of these shares at 1 July 2021 is 27 cents per share. The goodwill of \$2,264,876 represents the fair value of the business. The acquired business contributed revenues of \$1.3M and a profit of \$797K to the consolidated entity for the period from 1 July 2021 to 31 December 2021.

The evaluation of the identifiable assets and liabilities and the calculation of their fair value associated with the acquisition on the acquisition date have not been determined. The business is determining if an independent assessment of the fair value of assets is warranted. Therefore the goodwill relating to this acquisition has been provisionally accounted for based on available reasonable information.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	336,312
Trade receivables	268,220
Trust assets	2,039,155
Plant and equipment	29,621
Right-of-use assets	59,316
Trade payables	(128,478)
Other payables	(294,082)
Provision for income tax	(192,272)
Employee benefits	(30,073)
Trust liabilities	(2,039,155)
Other provisions	(3,626)
Lease liability	(59,814)
Net liabilities acquired	(14,876)
Goodwill	2,264,876
Acquisition-date fair value of the total consideration transferred	2,250,000
Representing:	
Ensurance Limited shares issued to vendor	2,250,000

22. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 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.

23. Earnings per share

	31 Dec 2021 \$	31 Dec 2020 \$
Profit/(loss) after income tax attributable to the owners of Ensurance Limited	263,429	(307,510)
	Cents	Cents
Basic earnings per share	0.32	(0.53)
Diluted earnings per share	0.32	(0.53)

During half-year ended 31 December 2021 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 2021 the number of ordinary shares outstanding at the beginning of the half-year ended 31 December 2021 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.

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	83,309,619	57,574,538
Weighted average number of ordinary shares used in calculating diluted earnings per share	83,309,619	57,574,538

24. Share-based payments

Partly paid shares

There are no partly paid shares as at 31 December 2021.

Options

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

31 Dec 2021

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Expired / forfeited / other	Balance at the end of the half-year
28/11/2018	31/12/2021	\$0.400	300,000	-	(300,000)	-
28/11/2018	10/07/2021	\$0.500	100,000	-	(100,000)	-
28/11/2018	10/07/2021	\$0.800	100,000	-	(100,000)	-
28/11/2018	31/12/2022	\$0.600	500,000	-	-	500,000
28/11/2018	31/12/2023	\$0.900	700,000	-	-	700,000
25/11/2021	02/07/2023	\$0.300	-	100,000	-	100,000
25/11/2021	02/07/2023	\$0.500	-	100,000	-	100,000
			1,700,000	200,000	(500,000)	1,400,000

Set out below are the options granted last year:

Ensurance Limited and controlled entities
Notes to the consolidated financial statements
31 December 2021



24. Share-based payments (continued)

31 Dec 2020

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Expired/ forfeited/ other	Balance at the end of the half-year
09/08/2017	31/07/2020	\$1.200	100,000	(100,000)	-
09/08/2017	31/07/2020	\$0.170	300,000	(300,000)	-
09/08/2017	31/07/2020	\$0.800	259,731	(259,731)	-
09/08/2017	31/07/2020	\$0.150	350,000	(350,000)	-
15/12/2017	15/12/2020	\$0.500	725,000	(725,000)	-
06/12/2019	06/06/2021	\$0.200	4,397,125	-	4,397,125
20/12/2019	06/06/2021	\$0.200	1,924,609	-	1,924,609
05/07/2019	30/06/2021	\$0.400	1,263,430	-	1,263,430
28/11/2018	10/07/2021	\$0.500	100,000	-	100,000
28/11/2018	10/07/2021	\$0.800	100,000	-	100,000
28/11/2018	31/12/2021	\$0.400	300,000	-	300,000
28/11/2018	31/12/2022	\$0.600	500,000	-	500,000
28/11/2018	31/12/2023	\$0.900	700,000	-	700,000
			11,019,895	(1,734,731)	9,285,164

Performance rights

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

	Number of rights	
	31 Dec 2021	31 Dec 2020
Outstanding at the beginning of the financial half-year	2,500,000	150,000
Expired	(750,000)	(150,000)
Outstanding at the end of the financial half-year	1,750,000	-

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 as follows:

	31 Dec 2021	30 Jun 2021
Target issue date of March 2022	100,000	100,000
Target issue date of March 2023	100,000	100,000
Target issue date of June 2022	325,000	325,000
Target issue date of June 2023	325,000	325,000
	850,000	850,000

On the 1 October 2021 Tim James, Ensurance UK's Chief Executive Officer received 200,000 shares under the Incentive Share Plan. The fair value of these shares was \$48,000 and has been expensed in the period.

Ensurance Limited and controlled entities
Directors' declaration
31 December 2021



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 2021 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 read 'A. H. Leibowitz', written over a horizontal line.

Tony Leibowitz
Non-Executive Chairman

17 February 2022

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 2021, 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 2021 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 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.

ACCOUNTANTS & ADVISORS

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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 2021 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 (SA)
ABN: 38 280 203 274



M.D. King
Partner

Adelaide, 17th February 2022