

# ANNUAL REPORT 2015



 **Ensurance**  
Limited

& CONTROLLED ENTITIES - ABN 76 149 278 759  
(Previously known as Parker Resources Limited)

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# Managing Directors Report



Welcome to all shareholders of Ensurance for our inaugural Annual Report. It is an absolute delight to work for and on behalf of all shareholders that truly see the value in Ensurance on what it represents and future prospects. Thank you for your continued support.

There are exciting times ahead for the company with the insurance industry touted by many to be among the most effected by disruption over the coming short to medium term. As an experienced entity within the industry we can certainly see, not only the need, but the fact that many facets have to, and will, change with purchasing insurance going forward.

In many aspects the industry has been slow to adopt change and is well behind other financial service industries in addressing and improving the insurance transaction for the digital age.

In stating that, it is also evident that the industry has already commenced rapid change and will continue to do so over the coming years. The consumers, that is the paying clients, are demanding the improvement which will continue the pressure on the industry to reform. It is for these reasons that **Ensurance** continues to believe its strategy in addressing these transformational opportunities, is on track to be a significant participant in the Australian and Global landscape.

In a short period of time **Ensurance** has achieved some significant milestones. Executing the ASX listing and raising \$2m through a prospectus is certainly a major achievement. Since this period we have embarked on staffing the Group with the correct workforce, knowing that any success going forward falls heavily on good dedicated people.

We are equally satisfied on the results from all three of our main operations in FY2015;

**Savill Hicks Corp Pty Ltd** - Brokers (Retail),  
**Ensurance Underwriting Pty Ltd** - Underwriting Agents (Wholesale) and - **Ensurance IT Pty Ltd** (EIT).

Our bespoke innovated IT digital solutions from EIT are definitely increasing the competitiveness of the other two entities, in retail (B2C) and wholesale markets (B2B). Sales are showing markedly increases and acceptance by all existing and prospect partners. Innovation and bespoke solutions brings its own challenges, being that live solutions and rollout can be delayed due to unforeseen roadblocks. It is the nature of innovation. In saying that, **Ensurance** EIT has a world class team that can jump any hurdles that present themselves with steadfast determination. Couple our ground breaking IT modernization with the inelastic steady flow of insurance revenue, sets **Ensurance** apart from the rest of the market on its future prospects.

FY2016 will continue to see **Ensurance** increasing its partners using its digital disruptive IT insurance platforms that should drive sales to new levels. Early adoption suggests the company's strategy and hence future direction is well placed and secure.

We look forward to announcing additional gains for **Ensurance** throughout 2016. Once again on behalf of the company, I would like to thank you for partnering us on this journey.



**Mr Stefan Hicks**

Managing Director - Ensurance Limited

# 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 financial year ended 30 June 2015.

*Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. For additional information of Directors including details of the qualifications of Directors please refer to paragraph 6 Information relating to the directors and company secretary of this Directors Report.*



**Mr Adam Davey**  
Chairman  
(Appointed 13 May 2015)



**Mr Stefan Hicks**  
Managing Director  
(Appointed on 6 May 2015)



**Mr Brett Graves**  
Executive Director  
(Appointed on 6 May 2015)



**Mr Neil Pinner**  
Non-executive Director  
(Appointed on 6 May 2015)



**Mr Grant Priest**  
Non-executive Director  
(Appointed on 7 Sept. 2015)

**Mr Brian Thomas**  
Non-executive Director  
(Resigned on 10 Sept. 2015)

**Ms Philippa Leggat**  
Non-executive Director  
(Resigned on 30 June 2015)

## Joint company secretaries

The following people held the joint position of Company Secretary at the end of the financial year:

### Mr Jay Stephenson

MBA, FCPA, CMA, FCIS, MAICD

Mr Stephenson has been involved in business development for over 20 years including the past 17 years as Director, Chief Financial Officer and Company Secretary for various listed and unlisted entities in resources, manufacturing, wine, hotels, and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, business restructuring as well managing all areas of finance for companies.

### Ms Julia Beckett

Certificate in Governance Practice and Administration

Ms Beckett is a Certificated member of the Governance Institute of Australia and a corporate governance professional, having worked in corporate administration and compliance for the past seven years. She has been involved in business acquisitions, mergers, initial public offerings and capital raisings, as well as statutory and financial reporting. Ms Beckett is currently Company Secretary of European Metals Holdings Limited, and Ensurance Ltd.

# Directors' report

## 3. Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2015.

## 4. Significant Changes in the state of affairs

The following significant changes in the state of affairs of the Group occurred during the financial year:

### 4.1. Replacement of Constitution

Shareholders resolved to adopt a new Constitution at the General Meeting of Shareholders held on 29 August 2014.

### 4.2. Significant Changes in Principal Activities

The following significant changes in the principal activities of the Group occurred during the financial year:

#### a. Acquisition of Ensurance Capital Pty Ltd (Ensurance Capital)

At a General Meeting of Shareholders held on 12 January 2015, the shareholders of the Company passed a number of resolutions approving the acquisition to acquire 100% of the issued capital of Ensurance Capital.

On 6 February 2015 the Company lodged the Prospectus for the capital raising of the Ensurance Capital acquisition as approved at the General Meeting. The offer is 6,818,182 Shares at an issue price of 22 cents each Share to raise a minimum subscription amount of \$1,500,000. Oversubscriptions of up to a further 2,272,727 Shares at an issue price of 22 cents each Share to raise a further \$500,000 may be accepted.

As announced to the market on 27 February 2015, completion of the acquisition and issue of Shares under this Prospectus is subject to providing the Australian Securities and Investments Commission (ASIC) with additional information to clarify certain details in the Prospectus.

On 5 May 2015, Parker Resources Limited formally changed its name to Ensurance Limited and completed the acquisition Ensurance Capital in accordance with the prospectuses issued.

As consideration for the issued capital of Ensurance Capital, Ensurance paid \$500,000 (cash consideration) and issued 30,000,000 shares to the shareholder of Ensurance Capital.

Under AASB 3 Business Combinations (AASB 3) this is treated as a 'reverse acquisition', whereby the accounting acquirer is deemed to be Ensurance Capital Pty Ltd and Ensurance Limited is deemed to be the

accounting acquiree. Refer to the effect upon the basis of preparation at note 1a.iii Reverse acquisition on page 22. Accordingly, financial information, including comparatives are reported on the bases as disclosed in this note.

## 5. Operating and financial review

There were no other significant changes to the state of affairs of the Group.

### 5.1. Nature of Operations Principal Activities

Ensurance Capital operates three distinct businesses in the insurance industry consisting of a Sydney-based insurance brokerage, insurance underwriting agency and an information technology company.

The insurance brokerage, Savill Hicks Corp Pty Ltd (SHC), has operated nationally for over 23 years with the complementary underwriting agency having been established in 2013. Ensurance IT Pty Ltd (Ensurance IT), the IT business, has developed an online platform which has enabled the business to execute real-time insurance sales online for the past 6 years. Ensurance IT is now in the process of developing a new platform, taking advantage of its knowledge, experience and the availability of improved technology to enable the Ensurance Group to not only conduct its own existing insurance brokerage business more efficiently but also to assist in marketing the platform to "white label" customers. Once the new platform is operational, the Ensurance Group will begin the process of migrating all existing products and clients to the new platform, allowing the Ensurance Group to replace the existing platform with the new one over time.

"White labelling" is the branding by the marketing company of a producer's products. It provides organisations with the ability to take advantage of market opportunities by leveraging the capabilities of other businesses without the need to develop these capabilities internally. This means they can avoid the need to design and build systems with the attendant costs and logistical difficulties associated with starting from scratch. In the insurance industry it allows institutions and large industry participants, such as the mortgage broking industry, to label insurance products as their own and cross-sell these to their existing client bases. This brings the benefits associated with economies of scale into play.

# Directors' report

## 5.2. Financial Review

### a. Operating results

Ensurance Ltd ("the Group") delivered a FY15 Loss before tax of \$4,185,751 (2014: \$19,188 profit), representing a decline in profitability. However this figure includes an accounting entry of "corporate transaction accounting expense", as a result of the reverse takeover of \$3,159,454. The operational loss of the Group was \$907,999 against a Profit in FY14 of \$190,886. The decrease in profit was due to several main factors;

**Increase in Employee Benefits (Wages) of \$438,190 (mainly software development)**

**Incurring abnormal Merger Costs of \$174,685 (Legal, Consultants, and Accountancy)**

**Increase in Hardware Costs for Software Development of \$117,551**

**Decrease of Other Income of \$249,531 (mainly FY14 Sold Investment Shares for Capital Gain)**

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: Going Concern on page 22.

### b. Financial position

The net assets of the Group have increased from 30 June 2014 by \$2,208,273 to \$2,598,787 at 30 June 2015 (2014: \$390,514).

As at 30 June 2015, the Group's cash and cash equivalents increased from 30 June 2014 by \$2,037,774 to \$2,485,532 at 30 June 2015 (2014: \$447,758) and had working capital of \$689,726 (2014: \$(1,254,194) working capital deficit).

## 5.3. 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 27 Events subsequent to reporting date on page 52.

## 5.4. 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.

## 5.5. Environmental Regulations

The Group's operations are not subject to significant environmental regulations in the jurisdictions it operates in, namely Australia.

The Directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act has no effect on the Company for the current, nor subsequent, financial year. The Directors will reassess this position as and when the need arises.

## 6. Information relating to the directors and company secretary

**Mr Adam Davey:** Non-Executive Chairman

**Qualifications:** Professional Diploma in Stockbroking

**Experience:** Mr Davey has had experience in the securities industry over the past 25 years. He has served as a Non-Executive Director of a number of industrial and mining companies. He has significant experience in capital raisings, mergers and acquisitions. Mr Davey also serves as Chairman of the non-for-profit organisation Teen Challenge Foundation.

**Special responsibilities:** Chairman and Chairman of the Remuneration Committees

**Interest in Shares and Options:**

20,000 ordinary shares in Ensurance Limited  
4,000,000 partly paid shares in Ensurance Limited  
250,000 options in Ensurance Limited

**Directorships held in other listed entities:**

Non-executive director of Minquest Limited

**Mr Stefan Hicks:** Managing Director

**Qualifications:** MAICD, Diploma Financial Services

**Experience:** Mr Hicks is currently the managing director of Ensurance, a founder and director of SHC, a director of Ensurance Life and the sole director of Ensurance Underwriting, Ensurance IT and Savill Hicks (NSW) Pty Ltd (a wholly owned subsidiary of SHC).

# Directors' report

Mr Hicks has previously held senior insurance positions in Alexander Stenhouse (Aon), Perth; Willis Faber Johnson and Higgins (Willis), Melbourne; and stockbroker position with Perth based boutique corporate advisory firm Montagu Stockbrokers. He is a member of the Australian Company Institute of Directors and holds a Diploma of Financial Services.

**Special responsibilities:** Managing Director,  
Member of the Audit Committee

**Interest in Shares and Options:**

16,369,044 ordinary shares in Ensurance Limited (direct)  
9,515,962 ordinary shares in Ensurance Limited (indirect)

**Directorships held in other listed entities:** None

**Mr Brett Graves: Executive Director**

**Qualifications:** ANZIIF (Fellow) CIP

**Experience:** Mr Graves is a director, and the CEO of SHC and a director of Ensurance Life and Ensurance.

Mr Graves' expertise includes implementation of growth strategies, oversight and management of national online solutions and partner program (white labelling), managing relationships with insurers, advising Government boards on the implementation and strategy of legislative insurance products, management of current binder arrangements, compliance management including risk management, human resources management, budgeting / business planning and corporate client management.

Mr Graves previously held various senior national positions in AAI Limited trading as Vero Insurance (Sydney and Melbourne), including National Underwriting Manager for Home Warranty and Construction and is a Fellow of Australian and New Zealand Institute of Insurance and Finance.

**Special responsibilities:** Member of Audit Committee incorporating AFSL, IP, and Corporate Governance Charter guidance.

**Interest in Shares and Options:**

10,000 ordinary shares in Ensurance Limited (direct)  
2,884,994 ordinary shares in Ensurance Limited (indirect)

**Directorships held in other listed entities:** None

**Mr Neil Pinner: Non-Executive Director**

**Experience:** Mr Pinner has spent the past 43 years in the banking and finance industry.

After 18 years with the Commonwealth Bank, Mr Pinner co-founded Mortgage Force Australia which later became Smartline Personal Mortgage Advisers and is now one of Australia's leading mortgage broking firms. Smartline has around 300 franchisees Australia wide and funds in excess of five billion per annum in home mortgage lending.

Mr Pinner is one of the original pioneers of the mortgage industry, and has helped shape the industry, not only in his role as a director of Mortgage Force and Smartline, but he has also played an active role in the Mortgage Finance Association of Australasia. He was on the first ever Mortgage Originator Committee of Western Australia and then in later years on the National Brokering Industry Board. Mr Pinner brings an extensive network of mortgage broking and banking industry contacts to Parker and its Board.

Mr Pinner was recently appointed to the board of Perth Racing which complements his many years following his passion for the thoroughbred industry as a breeder and owner.

**Special responsibilities:** Member of  
Remuneration Committee

**Interest in Shares and Options:**

10,000 ordinary shares in Ensurance Limited (direct)  
517,500 ordinary shares in Ensurance Limited (indirect)

**Directorships held in other listed entities:** None

**Mr Grant Priest: Non-Executive Director**

**Qualifications:** BBus, FCA, CTA

**Experience:** Mr Priest is a director of the Perth Chartered Accounting firm Sothertons. He has been with Sothertons since 1982 and was appointed a director in 1988. He was a director of the Board of the National Sothertons Group from 1994 to 2001 and was Chairman of the board from 1998 to 2000.

Mr Priest has extensive experience in commercial transactions involving equity placement, enterprise sale and purchase, relationship and service arrangements, granting of licencing rights, transaction structuring and strategy, risk mitigation, due diligence and investigative analysis and finance strategies.

These skills and experiences have been gained during Mr Priest's 33 years in public Chartered Accountancy practice, his various roles with listed and unlisted funds and companies, as well as representing the interests of a

# Directors' report

number of large family estates. Mr Priest also has extensive experience in the audit of AFSL holders in the Insurance brokerage industry.

Mr Priest was a founding non-executive director of Paladin Australia Ltd from 1994 to 1999, Chairman of Carpathian Resources Ltd from 2004 to 2006 and has been Chairman of Life Plan Recreation and Leisure Association Inc since 1999. He is currently as a director and company secretary to AFSL licence holder of Knights Capital Management Pty Ltd. Grant sits on the Human Research Ethics Committee at Princess Margaret Hospital.

**Special responsibilities:** Chairman of the Audit Committee, incorporating AFSL, IP, and Corporate Governance Charter guidance; Member of Remuneration Committee

**Interest in Shares and Options:**

50,000 ordinary shares in Ensurance Limited (indirect)

**Directorships held in other listed entities:** None

**Mr Brian Thomas: Non-Executive Director  
(resigned 10 September 2015)**

**Qualifications:** BSc, MBA, SAFin, MAusIMM, MAICD

**Experience:** Mr Brian Thomas is a geologist and mineral economist with extensive experience as both an executive and non-executive director of small to mid-market capitalisation publicly listed resources companies.

He was previously in a senior business development role with a major Australian bank sourcing energy and resources financing opportunities, which followed a period with a global investment banking group.

This was preceded by a period as a corporate stockbroker with two major Australian based firms. The shift to the finance industry followed over 20 years in both production and exploration operational management roles in the resources sector.

**Special responsibilities:** Member of all the Committees

**Interest in Shares and Options:**

30,001 ordinary shares in Ensurance Limited

**Directorships held in other listed entities:**

Currently a Non-Executive Director of Orinoco Gold Ltd (previously Strickland Resources Ltd), During the past four years, he was a Non-Executive Director of Potash Minerals Ltd (Formerly Transit Holding Ltd), Noble Mineral Resources Ltd, Condoto Platinum NL, Charter Pacific Corporation Limited, Aragon Resources Limited.

**Mr Philippa Leggat: Non-Executive Director  
(resigned 30 June 2015)**

**Qualifications:** BCom, BA, GAICD, PCMCA

**Experience:** Philippa has over ten years commercial, managerial and operational experience in corporate strategy, risk management, compliance and business improvement largely focussed on the resource, finance and construction sectors

She has undertaken and advised companies on; due diligence, risk and compliance assessments with related improvements; asset acquisition, management and disposal; debt finance and capital raising; investor relations and reporting; reviewing and reworking organisational strategy; achieving information technology compliance; privacy and confidentiality; and adoption of international standards, frameworks and best practice.

**Directorships held in other listed entities:**

Philippa is a director of the WA Mining Club and Managing Director of Legate Consulting.

**Special responsibilities:** Member of all the Committees

**Interest in Shares and Options:** Nil

**Directorships held in other listed entities:** None



# Directors' report

## 7. Meetings of directors and committees

During the financial year one meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year are stated in the following table.

	DIRECTORS' MEETINGS		AUDIT COMMITTEE		NOMINATION COMMITTEE		REMUNERATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Adam Davey	1	1								
Stefan Hicks	1	Nil								
Brett Graves	1	1								
Neil Pinner	1	Nil								
Grant Priest	-	-								
Brian Thomas	1	1								
Philippa Leggat	1	1								

*At the date of this report, the Remuneration, Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.*

## 8. Indemnifying officers or auditor

### 8.1 Indemnification

The Company has entered an Indemnity, Insurance and Access Deed with each Director. Pursuant to the Deed:

*The Director is indemnified by the Company against any liability incurred in that capacity as an officer of the Company to the maximum extent permitted by law subject to certain exclusions.*

The Company must keep a complete set of company documents until the later of:

- The date which is seven years after the Director ceases to be an officer of the Company; and
- The date after a final judgment or order has been made in relation to any hearing, conference, dispute, enquiry or investigation in which the Director is involved as a party, witness or otherwise because the Director is or was an officer of the Company  
**(Relevant Proceedings).**

The Director has the right to inspect and copy a Company document in connection with any relevant proceedings during the period referred to above.

Subject to the next sentence, the Company must maintain an insurance policy insuring the Director against liability as a director and officer of the Company while the Director is an officer of the Company and until the later of:

- The date which is seven years after the Director ceases to be an officer of the Company; and
- The date any Relevant Proceedings commenced before the date referred to above have been finally resolved.

The Company may cease to maintain the insurance policy if the Company reasonably determines that the type of coverage is no longer available.

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

### 8.2. Insurance premiums

During the year the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Group.

# Directors' report

## 9. Options

### 9.1. Unissued shares under option

At the date of this report, the un-issued ordinary shares of Ensurance Limited under option (listed and unlisted) are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
24 June 2011	19 September 2016	\$0.20	1,000,000
			1,000,000

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

### 9.2. Shares issued on exercise of options

No ordinary shares were issued by the Company as a result of the exercise of options during or since the end of the financial year.

## 10. Non-audit services

During the year, Stantons International (Stantons), the Company's auditor, did not perform any services other than their statutory audits. Details of remuneration paid to the auditor can be found within the financial statements at Note 6 Auditor's Remuneration on page 35.

In the event that non-audit services are provided by Stantons, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and

- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

## 11. Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

## 12. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 (Cth) for the year ended 30 June 2015 has been received and can be found on page 16 of the annual report.

# Directors' report

## 13. Remuneration report (audited)

The information in this remuneration report has been audited as required by s308(3C) of the Corporations Act 2001.

### 13.1. Key management personnel (KMP)

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP comprise the directors of the Company and key executive personnel:

Mr Adam Davey: Chairman  
(Appointed on 17 August 2012)

Mr Stefan Hicks: Managing Director  
(Appointed on 6 May 2015)

Mr Brett Graves: Executive Director  
(Appointed on 6 May 2015)

Mr Neil Pinner: Non-executive Director  
(Appointed on 6 May 2015)

Mr Brian Thomas: Non-executive Director  
(Resigned on 10 September 2015)

Ms Philippa Leggat: Non-executive Director  
(Resigned on 30 June 2015)

Mr Grant Priest: Non-executive Director  
(Appointed on 7 September 2015)

Mr Michael Huntly: CEO of Ensurance Underwriting

### 13.2. Principles used to determine the nature and amount of remuneration

The remuneration policy of the Company has been designed to ensure reward for performance is competitive and appropriate to the result delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice.

The Board ensures that Director and executive reward satisfies the following key criteria for good reward government practices:

**Competitiveness and reasonableness;**  
**Acceptability to the shareholder;**  
**Performance;**  
**Transparency; and**  
**Capital management.**

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. Currently, this is facilitated through the issues of options to the majority of Directors and Executives

to encourage the alignment of personal and shareholder interests.

The Company believes this policy will be effective in increasing shareholder wealth. The Board's policy for determining the nature and amount of remuneration for Board members and Senior Executive of the Company is as follows:

#### a. Executive Directors and other Senior Executives

Executives receive a base salary (which is based on factors such as length of service and experience), retirement benefits, options and performance incentives. The Board reviews Executive packages annually by reference to the Company's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries. Executives are also entitled to participate in the employee share and option arrangement.

#### b. Non-Executive Directors

The Company's Constitution provides that Directors are entitled to be remunerated for their services as follows:

The total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

The Directors' remuneration accrues from day to day.

The total aggregate fixed sum per annum which may be paid to non-executive Directors is \$250,000. This amount cannot be increased without the approval of the Company's Shareholders.

The Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.

#### c. Fixed Remuneration

Other than statutory superannuation contribution, no retirement benefits are provided for Executive and Non-Executive Directors of the Company. To align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the company.

# Directors' report

## d. Performance Based Remuneration – Short-term and long-term incentive structure

The Board will review short-term and long-term incentive structures from time to time. Any incentive structure will be aligned with shareholders' interests

**Short-term incentives:** No short-term incentives in the form of cash bonuses were granted during the year.

**Long-term incentives:** The Board has a policy of granting incentive options to executives with exercise prices above market share price. As such, incentive options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Group increases sufficiently to warrant exercising the incentive options granted.

The directors of the Company are not eligible to participate in the "Ensurance Limited Employee Incentive Option Plan".

## e. Service Contracts

Remuneration and other terms of employment for the directors, KMP and the company secretary are formalised in contracts of employment.

## f. Engagement of Remuneration Consultants

During the financial year, the Company did not engage any remuneration consultants.

## g. Relationship between Remuneration of KMP and Earnings

As discussed above, the Group previously undertook exploration activities. The Group, through the reverse acquisition, has changed its nature and scale of operation. Accordingly, the Board does not consider earnings during the current and previous financial years when determining the nature and amount of remuneration of KMP.

## 13.3. Remuneration Details for the Year Ended 30 June 2015

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the KMP of the Group and is prepared on the following bases:

The report relates to the listed entity only, Ensurance Limited, being the legal acquirer. The accounting acquirer remuneration will be disclosed from the date of control. Consequently, amounts reported below will differ from note 23 Key Management Personnel compensation;

The remuneration for the KMP of the listed entity (Ensurance Limited) need to be disclosed for the full year for both current year and comparatives.

2015 – Group										
Group Key Management Person	Short-term benefits				Post-employment benefits Super-annuation	Long-term benefits Other	Equity-settled share-based payments		Total	
	Salary, fees and leave	Profit share and bonuses	Non-monetary <sup>(2)</sup>	Other <sup>(1)</sup>			Equity	Options		
	\$	\$	\$	\$			\$	\$		\$
Adam Davey	42,736	-	1,821	7,625	-	-	-	-	52,182	
Stefan Hicks	27,333	4,167	179	-	2,597	-	-	-	34,276	
Brett Graves	15,000	-	179	-	1,425	-	-	-	16,604	
Brian Thomas	55,000	-	1,821	-	5,225	-	-	-	62,046	
Neil Pinner	1,172	-	179	-	143	-	-	-	1,494	
Philippa Leggat	73,750	-	1,821	-	7,006	-	-	-	82,577	
Michael Huntly	25,000	-	-	-	2,375	-	-	-	27,375	
	239,991	4,167	6,000	7,625	18,771	-	-	-	276,554	

# Directors' report

2014 – Legal Parent  Key Management Person	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total
	Salary, fees and leave	Profit share and bonuses	Non-monetary <sup>(2)</sup>	Other			Equity	Options	
	\$	\$	\$	\$	Super-annuation \$	Other \$	\$	\$	\$
Adam Davey	30,000	-	2,166	-	-	-	-	-	32,166
Brian Thomas	60,000	-	2,167	-	5,550	-	-	-	67,717
Philippa Leggat	30,000	-	2,167	-	2,775	-	-	-	34,942
	120,000	-	6,500	-	8,325	-	-	-	134,825

(1) Amounts paid to A Davey relate to consultancy fees incurred in respect to the reverse acquisition of Ensurance Capital Pty Ltd.

(2) Directors and officers insurance paid by the company

## 13.4. Service Agreements

### a. Non-executive Director appointment letter with Brian Thomas

The Company has entered into an appointment letter with Mr Brian Thomas, on standard terms for agreements of this nature, under which he is currently entitled to director fees of \$60,000 per annum plus superannuation. Subject to completion of the Acquisition, Mr Thomas will step down as Non-Executive Chairman on the date of completion of the Acquisition and will continue as a Non-Executive Director.

Mr Thomas' annual remuneration will consequently be reduced to \$30,000 per annum plus superannuation. Mr Thomas resigned on 10 September 2015.

### b. Non-executive Director appointment letter with Adam Davey

The Company has entered into an appointment letter with Mr Adam Davey, on standard terms for agreements of this nature, under which he is currently entitled to director fees of \$30,000 per annum plus superannuation. Subject to completion of the Acquisition, Mr Davey will be appointed as Non-Executive Chairman on and from completion of the Acquisition.

Mr Davey's annual remuneration was consequently increased to \$100,000 per annum plus superannuation, effective 1 August 2015.

### c. Non-executive Director appointment letter with Philippa Leggat

The Company has entered into an appointment letter with Ms Philippa Leggat, on standard terms for agreements of this nature, under which she was currently entitled to director fees of \$30,000 per annum plus superannuation.

Ms Leggat resigned on 30 June 2015. Ms Leggat relate to was paid an additional rate in respect to the reverse acquisition of Ensurance Capital Pty Ltd.

### d. Executive services Contract with Stefan Hicks

The Company has entered into an executive services contract with Mr Stefan Hicks on the following terms:

Mr Hicks is employed by the Company as the Managing Director.

The executive services contract commence on the date of completion of the Acquisition (5 May 2015).

The gross annual remuneration package (including superannuation) is \$345,000 per annum, payable in monthly instalments, reported from the date of acquisition;

If Mr Hicks holds any office or directorship with any other Group company, he will not be entitled to any additional remuneration in respect of those appointments.

The remuneration will be reviewed by the Board annually in accordance with the Company's policies and procedures.

The executive services contract may be terminated by either party by providing six months' notice.

### e. Executive services Contract with Director Brett Graves

The Company has entered into an executive services contract with Mr Brett Graves on the following terms:

Mr Graves will be employed by the Company as an Executive Director.

The executive services contract will commence on the date of completion of the Acquisition (5 May 2015).

The gross annual remuneration package (including superannuation) is \$220,000 per annum, payable in monthly instalments, reported from the date of Acquisition;

If Mr Graves holds any office or directorship with any other Group company, he will not be entitled to any additional remuneration in respect of those appointments.

# Directors' report

The remuneration will be reviewed by the Board annually in accordance with the Company's policies and procedures.

The executive services contract may be terminated by either party by providing six months' notice.

## f. Non-executive Director appointment letter with Neil Pinner

The Company has entered into an appointment letter with Mr Neil Pinner, on standard terms for agreements of this nature, under which he will be entitled to director fees of \$30,000 per annum plus superannuation.

Subsequent to year end, this agreement was increased to \$50,000 per annum, plus superannuation, effective 1 August 2015.

## g. Non-executive Director appointment letter with Grant Priest

Subsequent to balance date, the Company appointed Mr Grant Priest as non-executive director, on standard terms for agreements of this nature, under which he will be entitled to director fees of \$50,000 per annum, plus superannuation.

## 13.5 Share-based compensation

No options were granted to the Directors during the year ended 30 June 2015.

There were no equity instruments issued during the year to Directors as result of options exercised that had previously been granted as compensations.

### a. Securities Received that are not performance-related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

### b. Options and Rights Granted as Remuneration

No options or rights were granted as remuneration during 2015 (2014: nil).

## 13.6. Key Management Personnel equity holdings

### a. Fully paid ordinary shares of Ensurance Limited held by each Key Management Person

2015 – Group	Balance at start of year	Received during the year as compensation	Received during the year on the exercise of options	Other changes during the year	Balance at end of year
Group Key Management Person	No.	No.	No.	No.	No.
Adam Davey <sup>(1)(2)</sup>	4,520,000	-	-	-	4,520,000
Stefan Hicks <sup>(3)(4)</sup>	105,000	-	-	25,875,006	25,980,006
Brett Graves <sup>(3)(4)</sup>	20,000	-	-	2,874,994	2,894,994
Neil Pinner <sup>(3)</sup>	527,500	-	-	-	527,500
Brian Thomas <sup>(1)</sup>	30,001	-	-	-	30,001
Philippa Leggat <sup>(1)</sup>	-	-	-	-	-
Michael Huntly	-	-	-	1,250,000	1,250,000
	5,202,501	-	-	30,000,000	35,202,501

(1) Other changes during the year relate to acquisitions and disposals for Directors and their related parties.

(2) Mr Davey's shares include 4,000,000 partly-paid ordinary shares held by Mr Davey and his related parties.

(3) Balance at the start of the year represents Messrs Hicks, Graves, and Pinner's existing relevant interests at the time of becoming directors.

(4) Other changes during the year relate to the issue of shares to Messrs Hicks and Graves and their related parties, as part consideration for the acquisition by the Company of the Ensurance Capital shares currently held by said parties. Shareholders approved the issue of these Consideration Shares at the General Meeting.

(5) Balance at the end of year represents Ms Leggat's number of shares held as the date of her resignation, 30 June 2015.

2014 – Legal Parent	Balance at start of year	Received during the year as compensation	Received during the year on the exercise of options	Other changes during the year <sup>(1)</sup>	Balance at end of year
Key Management Person	No.	No.	No.	No.	No.
Adam Davey	4,520,000	-	-	-	4,520,000
Brian Thomas	30,001	-	-	-	30,001
Philippa Leggat	-	-	-	-	-
	4,550,001	-	-	-	4,550,001

# Directors' report

## b. Options in Ensurance Limited held by each Key Management Person

2015 – Group		Granted as				Balance at end of year No.	Vested and Exercisable No.	Not Vested No.
Group Key Management Person	Balance at start of year No.	Remuneration during the year No.	Exercised during the year No.	Other changes during the year No.				
Adam Davey	250,000	-	-	-	250,000			
Stefan Hicks	-	-	-	-	-	-	-	
Brett Graves	-	-	-	-	-	-	-	
Brian Thomas	-	-	-	-	-	-	-	
Neil Pinner	-	-	-	-	-	-	-	
Philippa Leggat	-	-	-	-	-	-	-	
Michael Huntly	-	-	-	-	-	-	-	
	250,000	-	-	-	250,000	-	250,000	

2014 – Legal Parent		Granted as				Balance at end of year No.	Vested and Exercisable No.	Not Vested No.
Group Key Management Person	Balance at start of year No.	Remuneration during the year No.	Exercised during the year No.	Other changes during the year No.				
Adam Davey	250,000	-	-	-	250,000			
Brian Thomas	-	-	-	-	-	-	-	
Philippa Leggat	-	-	-	-	-	-	-	
	250,000	-	-	-	250,000	-	250,000	

### 13.7. Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above relating to options, rights and shareholdings.

### 13.8 Loans to Key Management Personnel

The Group current has a loan payable to Mr Hicks' of \$2,485 as at 30 June 2015 loans made to directors of Ensurance as at 30 June 2015 (2014: \$2,485).

During the 2015 financial year Mr Hicks' received \$43,000 in payments in respect to a convertible note. Mr Graves also received \$34,009 in payment in respect to a convertible note.

### 13.9 Other transactions with Key Management Personnel and or their Related Parties

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer Note 24 Related party transactions.

## END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).



**ADAM DAVEY**

Chairman

Dated this Wednesday, 30 September 2015

# AUDITED FINANCIAL REPORT





# Auditor's Independence Declaration

Stantons International Audit and Consulting Pty Ltd  
trading as

**Stantons International**  
Chartered Accountants and Consultants

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www.stantons.com.au

30 September 2015

The Directors  
Ensurance Limited  
Suite 12, Level 1  
11 Ventnor Avenue,  
West Perth, WA 6005

Dear Sirs

**RE: ENSURANCE LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Ensurance Limited.

As Audit Director for the audit of the financial statements of Ensurance Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Yours faithfully,  
**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED**  
(Trading as Stantons International)  
(An Authorised Audit Company)



**John Van Dieren**  
Director

# Audited Financial Statements

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

for the year ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Continuing operations</b>			
Revenue	4	2,650,393	2,405,583
Other income	4	31,291	280,822
		2,681,684	2,686,405
Business development		(242,553)	(193,788)
Compliance costs		(188,028)	(107,972)
Computers and communications		(257,482)	(139,931)
Corporate transaction accounting expense	3d	(3,159,454)	-
Depreciation and amortisation	5	(350,379)	(243,790)
Employment costs	5	(1,994,551)	(1,556,361)
Finance costs		(110,608)	(70,536)
Legal and consulting fees		(110,697)	(11,682)
Occupancy costs		(181,810)	(151,680)
Travel and accommodation		(176,414)	(158,978)
Other expenses		(63,911)	(58,509)
Loss before tax	5	(4,154,203)	(6,822)
Income tax benefit / (expense)	7	(31,548)	26,010
<b>Net (loss) / profit for the year</b>		<b>(4,185,751)</b>	<b>19,188</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss:			
▶ Revaluation of assets		(2,313)	46,190
Items that may be reclassified subsequently to profit or loss:			
		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(2,313)</b>	<b>46,190</b>
<b>Total comprehensive income attributable to members of the parent entity</b>		<b>(4,188,064)</b>	<b>65,378</b>
<b>Profit/(loss) for the period attributable to:</b>			
Non-controlling interest		(36,522)	(32,291)
Owners of the parent		(4,149,229)	51,479
<b>Total comprehensive income/(loss) attributable to:</b>			
Non-controlling interest		(36,522)	(32,291)
Owners of the parent		(4,151,542)	97,669
<b>Earnings per share:</b>			
Basic and loss per share (cents per share)	8	¢ (12.15)	¢ 0.17

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

# Audited Financial Statements

## Consolidated statement of financial position

as at 30 June 2015

	Note	2015 \$	2014 \$
<b>Current assets</b>			
Cash and cash equivalents	9	2,485,532	447,758
Trade and other receivables	10	56,507	281,032
Trust account insurer assets	12a	3,068,194	1,878,876
Current tax assets	7	603	--
Other current assets	11	19,884	10,336
<b>Total current assets</b>		<b>5,630,720</b>	<b>2,618,002</b>
<b>Non-current assets</b>			
Financial assets	13	81,060	171,512
Plant and equipment	14	100,119	43,796
Intangible assets	15	835,679	692,424
<b>Total non-current assets</b>		<b>1,016,858</b>	<b>907,732</b>
<b>Total assets</b>		<b>6,647,578</b>	<b>3,525,734</b>
<b>Current liabilities</b>			
Trade and other payables	16	649,731	531,389
Trust account insurer liabilities	12b	3,068,194	1,878,876
Current tax liabilities	7	31,548	22,198
Provisions	18	97,887	63,975
Borrowings	17	175,847	514,446
<b>Total current liabilities</b>		<b>4,023,207</b>	<b>3,010,884</b>
<b>Non-current liabilities</b>			
Provisions	18	25,584	22,793
Borrowings	17	-	101,543
<b>Total non-current liabilities</b>		<b>25,584</b>	<b>124,336</b>
<b>Total liabilities</b>		<b>4,048,791</b>	<b>3,135,220</b>
<b>Net assets</b>		<b>2,598,787</b>	<b>390,514</b>
<b>Equity</b>			
Issued capital	19	6,517,547	121,210
Reserves	20	(2,042)	271
Accumulated losses		(3,916,718)	312,261
Non-controlling interest		-	(43,228)
<b>Total equity</b>		<b>2,598,787</b>	<b>390,514</b>

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

# Audited Financial Statements

## Consolidated statement of changes in equity

for the year ended 30 June 2015

	Note	Issued Capital \$	Accumulated Losses \$	Revaluation Reserve \$	Non- controlling Interest \$	Total \$
<b>Balance at 1 July 2013</b>		121,210	260,782	(45,919)	(10,937)	325,136
Profit / (loss) for the year attributable owners of the parent		-	51,479	-	(32,291)	19,188
Other comprehensive income for the year attributable owners of the parent		-	-	46,190	-	46,190
<b>Total comprehensive income for the year attributable owners of the parent</b>		-	51,479	46,190	(32,291)	65,378
<b>Transaction with owners, directly in equity</b>						
Shares issued during the year		-	-	-	-	-
<b>Balance at 30 June 2014</b>		121,210	312,261	271	(43,228)	390,514
<b>Balance at 1 July 2014</b>		121,210	312,261	271	(43,228)	390,514
Loss for the year attributable owners of the parent		-	(4,149,229)	-	(36,522)	(4,185,751)
Other comprehensive income for the year attributable owners of the parent		-	-	(2,313)	-	(2,313)
<b>Total comprehensive income for the year attributable owners of the parent</b>		-	(4,149,229)	(2,313)	(36,522)	(4,188,064)
<b>Transaction with owners, directly in equity</b>						
Shares issued during the year	19a	6,396,337	-	-	-	6,396,337
Transaction costs		-	-	-	-	-
Acquisition of minority interest		-	(79,750)	-	79,750	-
<b>Balance at 30 June 2015</b>		6,517,547	(3,916,718)	(2,042)	-	2,598,787

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

# Audited Financial Statements

## Consolidated statement of cash flows

for the year ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		2,962,270	2,605,697
Interest received		10,790	39,421
Interest and borrowing costs paid		(110,608)	(70,536)
Payments to suppliers and employees		(3,507,474)	(2,536,972)
R&D grant income received		266,331	166,323
Payments / Refund of income		(22,801)	(12,048)
<b>Net cash used in operating activities</b>	9d.i	<b>(401,492)</b>	<b>191,885</b>
<b>Cash flows from investing activities</b>			
Proceeds from asset development grant funds		527,067	-
Payment for development of intangible assets		(1,006,947)	(312,216)
Payment for subsidiary net of cash acquired	9g.ii	2,920,916	153,031
Financial assets		88,139	-
Purchase of plant and equipment		(75,104)	(2,732)
<b>Net cash used in investing activities</b>		<b>2,454,071</b>	<b>(161,917)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from issue of shares		150,000	-
Repayment of borrowings		(161,231)	329,267
<b>Net cash provided by financing activities</b>		<b>(11,231)</b>	<b>329,267</b>
<b>Net increase in cash held</b>		<b>2,041,348</b>	<b>359,235</b>
Cash and cash equivalents at the beginning of the year		305,355	(53,880)
<b>Cash and cash equivalents at the end of the year</b>	9b	<b>2,346,703</b>	<b>305,355</b>

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

# Audited Financial Statements

## Notes to the consolidated financial statements

for the Year Ended 30 June 2015

### Note 1 Statement of significant accounting policies

These are the 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 separate financial statements of Ensurance, as the parent entity, have not been presented with this financial report as permitted by the *Corporations Act 2001* (Cth).

The financial statements were authorised for issue on 30 September 2015 by the directors of the Company.

#### a. Basis of preparation

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

##### i. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (**AAS Board**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards (**AASBs**) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

##### ii. Financial position

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of \$4,185,751 (2014: \$19,188 profit) and a net cash in-flow of \$2,041,348 (2014: \$359,235 in-flow). The net assets of the Group have increased from 30 June 2014 by \$2,208,273 to \$2,598,787 at 30 June 2015 (2014: \$390,514). As at 30 June 2015, the Group's cash and cash equivalents increased from 30 June 2014 by \$2,037,774 to \$2,485,532 at 30 June 2015 (2014: \$447,758) and had working capital of \$689,726 (2014: \$(1,254,194) working capital deficit).

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 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 consolidated financial statements is that of Ensurance Capital.

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

#### ↳ The consolidated statement of comprehensive income:

- ▶ for the year to 30 June 2015 comprises twelve months of Ensurance Capital and the period from 5 May 2015 to 30 June 2015 of Ensurance; and
- ▶ for the comparative period comprises 1 July 2013 to 30 June 2014 of Ensurance Capital.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the Year Ended 30 June 2015

### Note 1 Statement of significant accounting policies

- ↳ The consolidated statement of financial position:
  - ▶ as at 30 June 2015 represents both Ensurance Capital and Ensurance as at that date ;and
  - ▶ as at 30 June 2014 represents Ensurance Capital as at that date.
- ↳ The consolidated statement of changes in equity:
  - ▶ for the year ended 30 June 2015 comprises Ensurance Capital's balance at 1 July 2014, its loss for the year and transactions with equity holders for twelve months. It also comprises Ensurance transactions within equity from 5 May 2015 to 30 June 2015 and the equity value of Ensurance Capital and Ensurance at 30 June 2015. The number of shares on issue at year end represent those of Ensurance only.
  - ▶ for the comparative period comprises 1 July 2013 to 30 June 2014 of Ensurance Capital's changes in equity.
- ↳ The consolidation statement of cash flows:
  - ▶ for the year ended 30 June 2015 comprises the cash balance of Ensurance Capital, as at 1 July 2014, the cash transactions for the twelve months (twelve months of Ensurance Capital and the period from 5 May 2015 to 30 June 2015 of Ensurance) and the cash balances of Ensurance Capital and Ensurance at 30 June 2015.
  - ▶ for the comparative period comprises 1 July 2013 to 30 June 2014 of Ensurance Capital's cash transactions.

#### iv. Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

#### v. Comparative figures

Where required by AASBs comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

### b. Principles of consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

#### i. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to variable returns from another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- ↳ the fair value of the consideration transferred; plus
- ↳ the recognised amount of any non-controlling interests in the acquiree; plus
- ↳ if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;

**less**

- ↳ the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the Year Ended 30 June 2015

### Note 1 Statement of significant accounting policies

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

#### ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

A list of controlled entities is contained in Note 21 Controlled Entities on page 45 of the financial statements

#### iii. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

#### iv. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

### c. Foreign currency transactions and balances

#### i. Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

#### ii. Transaction and balances




Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

#### iii. Group companies and foreign operations

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

-  assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
-  income and expenses are translated at average exchange rates for the period; and
-  retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.



# Audited Financial Statements

## Notes to the consolidated financial statements

for the Year Ended 30 June 2015

### Note 1 Statement of significant accounting policies

#### d. Taxation

##### i. Income tax

The income tax expense / (income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Where the Group receives the Australian Government's Research and Development Tax Incentive, the Group accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the parent company's income tax return and disclosed as such in Note 7 Income Tax, on page 36.

##### ii. Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the balance sheet.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### e. Fair Value

##### i. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the Year Ended 30 June 2015

### Note 1 Statement of significant accounting policies

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

#### ii. Fair value hierarchy




AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

#### iii. Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

-  **Market approach:** valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
-  **Income approach:** valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
-  **Cost approach:** valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the Year Ended 30 June 2015

### Note 1 Statement of significant accounting policies

#### f. Plant and equipment

##### i. Recognition and measurement

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 1h Impairment of non-financial assets).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.



##### ii. Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the income statement as an expense as incurred.

##### iii. Depreciation

Depreciation is charged to the income statement on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates used for the current and comparative period are:

	2015 %	2014 %
 Fixtures, furniture, and equipment	11.25 – 37.50	11.25 – 37.50
 Plant and equipment	25.00 – 37.50	25.00 – 37.50

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" in profit or loss.

#### g. Non-current assets held for disposal

Non-current assets and disposal groups are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale" occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

A discontinued operation is a component of an entity, being a cash-generating unit (or a group of cash generating units), that either has been disposed of, or is classified as held for sale, and: represents a separate major line of business or geographical area of operations; is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with the view to resale.

Impairment losses are recognised for any initial or subsequent write-down of an asset (or disposal group) classified as held for sale to fair value less costs to sell. Any reversals of impairment recognised on classification as held for sale or prior to such classification are recognised as a gain in profit or loss in the period in which it occurs.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the Year Ended 30 June 2015

### Note 1 Statement of significant accounting policies

#### h. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see accounting policy 1d) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

#### i. Financial instruments

##### i. Initial recognition and measurement

A financial instrument is recognised if the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified on the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### ii. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

##### iii. Classification and Subsequent Measurement

###### (1) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of nine months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the Statement of financial position.

###### (2) Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the Year Ended 30 June 2015

### Note 1 Statement of significant accounting policies

#### (3) Trade and other receivables

Receivables are usually settled within 60 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Collectability of trade and other receivables are reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts (see also 1i.vii).

#### (4) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

#### (5) Share capital

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

#### iv. Amortised cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

#### v. Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### vi. Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

#### vii. Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

#### viii. Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the Year Ended 30 June 2015

### Note 1 Statement of significant accounting policies

#### ix. Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

#### j. Employee benefits

##### i. Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

##### ii. Other long-term benefits

The Group's obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Company's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

##### iii. Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

##### iv. Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

##### v. Equity-settled compensation

The Group operates an employee share option plan. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the Year Ended 30 June 2015

### Note 1 Statement of significant accounting policies

#### k. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

#### l. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised in the income statement on a straight-line basis over the term of the lease.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### m. Revenue and other income

Interest revenue is recognised in accordance with note 1i.ix Finance income and expenses.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

All revenue is stated net of the amount of GST (note 1d.ii Goods and Services Tax (GST)).

#### n. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

#### o. 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 judgements and estimates – Business Combinations

Refer note 3 Business combinations on page 34.

##### ii. 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. Refer Note 7 Income Tax on page 36.

##### iii. 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.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the Year Ended 30 June 2015

### Note 1 Statement of significant accounting policies

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.

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.

#### p. New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations (**AASB**) issued by the Australian Accounting Standards Board (**AASB Board**) that are mandatory for the current reporting period. Any new, revised or amending AASBs that are not yet mandatory have not been early adopted. The adoption of these AASBs did not have any significant impact on the financial performance or position of the Group. The following AASBs are most relevant to the Group:

##### i. AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The Group has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 *Financial Instruments: Presentation*, by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

##### ii. AASB 2012-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied AASB 2012-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

##### iii. AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The Group has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 *Share-based Payments*: clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 *Business Combinations*: clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 *Operating Segments*: amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 *Fair Value Measurement*: clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets*: clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 *Related Party Disclosures*: extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 *Investment Property*: clarifies that the acquisition of an investment property may constitute a business combination.

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

AASBs that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2015. The Group's assessment of the impact of these new or amended AASBs, most relevant to the Group, are set out below.

##### i. AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income (**OCI**).



# Audited Financial Statements

## Notes to the consolidated financial statements

for the Year Ended 30 June 2015

### Note 1 Statement of significant accounting policies

For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' (ECL) model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures.

*The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.*

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

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

*The Group will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the Group.*

### Note 2 Company details

#### The registered office of the Company is:

Address:

*Street:* Suite 12, Level 1  
11 Ventnor Avenue  
*Postal:* PO Box 52  
West Perth WA 6872  
*Telephone:* +61 (0)8 6141 3570  
*Facsimile:* +61 (0)8 6141 3599

#### The principal place of business of the Company is:

Address:

*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

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 3 Business combinations

#### a. Ensurance Capital Pty Ltd

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 AASB 3 *Business Combinations* (**AASB 3**) this is treated as a 'reverse acquisition', whereby the accounting acquirer is deemed to be Ensurance Capital and Ensurance is deemed to be the accounting acquiree. Refer to the effect upon the basis of preparation at note 1a.iii Reverse acquisition on page 22.

#### b. Acquisition consideration

As consideration for the issued capital of Ensurance Capital, Ensurance paid \$500,000 (cash consideration) and issued 30,000,000 shares to the shareholder of Ensurance Capital.






#### c. Fair value of consideration transferred

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

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (Ensurance Capital) in the form of equity instruments issued to the shareholders of the legal parent entity (Ensurance). The acquisition-date fair value of the consideration transferred has been determined by reference to the fair value of the number of shares the legal subsidiary (Ensurance Capital) would have issued to the legal parent entity Ensurance to obtain the same ownership interest in the combined entity.

#### d. Goodwill (Corporate transaction accounting expense)

Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of the legal parent, being Ensurance. Details of the transaction are as follows:

	Fair value \$
Fair value of consideration transferred	5,971,000
Fair value of assets and liabilities held at acquisition date:	
 Cash	3,420,016
 Trade and other receivables	24,355
 Other current assets	3,956
 Trade and other payables	(631,754)
 Other liabilities	(5,027)
Fair value of identifiable assets and liabilities assumed	2,811,546
Goodwill (Corporate transaction accounting expense)	3,159,454

The goodwill calculated above represents goodwill in Ensurance, however this has not been recognised as Ensurance (the accounting acquiree) is not a business. Instead the deemed fair value of the interest in Ensurance Capital issued to existing Ensurance shareholders to effect the combination (the consideration for the acquisition of the public shell company) was recognised as an expense in the income statement. This expense has been presented as a "Corporate transaction accounting expense" on the face of the consolidated statement profit or loss and comprehensive income".

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 4 Revenue and other income

#### a. Revenue

	2015 \$	2014 \$
Revenue	2,421,946	2,312,407
Commissions	191,264	45,727
Interest	35,984	39,421
Other	1,199	8,028
	2,650,393	2,405,583

#### b. Other Income

Grants received	-	122,497
Loss of sale of property, plant, and equipment	-	159,302
Other	31,291	(977)
	31,291	280,822

### Note 5 Profit / (loss) before income tax

The following significant revenue and expense items are relevant in explaining the financial performance:

#### a. Depreciation and amortisation:

	Note	2015 \$	2014 \$
Depreciation and amortisation of plant and equipment	14b	13,754	231,879
Amortisation of intangibles	15b	336,625	11,911
		350,379	243,790

#### b. Employment costs:

Directors fees	106,047	39,092
Increase / (decrease) in employee benefits provisions	54,480	21,438
Superannuation expenses	146,077	122,120
Wages and salaries	1,587,468	1,330,403
Other employment related costs	100,479	43,308
	1,994,551	1,556,361

### Note 6 Auditor's remuneration

Remuneration of the auditor of the Ensurance Limited for:

	Note	2015 \$	2014 \$
Auditing or reviewing the financial reports:			
▶ Stantons International		20,000	N/A
▶ Duncan Dovico Risk & Assurance Pty Limited		40,000	24,500
Taxation services provided by a related practice of the Auditor		-	-
		60,000	24,500

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 7 Income tax

#### a. Income tax expense / (benefit)

	2015 \$	2014 \$
Current tax	31,548	(26,010)
Deferred tax	-	-
Tax rebate for Research and Development	-	-
	31,548	(26,010)

Deferred income tax expense included in income tax expense comprises:

	2015 \$	2014 \$
↳ Increase / (decrease) in deferred tax assets	-	-
↳ (Increase) / decrease in deferred tax liabilities	-	-
	-	-

#### b. Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable / (benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2015 \$	2014 \$
Prima facie tax on operating loss at 30% (2014: 30%)	(1,246,261)	(2,047)
Add / (Less)		
Tax effect of:		
↳ Capital-raising costs deductible	(34,061)	-
↳ Timing differences	14,522	-
↳ Non-deductible expenses	954,517	6,486
↳ Other	258	(8,791)
↳ Deferred tax asset not brought to account	342,573	(21,658)
Income tax expense / (benefit) attributable to operating loss	31,548	(26,010)

#### c. The applicable weighted average effective tax rates attributable to operating profit are as follows

	2015 %	2014 %
	(2.53)	1270.89

#### d. Balance of franking account at year end of the legal parent

	2015 \$	2014 \$
	nil	nil

#### e. Current tax assets

	2015 \$	2014 \$
Current tax asset	603	-
	603	-

#### f. Current tax liabilities




Current tax liabilities	31,548	22,198
	31,548	22,198

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 7 Income tax (cont.)

Note		2015	2014
		\$	\$
<b>g. Deferred tax assets</b>			
Provisions		66,058	35,075
Other		3,370	85,543
Transaction costs		56,201	-
Tax losses		420,249	-
		545,878	120,618
Set-off deferred tax liabilities	7h	(13)	-
Net deferred tax assets		545,865	120,618
Less deferred tax assets not recognised		(545,865)	(120,618)
Net tax assets		-	-
<b>h. Deferred tax liabilities</b>			
Property, plant, and equipment		13	-
		13	-
Set-off deferred tax assets	7g	( 13)	-
Net deferred tax liabilities		-	-
<b>i. Tax losses and deductible temporary differences</b>			
Unused tax losses and deductible temporary differences for which no deferred tax asset has been recognised, that may be utilised to offset tax liabilities:			
 Deductible temporary differences		545,865	120,618
 Revenue losses		413,232	449,090
 Capital losses		7,016	-
		966,113	569,516

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2015 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- i. the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- ii. the company continues to comply with conditions for deductibility imposed by law; and
- iii. no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

Note	8	Earnings per share(EPS)	Note	2015 \$	2014 \$
a.		<b>Reconciliation of earnings to profit or loss</b>			
		(Loss) / profit for the year		(4,185,751)	19,188
		Less: loss attributable to non-controlling equity interest		(36,522)	(32,291)
		(Loss) / profit used in the calculation of basic and diluted EPS		(4,149,229)	51,479
				2015 \$	2014 \$
b.		<b>Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS</b>	8e	34,164,084	30,000,000
				2015 \$	2014 \$
c.		<b>Earnings per share</b>			
		Basic EPS (cents per share)	8d	(12.15)	0.17
d.		At the end of the 2015 financial year, the Group has 1,000,000 unissued shares under options (2014: nil) and 8,000,000 partly-paid shares on issue (2014: nil). The Group does not report diluted earnings per share on annual losses generated by the Group. During the 2015 financial year 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 year ended 30 June 2015:			
		(1) the number of ordinary shares outstanding from 1 July 2014 to 4 May 2015 (deemed acquisition date) are computed on the basis of the weighted average number of ordinary shares of Ensurance Capital, (legal acquiree / accounting acquirer) outstanding during the period multiplied by the exchange ratio established in the acquisition agreement; and			
		(2) the number of ordinary shares outstanding from 5 May 2015 to the end of year shall be the actual number of ordinary shares of Ensurance outstanding during that period.			
ii.		The basic EPS for the period ended 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.			

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 9 Cash and cash equivalents

#### a. Current

Cash at bank  
Cash on hand

Note	2015	2014
	\$	\$

2,484,522	446,748
1,010	1,010
<b>2,485,532</b>	<b>447,758</b>

#### b. 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  
↳ Bank overdrafts

2,485,532	447,758
(138,829)	(142,403)
<b>2,346,703</b>	<b>305,355</b>

c. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 26 Financial risk management on page 49.

#### d. Cash Flow Information

i. Reconciliation of cash flow from operations to (loss)/profit after income tax

Loss after income tax

Cash flows excluded from (loss)/profit attributable to operating activities

*Non-cash flows in (loss)/profit from ordinary activities:*

↳ Depreciation and amortisation  
↳ Corporate transaction accounting expense  
↳ Profit on the disposal on financial assets  
↳ Other

*Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:*

↳ (Increase)/decrease in receivables  
↳ (Increase)/decrease in prepayments and other assets  
↳ (Increase)/decrease in net tax assets  
↳ Increase/(decrease) in trade and other payables  
↳ Increase/(decrease) in grants unspent  
↳ Increase/(decrease) in provisions

Cash flow from operations

Note	2015	2014
	\$	\$

(4,185,751)	19,188
-	-
350,379	243,790
3,159,454	-
-	(159,302)
-	240
248,881	(39,677)
(5,591)	(1,024)
8,747	5,612
(61,702)	32,081
47,386	87,496
36,705	3,481
<b>(401,492)</b>	<b>191,885</b>

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 9 Cash and cash equivalents (cont)

#### e. Credit standby facilities

The Group has no credit standby facilities.

#### f. Non-cash investing and financing activities

Refer to note 9g below.

#### g. Acquisition of entities

On 5 May 2015, Ensurance, acquired 100% of the ordinary share capital and voting rights of Ensurance Capital as described in note 3 Business combinations on page 34:

##### i. Purchase consideration:

Theoretical equity consideration issued under a reverse acquisition

Note	2015
	\$
3d	5,971,000
	5,971,000

Total consideration

##### ii. Cash acquired:

Cash held by Ensurance at date of acquisition

3d 3,420,016

Less: Amounts paid post-acquisition relating to legal acquirer consideration

(500,000)

Cash in-flow on acquisition

2,920,016

##### iii. Assets and liabilities held at acquisition date (excluding cash) excluded from the consolidated statement of cash flow:

Trade and other receivables

3d 24,355

Loan to subsidiary

3d 3,956

Trade and other payables

3d (631,754)

Other liabilities

3d (5,027)

### Note 10 Trade and other receivables

#### a. Current

Trade receivables

31,312 14,701

Research and development refund receivable

- 266,331

Interest receivable

25,195 -

56,507 281,032

b. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 26 Financial risk management on page 49.

### Note 11 Other assets

#### Current

Prepayments

19,884 10,336

Other

- -

19,884 10,336



# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

Note 12 Compliance of insurance assets versus insurance liabilities	Note	2015 \$	2014 \$
<b>a. Trust account insurer assets</b>			
↳ Insurance debtors		1,309,331	733,029
↳ Trust accounts		1,758,863	1,145,847
<b>Total trust account insurance assets</b>		<b>3,068,194</b>	<b>1,878,876</b>
<b>b. Trust account insurer liabilities</b>			
↳ Underwriter's liability		2,829,151	1,663,538
↳ Unearned commissions		206,672	196,504
↳ Other		32,371	18,834
<b>Total trust account insurance liabilities</b>		<b>3,068,194</b>	<b>1,878,876</b>
<b>c. Excess of insurance assets over insurance liabilities</b>		-	-

Note 13 Financial assets	Note	2015 \$	2014 \$
<b>a. Non-current</b>			
Tier 1 Financial assets: Listed shares		3,826	38,172
Tier 2 Financial assets: Unlisted shares or funds		33,347	95,961
Bonds on deposit		43,887	37,379
		<b>81,060</b>	<b>171,512</b>

Note 14 Property, plant, and equipment	Note	2015 \$	2014 \$
<b>a. Non-current</b>			
Fixtures, furniture, and fittings		109,202	69,077
Accumulated depreciation		(62,217)	(58,404)
		<b>46,985</b>	<b>10,673</b>
Plant and equipment		115,038	104,755
Accumulated depreciation		(61,904)	(71,632)
		<b>53,134</b>	<b>33,123</b>
<b>Total plant and equipment</b>		<b>100,119</b>	<b>43,796</b>

b. Movements in Carrying Amounts	Fixtures, furniture, and fittings \$	Plant and equipment \$	Total \$
Carrying amount at the beginning of year	10,673	33,123	43,796
↳ Additions	41,962	29,952	71,914
↳ Disposals	(1,837)	-	(1,837)
↳ Depreciation expense	(3,813)	(9,941)	(13,754)
<b>Carrying amount at the end of year</b>	<b>46,985</b>	<b>53,134</b>	<b>100,119</b>

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 15 Intangible assets

#### a. Non-current

Software development costs

Accumulated amortisation

Total intangible assets

Note	2015 \$	2014 \$
	1,564,172	1,094,699
	(728,493)	(402,275)
	835,679	692,424

#### b. Movements in Carrying Amounts

Carrying amount at the beginning of year

↳ Additions

↳ Impairment losses

↳ Amortisation expense

Carrying amount at the end of year

Software development costs \$
692,424
479,880
(336,625)
835,679

### Note 16 Trade and other payables

#### a. Current

*Unsecured*

Trade payables

Other payables

Other taxes

Related party payables

Grant funds received in advance

Note	2015 \$	2014 \$
16b	206,752	269,252
	87,140	39,944
	218,472	132,212
	2,485	2,485
	134,882	87,496
	649,731	531,389

b. Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 30 days.

c. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 26 Financial risk management on page 49.

### Note 17 Borrowings

#### a. Current

Bank overdrafts

Convertible notes

Lease liabilities

Note	2015 \$	2014 \$
	138,829	142,403
	2,681	368,785
	34,337	3,258
	175,847	514,446
b. Non-current		
Convertible notes	-	101,543
	-	101,543

#### b. Non-current

Convertible notes

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 18 Provisions

Note	2015 \$	2014 \$
<b>a. Disclosed as:</b>		
Current	97,887	63,975
Non-current	25,584	22,793
Carrying amount at the end of year	123,471	86,768

### b. Movements in Carrying Amounts

	Annual leave \$	Long service Leave \$	Total \$
Carrying amount at the beginning of year	44,132	42,636	86,768
Additional provisions raised during the year	43,487	18,420	61,907
Amounts used	(25,204)	-	(25,204)
Carrying amount at the end of year	62,415	61,056	123,471

### c. Description of provisions

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

### Note 19 Issued capital

Note	2015 No.	2014 No.	2015 \$	2014 \$
Fully paid ordinary shares at no par value	57,140,909	2,006,254	6,517,547	121,210
<b>a. Ordinary shares</b>				
At the beginning of the period	2,006,254	2,006,254	121,210	121,210
Shares issued during the year:				
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	-	5,971,000	-
Transaction costs relating to share issues	-	-	-	-
At reporting date	57,140,909	2,006,254	6,517,547	121,210

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 19 Issued capital (cont.)

#### b. Partly paid shares

		2015 No.	2014 No.
Partly-paid Shares	19b.i	8,000,000	nil

- i. Each Partly Paid Share is issued at a price of 20 cents of which 0.01 cent is paid on issue with the balance of the issue price payable at the election of the holder at any time within 5 years of issue of the existing Partly Paid Shares (which issue occurred on 24 June 2011).

The Partly Paid Shares will not be subject to calls by the Ensurance and any of the Partly Paid Shares which are not fully paid up at the expiration of 60 months of issue of the existing Partly Paid Shares (which issue occurred on 24 June 2011) shall be forfeited (in accordance with the Ensurance's constitution) and the holder shall have no right to pay up and shall retain no rights in relation thereto.

#### c. Options

		2015 No.	2014 No.
Options exercisable at 20 cents expiring 19 September 2016		1,000,000	nil

#### d. Capital Management

The Directors' objectives when managing capital are to ensure that the Group can maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the availability of liquid funds in order to meet its short term commitments. It does this by ensuring that its current ratio (current assets divided by current liabilities) remains in excess of 1:1.

	2015	2014
Current ratio	1.40	0.87

The focus of the Group's capital risk management is the current working capital position against the requirements of the Group in respect to its operations, software developments programmes, and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The Group is subject to externally imposed capital requirements under the FSRA Legislation. This legislation requires that the insurance assets of the entity be equal to or exceed the insurance liabilities. Refer also note 12.

The working capital position of the Group at 30 June 2015 and 30 June 2014 were as follows:

	Note	2015 \$	2014 \$
Cash and cash equivalents	9	2,485,532	447,758
Trade and other receivables	10	56,507	281,032
Trust account insurer assets	12a	3,068,194	1,878,876
Trust account insurer liabilities	12b	(3,068,194)	(1,878,876)
Trade and other payables	16	(649,731)	(531,389)
Net current income taxes (payable)/receivable	7e,f	(30,945)	(22,198)
Short-term borrowings	17	(175,847)	(514,446)
Short-term provisions	18	(97,887)	(63,975)
Working capital position		689,726	(1,254,194)

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

Note 20 Reserves	Note	2015 \$	2014 \$
Investment revaluation reserve	20a	(2,042)	271




### a. Investment revaluation reserve

The investment revaluation reserve records revaluations of investments held by the Group.

## Note 21 Controlled entities

### a. Legal parent entity

Ensurance Limited is the ultimate parent of the Group (refer to note 1a.iii).




i. Legal subsidiaries	Country of Incorporation	Class of Shares	Percentage Owned	
			2015	2014
 Ensurance Capital Pty Limited	Australia	Ordinary	100.0%	-
 Ensurance IT Pty Limited	Australia	Ordinary	100.0%	-
 Ensurance Underwriting Pty Limited	Australia	Ordinary	100.0%	-
 Savill Hicks Corp. Pty Limited	Australia	Ordinary	100.0%	-

### b. Accounting parent entity

Ensurance Capital Pty Limited is the accounting parent of the Group (refer to note 1a.iii).

i. Accounting subsidiaries	Country of Incorporation	Class of Shares	Percentage Controlled	
			2015	2014
 Ensurance Limited	Australia	Ordinary	100.0%	-
 Ensurance IT Pty Limited	Australia	Ordinary	100.0%	100.0%
 Ensurance Underwriting Pty Limited	Australia	Ordinary	100.0%	90.0%
 Savill Hicks Corp. Pty Limited	Australia	Ordinary	100.0%	100.0%

c. Investments in subsidiaries are accounted for at cost.

Note 22 Commitments	Note	2015 \$	2014 \$
<b>a. Operating lease commitments:</b>			
Minimum lease payments under non-cancellable operating leases			
 not later than 12 months		90,991	145,630
 between 12 months and 5 years		125,580	164,117
 greater than 5 years		-	-
		216,571	309,747
An operating lease is held over level 2 Glen St, Milsons Point, NSW. The period of the lease is a non-cancellable three year period commencing 1 August 2013			

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 23 Key Management Personnel compensation (KMP)

The names and positions of KMP are as follows:

Mr Adam Davey	Chairman ( <i>Appointed as Chairman 13 May 2015</i> )
Mr Stefan Hicks	Managing Director ( <i>Appointed on 6 May 2015</i> )
Mr Brett Graves	Executive Director ( <i>Appointed on 6 May 2015</i> )
Mr Brian Thomas	Non-executive Director ( <i>Resigned on 10 September 2015</i> )
Mr Neil Pinner	Non-executive Director ( <i>Appointed on 6 May 2015</i> )
Ms Philippa Leggat	Non-executive Director ( <i>Resigned on 30 June 2015</i> )
Mr Grant Priest	Non-executive Director ( <i>Appointed on 7 September 2015</i> )

The totals of remuneration paid to KMP during the year are as follows and is prepared on the following bases:

- This note relates to accounting entity with Ensurance Capital Pty Limited as the accounting parent of the Group (refer to note 1a.iii. KMP remuneration for the accounting acquiree, Ensurance Limited, is disclosed from the date of control. Consequently, amounts reported below will differ from the Remuneration report table on page 12;
- The remuneration for the KMP of the accounting acquiree (Ensurance Limited) is not present in full year for comparatives.

	Note	2015 \$	2014 \$
Short-term employee benefits		543,413	729,303
Post-employment benefits		39,473	63,845
Share-based payments		-	-
Other long-term benefits		-	-
Termination benefits		-	-
<b>Total</b>		<b>582,886</b>	<b>793,148</b>

### Note 24 Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Payments made in respect to remuneration of related parties of the KMP:

▶ K Graves	87,600	87,400
▶ C Hicks	87,600	33,615
▶ P Huntly	76,650	76,475

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 25 Operating segments

#### a. Identification of reportable segments

The Group operates predominantly in the insurance industry. This comprises sale of insurance products and underwriting, and development of industry information technology. Inter-segment transactions are priced at cost to the Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors (**the Board**) on a monthly basis and in determining the allocation of resources. Management has identified the operating segments based on the two principal operations: insurance and information technology.

#### b. Basis of accounting for purposes of reporting by operating segments

##### i. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

##### ii. Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are recognised in "All other segments" which contains the treasury and oversight functions of the Group. The Board recovers charges management fees from respective segments to reflect an allocation of costs across the Group. All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

##### iii. Segment assets





Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

##### iv. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

##### v. Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

-  Depreciation and amortisation
-  Gains or losses on sales of financial and non-financial assets
-  Investment income
-  Corporate transaction accounting expense

#### c. Basis of accounting for purposes of reporting by operating segments

The Group operates in one geographical area and therefore one regulatory environment being Australia.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 25 Operating segments (cont.)

For the Year to 30 June 2015	Insurance \$	Information Technology \$	All other segments \$	Total \$
<b>Revenue</b>				
Revenue	2,614,409	-	-	2,614,409
Intra-segment sales	336,602	292,655	85,382	714,639
Interest revenue	24,214	5,236	6,534	35,984
<b>Total segment revenue</b>	<b>2,975,225</b>	<b>297,891</b>	<b>91,916</b>	<b>3,365,032</b>
<i>Reconciliation of segment revenue to group revenue</i>				
Intra-segment eliminations				(714,639)
Other income				31,291
<b>Total group revenue and other income</b>				<b>2,681,684</b>
<b>Segment net loss from continuing operations before tax</b>	<b>(301,696)</b>	<b>(137,630)</b>	<b>(205,044)</b>	<b>(644,370)</b>
<i>Reconciliation of segment loss to group loss</i>				
(i) Amounts not included in segment results but reviewed by Board:				
Depreciation and amortisation	(32,103)	(318,276)	-	(350,379)
(ii) Unallocated items:				
Corporate transaction accounting expense				(3,159,454)
<b>Loss before income tax</b>				<b>(4,154,203)</b>
<b>As at 30 June 2015</b>				
<b>Segment Assets</b>	<b>4,945,260</b>	<b>1,197,580</b>	<b>11,232,441</b>	<b>17,375,281</b>
<i>Reconciliation of segment assets to group assets</i>				
Intra-segment eliminations				(10,727,703)
<b>Total assets</b>				<b>6,647,578</b>
Segment asset increases for the year:				
Capital expenditure	126,012	353,868	1,726	481,606
Acquisitions	58,532	11,705	7,100,100	7,170,337
	184,544	365,573	7,101,826	7,651,943
<b>Segment Liabilities</b>	<b>5,346,838</b>	<b>1,179,861</b>	<b>629,285</b>	<b>7,155,984</b>
<i>Reconciliation of segment liabilities to group liabilities</i>				
Intra-segment eliminations				(3,107,193)
<b>Total liabilities</b>				<b>4,048,791</b>



# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 26 Financial risk management

#### a. Financial Risk Management Policies

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts payable and receivable.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's Financial Assets and Liabilities is shown below:

	Floating Interest Rate	Fixed Interest Rate	Non-interest Bearing	2015 Total	Floating Interest Rate	Fixed Interest Rate	Non-interest Bearing	2014 Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>								
▶ Cash and cash equivalents	2,485,532	-	-	2,485,532	447,758	-	-	447,758
▶ Trade and other receivables	-	-	56,507	56,507	-	-	281,032	281,032
▶ Trust account insurer assets	-	1,758,863	1,309,331	3,068,194	-	1,145,847	733,029	1,878,876
▶ Financial assets			81,060	81,060			171,512	171,512
<b>Total Financial Assets</b>	<b>2,485,532</b>	<b>1,758,863</b>	<b>1,446,898</b>	<b>5,691,293</b>	<b>447,758</b>	<b>1,145,847</b>	<b>1,185,573</b>	<b>2,779,178</b>
<b>Financial Liabilities</b>								
Financial liabilities at amortised cost								
▶ Trade and other payables	-	-	649,731	649,731	-	-	531,389	531,389
▶ Trust account insurer liabilities	-	-	3,068,194	3,068,194	-	-	1,878,876	1,878,876
▶ Borrowing	138,829	-	37,018	175,847	142,403	-	473,586	615,989
<b>Total Financial Liabilities</b>	<b>138,829</b>	<b>-</b>	<b>3,754,943</b>	<b>3,893,772</b>	<b>142,403</b>	<b>-</b>	<b>2,883,851</b>	<b>3,026,254</b>
<b>Net Financial Assets/(Liabilities)</b>	<b>2,346,703</b>	<b>1,758,863</b>	<b>(2,308,045)</b>	<b>1,797,521</b>	<b>305,355</b>	<b>1,145,847</b>	<b>(1,698,278)</b>	<b>(247,076)</b>

#### b. Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

The Board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Group's risk profile. This includes assessing, monitoring and managing risks for the Group and setting appropriate risk limits and controls. The Group is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

##### i. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 26 Financial risk management (cont.)

The objective of the Group is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

#### Credit risk exposures

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, where ever possible.

#### Impairment losses

The ageing of the Group's trade and other receivables at reporting date was as follows:

	Gross 2015 \$	Impaired 2015 \$	Net 2015 \$	Past due but not impaired 2015 \$
<b>Trade receivables</b>				
Not past due	733,464	-	733,464	-
Past due up to 15 days	340,657	-	340,657	340,657
Past due 15 days to 3 months	328,375	-	328,375	328,375
Past due over 3 months	44,550	-	44,550	44,550
Less intra-Group balances	(137,713)	-	(137,713)	-
	1,309,333	-	1,309,333	713,582
<b>Other receivables</b>				
Not past due	56,507	-	56,507	-
<b>Total</b>	1,365,840	-	1,365,840	713,582

#### ii. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 26 Financial risk management (cont.)

Other than the trust account insurer liabilities, the financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

#### Contractual Maturities

The following are the contractual maturities of financial liabilities of the Group:

	Within 1 Year		Greater Than 1 Year		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>						
Trade and other payables	649,731	531,389	-	-	649,731	531,389
Trust account insurer liabilities	3,068,194	1,878,876	-	-	3,068,194	1,878,876
Borrowings	175,847	514,446	-	101,543	175,847	615,989
<b>Total contractual outflows</b>	<b>3,893,772</b>	<b>2,924,711</b>	<b>-</b>	<b>101,543</b>	<b>3,893,772</b>	<b>3,026,254</b>
<b>Financial assets</b>						
Cash and cash equivalents	2,485,532	447,758	-	-	2,485,532	447,758
Trade and other receivables	56,507	281,032	-	-	56,507	281,032
Trust account insurer assets	3,068,194	1,878,876	-	-	3,068,194	1,878,876
<b>Total anticipated inflows</b>	<b>5,610,233</b>	<b>2,607,666</b>	<b>-</b>	<b>-</b>	<b>5,610,233</b>	<b>2,607,666</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>1,716,461</b>	<b>(317,045)</b>	<b>-</b>	<b>(101,543)</b>	<b>1,716,461</b>	<b>(418,588)</b>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

#### i. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board meets on a regular basis and considers the Group's interest rate risk.

##### (1) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Due to the low amount of debt exposed to floating interest rates, interest rate risk is not considered a high risk to the Group. Movement in interest rates on the Group's financial liabilities and assets is not material.

##### (2) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

The Group has no material exposure to foreign exchange risk.

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 26 Financial risk management (cont.)

#### (3) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group does not presently hold material amounts subject to price risk. As such the Board considers price risk as a low risk to the Group.

#### ii. Sensitivity Analyses

##### (1) Interest rates

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

A change of 50 basis points in the interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. The analysis is performed on the same basis for 2014.

	Profit \$	Equity \$
<b>Year ended 30 June 2015</b>		
±50 basis points change in interest rates	± 11,734	± 11,734
<b>Year ended 30 June 2014</b>		
±100 basis points change in interest rates	± 3,054	± 3,054

##### (2) Foreign exchange

The Group did not carry significant assets or liabilities in foreign currencies in the 2015 financial year (2014: nil), and therefore was not subject to material foreign exchange risk, and according not subject to material sensitivities.

#### iii. Net Fair Values

##### (1) Fair value estimation

The fair values of financial assets and financial liabilities are presented in the table in note 26a and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments whose carrying value is equivalent to fair value due to their nature include:

- ☞ Cash and cash equivalents;
- ☞ Trade and other receivables;
- ☞ Trust account insurance assets and liabilities; and
- ☞ Trade and other payables.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

### Note 27 Events subsequent to reporting date

There are no material events subsequent to reporting date.

### Note 28 Contingent liabilities

There are no contingent liabilities as at 30 June 2015 (2014: Nil).

# Audited Financial Statements

## Notes to the consolidated financial statements

for the year ended 30 June 2015

### Note 29 Parent entity disclosures

#### a. Financial Position of Ensurance Limited (legal parent)

##### Current assets

Cash and cash equivalents	2,166,252	2,264,744
Trade and other receivables	25,732	7,621
Financial assets: Available for sale assets - listed securities	-	19,500
Convertible note receivable	-	250,000

##### Total current assets

2,191,984 2,541,865

##### Non-current assets

Financial assets: Loans to legal subsidiaries	567,669	-
Shares in legal subsidiaries at cost	7,500,000	-

##### Total non-current assets

8,067,669 -

##### Total assets

10,259,653 2,541,865

##### Current liabilities

Trade and other payables	14,430	23,717
--------------------------	--------	--------

##### Total current liabilities

14,430 23,717

##### Total liabilities

14,430 23,717

##### Net assets

10,245,223 2,518,148

##### Equity

Issued capital	11,641,618	3,164,619
Reserves	105,300	122,300
Accumulated losses	(1,501,695)	(768,771)

##### Total equity

10,245,223 2,518,148

#### b. Financial performance of Ensurance Limited

Profit / (loss) for the year	(732,925)	(88,127)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(732,925)</b>	<b>(88,127)</b>

#### c. Guarantees entered into by Ensurance Limited for the debts of its subsidiaries

The Board of Ensurance has declared in writing that Ensurance will be responsible for all of Savill Hicks Corp Pty Ltd, Savill Hicks Corp (NSW) Pty Ltd, and Ensurance Underwriting Pty Limited (**the companies**) debts and will continue to financially support the companies while they remain wholly owned under the control of Ensurance.

# Directors' Declaration

## Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 18 to 53, are in accordance with the *Corporations Act 2001* (Cth) and:
  - (a) comply with Accounting Standards;
  - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
  - (c) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Group.
2. the Chief Executive Officer (equivalent) and Chief Finance Officer (equivalent) have each declared that:
  - (a) the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001* (Cth);
  - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - (c) the financial statements and notes for the financial year give a true and fair view.
3. 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.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



**ADAM DAVEY**

Chairman

Dated this Wednesday, 30 September 2015

# Independent Auditor's Report

Stantons International Audit and Consulting Pty Ltd  
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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENSURANCE LIMITED

### Report on the Financial Report

We have audited the accompanying financial report of Ensurance Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company also comprising the entities it controlled from time to time during the financial year.

#### *Directors' responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

#### *Auditor's responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

# Independent Auditor's Report

## Stantons International

### *Independence*

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

### *Opinion*

In our opinion:

- a) the financial report of Ensurance Limited is in accordance with the *Corporations Act 2001*, including:
  - i. Giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - ii. Complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 1.

### **Report on the Remuneration Report**

We have audited the remuneration report included on pages 11 to 15 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

### *Opinion*

In our opinion the remuneration report of Ensurance Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED**  
(Trading as Stantons International)  
(An Authorised Audit Company)

*Stantons International Audit and Consulting Pty Ltd*



John Van Dieren  
Director  
30 September 2015



# CORPORATE GOVERNANCE



# Corporate Governance

## Corporate governance statement

This Corporate Governance summary discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication 'Corporate Governance Principles and Recommendations (3rd Edition)' (Recommendations). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons have been provided for not following them.

The Company's Corporate Governance Plan has been posted on the Company's website at [www.ensurance.com.au](http://www.ensurance.com.au).

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<p><b>Recommendation 1.1</b> A listed entity should have and disclose a charter which:</p> <p>(a) sets out the respective roles and responsibilities of the board, the chair and management; and</p> <p>(b) includes a description of those matters expressly reserved to the board and those delegated to management.</p>	YES	<p>The Company has adopted a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter is stated in Schedule 1 of the Corporate Governance Plan which is available on the Company's website.</p>
<p><b>Recommendation 1.2</b> A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	YES	<p>(a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.</p> <p>(b) Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the Director.</p>
<p><b>Recommendation 1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	YES	<p>The Company's Corporate Governance Plan requires the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p>
<p><b>Recommendation 1.4</b> The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	YES	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.</p>
<p><b>Recommendation 1.5</b> A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.</p>	YES	<p>(a) The Company has adopted a Diversity Policy.</p> <p>(i) The Diversity Policy provides a framework for the Company to achieve a list of 6 measurable objectives that encompass gender equality.</p> <p>(ii) The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The company is responsible for implementing, monitoring and reporting on the measurable objectives.</p> <p>(b) The Diversity Policy is stated in Schedule 9 of the Corporate Governance Plan which is available on the company website.</p> <p>(c)</p> <p>(i) The measurable objectives set by the Board will be included in the annual key performance indicators for the CEO, MD and senior executives. In addition the Board will review progress against the objectives in its annual performance assessment.</p> <p>(ii) The Company currently has no employees and utilizes external consultants and contractors as and when required.</p> <p>The Board will review this position on an annual basis and will implement measurable objectives as and when they deem the Company to require them.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 1.6</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) The Board is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan.</p> <p>(b) The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>Due to the size of the Board and the nature of the business, it has not been deemed necessary to institute a formal documented performance review program of individuals. However, the Chairman intends to conduct formal reviews each financial year whereby the performance of the Board as a whole and the individual contributions of each director are disclosed. The Board considers that at this stage of the Company's development an informal process is appropriate.</p> <p>The review will assist to indicate if the Board's performance is appropriate and efficient with respect to the Board Charter. The Board regularly reviews its skill base and whether it remains appropriate for the Company's operational, legal and financial requirements. New Directors are obliged to participate in the Company's induction process, which provides a comprehensive understanding of the Company, its objectives and the market in which the Company operates.</p> <p>Directors are encouraged to avail themselves of resources required to fulfil the performance of their duties.</p>
<p><b>Recommendation 1.7</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) The Board is responsible for evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives.</p> <p>(b) The Company's Corporate Governance Plan requires the Board to conduct annual performance of the senior executives. Schedule 6 'Performance Evaluation' requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>During the financial year an evaluation of performance of the individuals was not formally carried out. However, a general review of the individuals occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.</p>
<p><b>Principle 2: Structure the board to add value</b></p>		
<p><b>Recommendation 2.1</b> The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	YES	<p>(a) Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Nomination Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee.</p> <p>The duties of the Nomination Committee are outlined in Schedule 5 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devotes time at board meetings to discuss board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p> <p>The Board regularly updates the Company's board skills matrix (in accordance with recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.</p>

# Corporate Governance

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION																																		
<p><b>Recommendation 2.2</b> A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	YES	<table border="1"> <thead> <tr> <th data-bbox="863 416 1198 465">Board Skills Matrix</th> <th data-bbox="1198 416 1399 465">Number of Directors that Meet the Skill</th> </tr> </thead> <tbody> <tr><td data-bbox="863 465 1198 495">Executive &amp; Non- Executive experience</td><td data-bbox="1198 465 1399 495">5</td></tr> <tr><td data-bbox="863 495 1198 524">Industry experience &amp; knowledge</td><td data-bbox="1198 495 1399 524">5</td></tr> <tr><td data-bbox="863 524 1198 553">Leadership</td><td data-bbox="1198 524 1399 553">5</td></tr> <tr><td data-bbox="863 553 1198 582">Corporate governance &amp; risk management</td><td data-bbox="1198 553 1399 582">5</td></tr> <tr><td data-bbox="863 582 1198 611">Strategic thinking</td><td data-bbox="1198 582 1399 611">3</td></tr> <tr><td data-bbox="863 611 1198 640">Desired behavioural competencies</td><td data-bbox="1198 611 1399 640">5</td></tr> <tr><td data-bbox="863 640 1198 669">Geographic experience</td><td data-bbox="1198 640 1399 669">3</td></tr> <tr><td data-bbox="863 669 1198 698">Capital Markets experience</td><td data-bbox="1198 669 1399 698">5</td></tr> <tr><td data-bbox="863 698 1198 728"><i>Subject matter expertise:</i></td><td data-bbox="1198 698 1399 728"></td></tr> <tr><td data-bbox="863 728 1198 757">- accounting</td><td data-bbox="1198 728 1399 757">3</td></tr> <tr><td data-bbox="863 757 1198 786">- capital management</td><td data-bbox="1198 757 1399 786">4</td></tr> <tr><td data-bbox="863 786 1198 815">- corporate financing</td><td data-bbox="1198 786 1399 815">3</td></tr> <tr><td data-bbox="863 815 1198 844">- industry taxation</td><td data-bbox="1198 815 1399 844">1</td></tr> <tr><td data-bbox="863 844 1198 873">- risk management</td><td data-bbox="1198 844 1399 873">4</td></tr> <tr><td data-bbox="863 873 1198 902">- legal</td><td data-bbox="1198 873 1399 902">3</td></tr> <tr><td data-bbox="863 902 1198 931">- IT expertise</td><td data-bbox="1198 902 1399 931">2</td></tr> </tbody> </table>	Board Skills Matrix	Number of Directors that Meet the Skill	Executive & Non- Executive experience	5	Industry experience & knowledge	5	Leadership	5	Corporate governance & risk management	5	Strategic thinking	3	Desired behavioural competencies	5	Geographic experience	3	Capital Markets experience	5	<i>Subject matter expertise:</i>		- accounting	3	- capital management	4	- corporate financing	3	- industry taxation	1	- risk management	4	- legal	3	- IT expertise	2
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<p><b>Recommendation 2.4</b> A majority of the board of a listed entity should be independent directors.</p>	YES	<p>The Board Charter requires that where practical the majority of the Board will be independent. Details of each Director's independence are provided in the Annual Reports and Company website.</p>																																		
<p><b>Recommendation 2.5</b> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	YES	<p>The Board Charter provides that where practical, the Chairman of the Board will be a non-executive director. If the Chairman ceases to be independent then the Board will consider appointing a lead independent Director.</p>																																		
<p><b>Recommendation 2.6</b> A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	YES	<p>The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.</p>																																		
<p><b>Principle 3: Act ethically and responsibly</b></p>																																				
<p><b>Recommendation 3.1</b> A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.</p>	YES	<p>(a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees.</p> <p>(b) The Company's Corporate Code of Conduct is in Schedule 2 of the Corporate Governance Plan which is on the Company's website.</p>																																		

# Corporate Governance

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PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 4: Safeguard integrity in financial reporting</b>		
<p><b>Recommendation 4.1</b> The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	YES	<p>(a) Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</p>
<p><b>Recommendation 4.2</b> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	YES	<p>The Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
<p><b>Recommendation 4.3</b> A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	YES	<p>The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>
<b>Principle 5: Make timely and balanced disclosure</b>		
<p><b>Recommendation 5.1</b> A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 7 of the Corporate Governance Plan is entitled 'Disclosure – Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Board Charter and Schedule 7 of the Corporate Governance Plan are available on the Company website.</p>
<b>Principle 6: Respect the rights of security holders</b>		
<p><b>Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	<p>Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.</p> <p>Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company website.</p>
<p><b>Recommendation 6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	YES	<p>The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders.</p> <p>The Shareholder Communications Strategy can be found in Schedule 10 of the Board Charter which is available on the Company website.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 6.3</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	YES	<p>The Shareholder Communications Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.</p>
<p><b>Recommendation 6.4</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	YES	<p>Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. Shareholders queries should be referred to the Company Secretary at first instance.</p>
<p><b>Principle 7: Recognise and manage risk</b></p>		
<p><b>Recommendation 7.1</b> The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	YES	<p>(b) Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meeting to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p>
<p><b>Recommendation 7.2</b> The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	YES	<p>(a) The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Disclosure – Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls.</p> <p>(b) The Board Charter requires the Board to disclose the number of times the Board met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Report.</p>
<p><b>Recommendation 7.3</b> A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	YES	<p>Schedule 3 of the Company's Corporate Plan provides for the internal audit function of the Company. The Board Charter outlines the monitoring, review and assessment of a range of internal audit functions and procedures.</p>
<p><b>Recommendation 7.4</b> A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>Schedule 3 of the Company's Corporate Plan details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.</p>

# Corporate Governance

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 8: Remunerate fairly and responsibly</b>		
<p><b>Recommendation 8.1</b> The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	YES	<p>Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Remuneration Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Remuneration Committee are outlined in Schedule 4 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>
<p><b>Recommendation 8.2</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	YES	<p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior directors.</p>
<p><b>Recommendation 8.3</b> A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) Company's Corporate Governance Plan states that the Board is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Board must review and approve any equity based plans.</p> <p>(b) A copy of the Company's Corporate Governance Plan is available on the Company's website.</p>



# Corporate Governance

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 8: Remunerate fairly and responsibly</b>		
<p><b>Recommendation 8.1</b> The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	YES	<p>Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Remuneration Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Remuneration Committee are outlined in Schedule 4 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>
<p><b>Recommendation 8.2</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	YES	<p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior directors.</p>
<p><b>Recommendation 8.3</b> A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) Company's Corporate Governance Plan states that the Board is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Board must review and approve any equity based plans.</p> <p>(b) A copy of the Company's Corporate Governance Plan is available on the Company's website.</p>

## Additional Information for Listed Public Companies

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

### 1 Capital

#### a. Ordinary share capital

57,140,909 ordinary fully paid shares held by 436 shareholders.

#### b. Unlisted Options over Unissued Shares

The Company has the follows:

- 📌 1,000,000 Unlisted Options with an exercise price of \$0.20 per Options, expiring 19 September 2016.

#### c. Voting Rights

The voting rights attached to each class of equity security are as follows:

- 📌 **Ordinary shares:** Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- 📌 **Unlisted Options:** Options do not entitle the holders to vote in respect of that option, nor participate in dividends, when declared, until such time as the options are exercised and subsequently registered as ordinary shares.

#### d. Substantial Shareholders as at 28 September 2015.

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Mr Stefan Hicks	16,369,044	28.65
Mr Stefan Hicks <Hicks Family A/C>	9,515,962	16.65
Mr Brett Graves + Mrs Kerrie Graves <B & K Graves Family A/C>	2,874,994	5.03

#### e. Distribution of Shareholders as at 28 September 2015.

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	7	1,072	0.00
1,001 – 5,000	5	25,000	0.04
5,001 – 10,000	137	1,352,199	2.37
10,001 – 100,000	228	9,532,801	16.68
100,001 – and over	59	46,229,837	80.90
	436	57,140,909	100.00

#### f. Unmarketable Parcels as at 28 September 2015

As at 28 September 2015 there were 7 fully paid ordinary shareholders holding less than a marketable parcel of shares.

#### g. On-Market Buy-Back

There is no current on-market buy-back.

#### h. Restricted Securities

The Company has 28,500,000 share on escrow for 24 months from date of reinstatement (5 May 2015); and 1,250,000 shares on for 12 escrow months from date of reinstatement.

## Additional Information for Listed Public Companies

### i. 20 Largest Shareholders — Ordinary Shares as at as at 28 September 2015

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Mr Stefan Hicks	16,369,044	28.65
2.	Mr Stefan Hicks <Hicks Family A/C>	9,515,962	16.65
3.	Mr Brett Graves + Mrs Kerrie Graves <B + K Graves Family A/C>	2,874,994	5.03
4.	Maplaljac Pty Ltd <Maplaljac Family A/C>	1,250,000	2.19
5.	Nutsville Pty Ltd <Indust Electric Co S/F A/C>	1,157,822	2.03
6.	Mr Robert J Peters + Mrs Sandra L Peters <Peters Super Fund A/C>	1,000,000	1.75
7.	Mr Richard A De Souza + Mrs Karen L De Souza <De Souza Super Fund A/C>	800,000	1.40
8.	Inswinger Holdings Pty Ltd <Keidon Superannuation A/C>	714,000	1.25
9.	Mr Peter Leuzzi	656,900	1.15
10.	Nefco Nominees Pty Ltd	538,000	0.94
11.	Ferncastle Holdings Pty Ltd <N J Pinner Super Fund A/C>	507,500	0.89
12.	Court Securities Pty Ltd	500,000	0.88
13.	Mr Allan G Jenzen + Mrs Elizabeth Jenzen <AG & E Jenzen P/L NO2 SF A/C>	500,000	0.88
14.	Second Impact Investments Limited	500,000	0.88
15.	WB Nominees Limited	450,000	0.79
16.	Mr Ronald Cohen	385,000	0.67
17.	Goldenwing Nominees Pty Ltd <The Robinson Family A/C>	375,000	0.66
18.	Vinceman Pty Ltd	370,000	0.65
19.	Pacific Finance and Securities Pty Ltd <Paladin Private Pension A/C>	355,000	0.62
20.	Ms Merrilllee G Pearce <G W Pearce Family A/C>	339,591	0.59
	<b>TOTAL</b>	<b>39,158,813</b>	<b>68.55</b>

**2** The names of the Joint Company Secretaries are is Jay Stephenson and Julia Becket

### **3 Principal registered office**

As disclosed in Note 2 Company details on page 33 of this Annual Report.

### **4 Registers of securities**

As disclosed in the Corporate directory on page 68 of this Annual Report

### **5 Stock exchange listing**

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, As disclosed in the Corporate directory on page 68 of this Annual Report

### **6 Use of funds**

The Company has used its funds in accordance with its initial business objectives.

# Corporate Directory

## **CURRENT DIRECTORS**

Adam Davey: Chairman - Appointed 20 August 2012

Stefan Hicks: Managing Director - Appointed 6 May 2015

Brett Graves: Executive Director - Appointed 6 May 2015

Neil Pinner: Non-executive Director - Appointed 6 May 2015

Grant Priest: Non-executive Director - Appointed 7 September 2015

## **JOINT COMPANY SECRETARIES**

Jay Stephenson and Julia Beckett

## **REGISTERED OFFICE**

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

Postal: PO Box 52 WEST PERTH WA 6872

Telephone: +61 (0)8 6141 3500 and Facsimile: +61 (0)8 6141 3599

## **PRINCIPAL PLACE OF BUSINESS/OFFICE**

Sydney: Level 2/2 Glen St. Milsons Point NSW 2061

Melbourne: Suite 4- 400 Canterbury Rd. Surrey Hills VIC 3127

Postal: PO Box 523 Milsons Point NSW 2061

Telephone: +61 (0)2 9806 2000 and Facsimile: +61 (0)2 9806 2099

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

## **SECURITIES EXCHANGE**

Australian Securities Exchange: ASX Code – ENA

## **SHARE REGISTRY**

Computershare Investor Services Pty Limited

Level 11, 172 St Georges Trc. PERTH WA 6000

Telephone: 1300 850 505 (investors within Australia)

Telephone: +61 (0)3 9415 4000

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

## **SOLICITORS TO THE COMPANY**

Steinepreis Paganin

Level 4, The Read Buildings, 16 Milligan St. PERTH WA 6000

## **AUDITORS**

Stantons International Audit & Consulting Pty Ltd

Level 2, 1 Walker Ave. WEST PERTH WA 6005

## **CORPORATE ADVISER**

Wolfstar Group Pty Ltd,

Suite 12, L1, 11 Ventnor Ave. WEST PERTH WA 6005