Ensurance Limited and controlled entities

ABN 80 148 142 634

Annual Report 30 June 2021

Corporate directory

Directors

Mr Tony Leibowitz
Chairman
Appointed 29 September 2017

Mr Tony Wehby
Non-Executive Director
Appointed 3 May 2018

Mr Sam Hallab
Non-Executive Director
Appointed 2 July 2021

Mr Adam Davey
Non-Executive Director
Appointed 17 August 2012
Resigned 2 July 2021

Registered office

Level 21, Westfield Tower 2
101 Grafton St
BONDI JUNCTION NSW 2022

Telephone: +61 (0)2 9167 8050
Website: www.ensurance.com.au

Share register

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000

Telephone: 1300 555 159 (Australia)
Telephone: +61 (0)3 9415 4062 (Overseas)
Website: www.investorcentre.com

Auditor

Mazars Risk & Assurance Pty Limited
Level 12, 90 Arthur Street
NORTH SYDNEY NSW 2060

Telephone: +61 (0)2 9922 1166
Website: www.mazars.com.au

Solicitors

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

Telephone: +61 (0)8 9321 4000
Website: www.steinpag.com.au

Stock exchange listing

Australian Securities Exchange
Level 40, Central Park
152-158 St George Terrace
PERTH WA 6000

Telephone: +61 (0)8 9224 0000
Website: www.asx.com.au (ASX code: ENA)

Contents

General information

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

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

Level 21, Westfield Tower 2
101 Grafton St
BONDI JUNCTION NSW 2022

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 September 2021. The directors have the power to amend and reissue the financial statements.

Directors' report

The directors present their report, together with the financial statements, on the consolidated entity ('consolidated entity') consisting of Ensurance Limited ('company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

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

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

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

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $1,302,838 (30 June 2020: $2,153,771).

Ensurance UK Limited

Ensurance UK Limited has achieved a significant milestone in generating its first annual profit since its incorporation, with over $185,000 AUD (>£100,000 GBP) of profit being reported.

The strong financial performance was mainly due to the continued growth, combined with other new revenue initiatives launched during the year. The UK business continued to expand its broker network, which has led to improved penetration in the UK market and higher levels of deal flow.

Liability product launch
The UK business launched its new Liability product offering, at the end of the 2021 financial year. The business is backed by three capacity providers, one of which has provided Ensurance UK Limited with full delegated authority to write Employers, Public, Product, and Pollution Liability, as well as Excess of Loss, for a range of business trades and sizes. Ensurance UK is well positioned to cement itself within this market space.

Additionally, the introduction of the Liability product range is expected to bring about further increases to the Contractors All Risk business written, as the business now has the ability to provide a combined insurance offering. The business continues to explore opportunities to add new product ranges to help drive increased profitability and diversification. It is expected to launch additional product lines in coming months.

Capacity agreement with AXA
During the year, the UK business secured a new capacity agreement with AXA Insurance UK Plc (“AXA”). It allows the business to continue to provide excellent solutions for Construction and Engineering risks, that have been provided to the market in the UK since 2017.

The business has seen Gross Written Premium (GWP) increase by 25%, compared with the prior year. This increase demonstrates that Ensurance UK has successfully passed through the transition phase associated with changing capacity from Swiss Re to AXA UK. The increase in GWP shows the underlying strength of these results, in the face of the tight COVID restrictions that were in place within the UK. With full restrictions in the UK being lifted post year end, the Company is well placed to benefit as the operating environment improves.

Directors' report

The digitisation journey continues
Following the completion of a major part of development towards a new internal IT system, the team in the UK has moved across to a new fully integrated IT platform, complete with workflows and CRM capabilities. The platform brings substantial efficiencies to the business and will significantly reduce quotation time for underwriters, allowing instant quote and bind access for brokers through a portal. The new system has also automated current manual processes. These efficiencies will further increase the profitability of the business as well as ensuring that as the UK business grows, the service levels provided by the Company remain at the highest standard.

During June 2021, the UK business continued with the development of this new IT system, turning its attention to portal access for select external brokers. The UK business launched a portal for its Homebuild product, providing instant access to quotes for brokers. The introduction of this portal allows the business to better service its broker partners whilst further increasing internal efficiencies.

The Company will continue to develop the IT system, with further internal releases expected over the coming months. Significant growth opportunities and further efficiency gains are expected to be produced by the system, as it continues through this development phase.

Asia Pacific

Transformational acquisition provides new platform for growth in Australia
During the last quarter of 2021, the Company executed an agreement to acquire 100% of the issued share capital of Australian boutique underwriting agency, TK Specialty Risks Pty Ltd (TKSR), from its sole shareholder Mr Tom Kent.

The strategic acquisition of TKSR provides Ensurance with the opportunity to scale existing operations and expand into both Professional and Financial lines insurance markets and emerging risk classes, including Cyber Liability in Australia.

TKSR was established in November 2015 as an underwriting agency and has experienced strong, profitable growth in recent years through its network of more than 70 insurance broking houses Australia-wide and now has insurance premiums under management in excess of $10 million. Additionally, TKSR offers first-rate claims handling expertise, principally in partnership with global insurer, AXA.

The Company believes TKSR, through its complementary underwriting business lines and existing partnership agreement with AXA, provides an excellent opportunity to scale and grow into the Australian market. Australia has seen significant growth in more tailored product offerings, which is where TKSR has been building its presence through specialty underwriting.

Ensurance has been seeking to grow and scale its existing business as well as consider earnings accretive acquisition opportunities when they present. Through TKSR and further future acquisitions, the Company intends to grow its Australian operations by expanding into New Zealand and the wider Asia Pacific markets over time.

Mr Tom Kent will remain with Ensurance Limited and lead the freshly re-branded Australian operation as it begins to further expand its footprint via:

(1) organic growth within its existing Australia-wide network of Australian brokers;
(2) accretive acquisitions;
(3) distribution of products on behalf of the UK division of Ensurance; and
(4) release of new insurance products backed by key insurance partners.

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

Matters subsequent to the end of the financial year
Ensurance has acquired 100% of an Australian boutique underwriting agency, TKSR, through the issue of 83,333,334 Ensurance shares at a deemed 3 cents per share. This was approved at the General Meeting of shareholders on 28th of July 2021. The acquisition is effective from 1 July 2021.

Directors' report

The above shares were issued and quoted pre-consolidation on the 28 July 2021. On this basis, the total securities on issue pre-consolidation were 801,587,451.

Subsequent to year end, the Company implemented a 10 to 1 share consolidation. Post consolidation there were a total of 80,158,845 securities on issue. This was approved at the General Meeting of shareholders on 28th of July 2021.

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

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Ensurance Australia Pty Limited (formerly TKSR) was integrated into the group from 1 July 2021.

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

Directors' report

Information on directors

Name:	**Mr Tony Leibowitz**
Title:	Executive Chairman
Qualifications:	Chartered Accountant (FCA)
Experience and expertise:	Mr Leibowitz has over 30 years of corporate finance, investment banking and broad commercial experience and has a proven track record of providing the necessary skills and guidance to assist companies grow and generate sustained shareholder value. Previous roles include Chandler Macleod Limited and Pilbara Minerals Limited, where as Chairman and an early investor in both companies, he was responsible for substantial increases in shareholder value and returns. Mr Leibowitz was a global partner at PricewaterhouseCoopers and is a Fellow of the Institute of Chartered Accountants in Australia.
Other current directorships:	Non-Executive Chairman of: - Bardoc Gold Limited (BDC) - Trek Metals Limited (TKM) - Greenvale Mining Limited (GRV)
Former directorships (last 3 years):	Nil
Interests in shares:	14,236,083 ordinary shares in Ensurance Limited (indirect) (2020: 11,895,496). Shareholding increased as a result of multiple market purchases, at arm's length and conversion of options and convertible notes.
Interests in options:	300,000 options exercisable at 40 cents expiring 31 December 2021 500,000 options exercisable at 60 cents expiring 31 December 2022 700,000 options exercisable at 90 cents expiring 31 December 2023

Name:	**Mr Tony Wehby**
Title:	Non-Executive Director
Qualifications:	Member of Australian Institute of Company Directors
Experience and expertise:	Mr Wehby was a partner in PricewaterhouseCoopers for 19 years where he specialised in Corporate Finance and was responsible for the management of that part of the national practice. Since 2001 he has held Non-Executive Director roles and maintained a financial consulting practice, focusing on companies considering significant changes. Mr Wehby was a founding Director and Chairman of Aurelia Metals Limited (AMI), Chairman of Tellus Resources Limited and member of the Board Advisory Committee of Moss Capital Funds Management Limited.
Other current directorships:	Mr Wehby is a Non-Executive director of Kingston Resources Limited (KSN) and Deputy Chairman (and Chairman of the Audit and Risk Committee) of Royal Rehab (a not for profit organisation).
Former directorships (last 3 years):	Nil
Interests in shares:	632,188 ordinary shares in Ensurance Limited (indirect) (2020: 523,702). Shareholding increased as a result of either open market trades at arm's length or conversion of options.
Interests in options:	Nil

Directors' report

Name:	**Mr Sam Hallab**
Title:	Non-Executive Director (appointed 2 July 2021)
Qualifications:	B.Ec., CA, F-AIST, GAICD, Diploma FP
Experience and expertise:	Mr Hallab has spent more than 35 years in the financial sector and brings extensive experience to the group. As a chartered accountant, he was a partner with Sydney accounting firm Sothertons for more than a decade before moving into the superannuation industry as Deputy CEO of the Australian Catholic Superannuation and Retirement Fund. Mr Hallab also held positions of COO, CFO and Company Secretary. He is a registered tax agent and has gained extensive experience in risk management and compliance.
Other current directorships:	Non-Executive Director of Fiducian Group Limited (FID)
Former directorships (last 3 years):	Nil
Interests in shares:	Nil

Name:	**Mr Adam Davey**
Title:	Non-Executive Director (resigned 2 July 2021)
Qualifications:	Professional Diploma in Stockbroking
Experience and expertise:	Mr Davey has had experience in the securities industry over the past 25 years. He has served as a Non-Executive Director of several industrial and mining companies. He has significant experience in capital raisings, mergers and acquisitions. Mr Davey also serves as Chairman of the not-for-profit organisation Teen Challenge Foundation.
Other current directorships:	Non-Executive Director of: - PainChek Limited (PCK) - The Agency Group Australia Limited (AU1)
Former directorships (last 3 years):	Nil
Interests in shares:	1,418,450 ordinary shares in Ensurance Limited (indirect) (2020: 637,707). Shareholding increased as a result of either open market trade, at arm's length or conversion of options and convertible notes.
Interests in options:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mr Sam Hallab appointed 1 February 2017

Meetings of directors

	Held	Attended
Mr Tony Leibowitz	6	6
Mr Tony Wehby	6	6
Mr Adam Davey	6	6

Held: represents the number of meetings held during the time the director held office.

Directors' report

Audited remuneration report
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration
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.

Directors' report

Audited remuneration report (continued)
ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 25 November 2020.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

Other than statutory superannuation contributions, 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.

No short-term incentives were granted during the year.

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 eligible to participate in the “Ensurance Limited Employee Incentive Option Plan”.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the directors of Ensurance Limited, Sam Hallab and Tim James.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2021	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Options/ Equity $	Total $
Non-Executive Directors:							
Adam Davey	39,500	-	-	3,752	-	-	43,252
Tony Wehby	43,252	-	-	-	-	4,900	48,152
Executive Directors:							
Tony Leibowitz	267,923	-	-	25,453	7,949	40,620	341,945
Other Key Management Personnel:							
Sam Hallab	37,000	-	-	-	-	-	37,000
Tim James	382,076	-	-	22,198	-	13,233	417,507
	769,751	-	-	51,403	7,949	58,753	887,856

Directors' report

Audited remuneration report (continued)

2020	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Options/ Equity $	Total $
Non-Executive Directors:							
Adam Davey	45,000	-	-	4,275	-	-	49,275
Tony Wehby	48,562	-	-	-	-	4,900	53,462
Executive Directors:							
Tony Leibowitz	205,962	-	-	19,566	-	40,620	266,148
Other Key Management Personnel:							
Michael Huntly	154,731	-	-	14,699	-	-	169,430
Tim James	374,374	-	-	21,588	-	13,233	409,195
Sam Hallab	48,000	-	-	-	-	-	48,000
Arjan van Ameyde	173,154	-	-	14,725	-	42,000	229,879
	1,049,783	-	-	74,853	-	100,753	1,225,389

Service agreements

Executive services contract (ESC) with Tony Leibowitz

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

- Mr Leibowitz is employed by the Company as Executive Chairman under an ESC that commenced 1 May 2017.
- The gross annual remuneration package was $270,000 per annum plus superannuation.
- Should Mr Leibowitz hold 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 ESC formalises Mr Leibowitz's full-time employment as Executive Chairman, following an initial appointment of six months. The current ESC expired 31 December 2018 and is extended beyond this date on a month to month basis, as agreed between Mr Leibowitz and the Board.

Non-Executive Director appointment letter with Adam Davey (resigned 2 July 2021)

The Company appointed Mr Adam Davey on 13 August 2012 as a Non-Executive Director, on standard terms for agreements of this nature. He was entitled to director fees of $36,000 per annum plus superannuation.

Non-Executive Director appointment letter with Tony Wehby

The Company appointed Mr Tony Wehby on 3 May 2018 as a Non-Executive Director, on standard terms for agreements of this nature. He is currently entitled to director fees of $39,600 per annum.

Non-Executive Director appointment letter with Sam Hallab

The Company appointed Mr Sam Hallab on 2 July 2021 as Non-Executive Director, on standard terms for agreements of this nature. He is currently entitled to director fees of $39,600 per annum.

Directors' report

Audited remuneration report (continued)

Share-based compensation

All shares, options and rights disclosed below are stated as at 30 June 2021 and on a pre-consolidation of capital basis. Consolidation of capital occurred on 28 July 2021.

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.

Options and Rights Granted as Remuneration

On 30 November 2015, 6,500,000 Performance Rights Class A and 500,000 Performance Rights Class B were issued to Directors of the Company. The balance of these Performance Rights at 30 June 2021 were nil Class A and nil Class B. (2020: 1,000,000 and 500,000, respectively).

On 28 November 2018, 15,000,000 options were granted to Tony Leibowitz as part of his executive services agreement. 3,000,000 are exercisable at 4 cents within 3 years of issue, 5,000,000 are exercisable at 6 cents within 4 years of issue and 7,000,000 are exercisable at 9 cents within 5 years of issue.

There were no equity instruments issued during the year to Directors as a result of performance rights.

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2021.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Performance rights
There following performance rights over ordinary shares were issued to Tim James on 24 February 2021 which remain outstanding as at 30 June 2021:

7,500,000 Class C
7,500,000 Class D, and
10,000,000 Class E

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Tony Leibowitz	118,954,957	-	16,739,197	-	135,694,154
Tony Wehby	5,273,018	-	1,048,853	-	6,321,871
Adam Davey	10,377,073	-	7,807,429	(4,000,000)	14,184,502
	134,605,048	-	25,595,479	(4,000,000)	156,200,527

Adam Davey's shares include 4,000,000 partly paid shares which lapsed during the year.

Directors' report

Audited remuneration report (continued)

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Tony Leibowitz	33,894,197	-	(14,894,197)	(4,000,000)	15,000,000
Tony Wehby	3,048,853	-	(1,048,853)	-	2,000,000
Adam Davey	3,708,563	-	(708,563)	(3,000,000)	-
	40,651,613	-	(16,651,613)	(7,000,000)	17,000,000

* Options held by Tony Leibowitz are in a related entity Kalonda Pty Limited

Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Tim James	-	25,000,000	-	-	25,000,000
Adam Davey	1,500,000	-	-	(1,500,000)	-
	1,500,000	25,000,000	-	(1,500,000)	25,000,000

Other transactions with key management personnel and their related parties

The Group has a loan from Kalonda Pty Limited of $2.5m. This company is a related party to the Executive Chairman.

This concludes the audited remuneration report.

Shares under option

Unissued ordinary shares of Ensurance Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
Kalonda Pty Limited	31 December 2021	$0.40	300,000
Kalonda Pty Limited	31 December 2022	$0.60	500,000
Kalonda Pty Limited	31 December 2023	$0.90	700,000
			1,500,000

These options are disclosed on a post-consolidation of capital basis.

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

Shares under performance rights

There were 2,500,000 unissued ordinary shares of Ensurance Limited under performance rights outstanding at the date of this report. These rights are stated on a post-consolidation of capital basis.

Directors' report

Shares issued on the exercise of options
The following ordinary shares of Ensurance Limited were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted:

Date shares granted	Exercise price	Number of shares issued
30 April 2021	$0.02	1,244,800
21 May 2021	$0.02	24,267,358
8 June 2021	$0.02	25,186,932
		50,699,090

These shares were issued pre-consolidation of capital

Shares issued on the exercise of performance rights
There were no ordinary shares of Ensurance Limited issued on the exercise of performance rights during the year ended 30 June 2021 and up to the date of this report.

Indemnification and insurance of officers
Under the terms of its constitution, Ensurance Ltd indemnifies officers of the Company to the maximum extent permitted by law out of the property of the Company in relation to the period during which that officer held his or her office against a liability for costs and expenses incurred by that officer in that capacity:

- in defending proceedings, whether civil or criminal, in which:
- judgment is given in favour of that officer; or
- that officer is acquitted; or
- in connection with an application in relation to any proceedings referred to in clause 28.2(c) in which relief is granted to that officer by the Court under the Corporations Act.

The Company or a related body corporate of the Company may pay, or agree to pay, a premium under a contract insuring an officer in relation to the period during which that officer held that office, including in respect of a liability for costs and expenses incurred by a person in defending civil or criminal proceedings whether or not the officer has successfully defended himself or herself in these proceedings, provided that:

- the provisions of the Corporations Act (including, but not limited to, Chapter 2E) are complied with in relation to the payment of the premium; and
- the liability does not arise out of conduct involving a wilful breach of duty to the Company or a contravention of sections 182 or 183 of the Corporations Act.

No liability has arisen under these indemnities as at the date of this report.

Ensurance Limited has paid a premium under a combined policy of insurance for liability of officers of the Company and related bodies corporate, professional indemnity and crime. In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of the liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Directors' report

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Mazars Risk & Assurance Pty Limited
There are no officers of the company who are former partners of Mazars Risk & Assurance Pty Limited.

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

Auditor
Mazars Risk & Assurance Pty Limited continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

A.H. Leibowitz

Tony Leibowitz
Executive Chairman

22 September 2021

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North Sydney NSW 2060

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Australia

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ENSURANCE LIMITED AND ITS CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief during the year ended 30 June 2021, there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

MAZARS RISK & ASSURANCE PTY LIMITED

James Martin
Director
Sydney, 22 September 2021

Ensurance Limited and controlled entities

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Revenue from continuing operations	4	4,340,747	3,612,313
Other income	5	189,436	84,788
Interest revenue		3,959	99,015
Expenses			
Business development		(79,737)	(158,049)
Compliance costs		(363,566)	(324,527)
Computers and communications		(334,850)	(237,334)
Depreciation and amortisation	6	(152,097)	(344,240)
Employment costs	6	(3,602,239)	(4,322,579)
Commissions		(182,621)	-
Legal and consulting fees		(109,327)	(109,151)
Occupancy costs		(167,092)	(174,879)
Travel and accommodation		(7,576)	(156,034)
Other expenses		(172,651)	(93,171)
Finance costs	6	(663,138)	(740,740)
Operating loss		(1,300,752)	(2,864,588)
Modified loss on sale of subsidiary		(2,086)	-
Loss before income tax expense from continuing operations		(1,302,838)	(2,864,588)
Income tax expense	7	-	-
Loss after income tax expense from continuing operations		(1,302,838)	(2,864,588)
Profit after income tax expense from discontinued operations	8	-	710,817
Loss after income tax expense for the year attributable to the owners of Ensurance Limited	26	(1,302,838)	(2,153,771)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Ensurance Limited		(1,302,838)	(2,153,771)
Total comprehensive income for the year is attributable to:			
Continuing operations		(1,302,838)	(2,005,897)
Discontinued operations		-	(147,874)
		(1,302,838)	(2,153,771)
		Cents	**Cents**
Earnings per share for loss from continuing operations attributable to the owners of Ensurance Limited			
Basic earnings per share	37	(0.23)	(0.50)
Diluted earnings per share	37	(0.23)	(0.50)

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

Ensurance Limited and controlled entities

Statement of financial position
As at 30 June 2021

	Note	Consolidated 2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	9	1,464,031	1,276,309
Trade and other receivables	10	1,768,777	1,630,714
Trust account insurer assets	11	19,226,262	13,240,759
Other	12	129,281	64,591
Total current assets		22,588,351	16,212,373
Non-current assets			
Receivables	13	273,347	856,471
Investments	14	1,200	1,200
Property, plant and equipment	15	11,506	91,419
Right-of-use assets	16	-	30,289
Intangibles	17	133,692	125,665
Bonds on deposit		18,743	77,466
Total non-current assets		438,488	1,182,510
Total assets		23,026,839	17,394,883
Liabilities			
Current liabilities			
Trade and other payables	18	1,309,351	359,862
Borrowings	19	66,665	4,714,997
Lease liabilities	20	-	231,106
Provisions	21	88,917	52,709
Trust account insurer liabilities	22	18,859,720	13,097,128
Total current liabilities		20,324,653	18,455,802
Non-current liabilities			
Borrowings	23	2,500,000	-
Provisions		9,936	3,276
Total non-current liabilities		2,509,936	3,276
Total liabilities		22,834,589	18,459,078
Net assets/(liabilities)		192,250	(1,064,195)
Equity			
Issued capital	24	22,241,201	19,291,070
Reserves	25	74,164	1,911,211
Accumulated losses	26	(22,123,115)	(22,266,476)
Total equity/(deficiency)		192,250	(1,064,195)

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

Ensurance Limited and controlled entities

Statement of changes in equity
For the year ended 30 June 2021

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2019	16,301,785	1,481,655	(20,077,098)	(2,293,658)
Adjustment for change in accounting policy	-	-	(84,381)	(84,381)
Balance at 1 July 2019 - restated	16,301,785	1,481,655	(20,161,479)	(2,378,039)
Loss after income tax expense for the year	-	-	(2,153,771)	(2,153,771)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,153,771)	(2,153,771)
Rollover of convertible notes	-	(47,985)	40,335	(7,650)
Expense of options	-	75,487	8,439	83,926
Translation of Ensurance UK ledger	-	(149,916)	-	(149,916)
Forfeit of options	-	(8,438)	-	(8,438)
Asset revaluation	-	(120)	-	(120)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 24)	2,989,285	-	-	2,989,285
Share-based payments (note 38)	-	560,528	-	560,528
Balance at 30 June 2020	19,291,070	1,911,211	(22,266,476)	(1,064,195)

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity / (deficiency) $
Balance at 1 July 2020	19,291,070	1,911,211	(22,266,476)	(1,064,195)
Loss after income tax expense for the year	-	-	(1,302,838)	(1,302,838)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,302,838)	(1,302,838)
Expense of Options	-	79,563	-	79,563
Foreign exchange movements	-	16,752	-	16,752
Lapse of options & performance rights	-	(1,391,973)	1,391,973	-
Issue of shares on conversion of convertible notes	1,550,703	(101,717)	-	1,448,986
Issue of shares on exercise of options	1,399,428	(385,446)	-	1,013,982
Redemption of convertible notes	-	(54,226)	54,226	-
Balance at 30 June 2021	22,241,201	74,164	(22,123,115)	192,250

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

Statement of cash flows
For the year ended 30 June 2021

	Note	Consolidated 2021 $	2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		4,187,831	3,581,464
Payments to suppliers and employees (inclusive of GST)		(5,053,611)	(7,318,010)
		(865,780)	(3,736,546)
Interest received		6,145	93,877
Other revenue		168,242	84,788
Net cash used in operating activities	35	(691,393)	(3,557,881)
Cash flows from investing activities			
Payments for investments		-	(131,606)
Payments for property, plant and equipment	15	(9,252)	-
Payments for intangibles	17	(36,892)	-
Payments for financial assets		(5,650)	(5,745)
Proceeds from disposal of business		633,128	220,000
Net cash from investing activities		581,334	82,649
Cash flows from financing activities			
Proceeds from issue of shares	24	1,013,982	3,511,291
Proceeds from borrowings		66,666	-
Interest and other finance costs paid		(585,272)	(688,530)
Repayment of borrowings		(26,662)	(284,518)
Repayment of lease liabilities		(170,933)	(320,838)
Net cash from financing activities		297,781	2,217,405
Net increase/(decrease) in cash and cash equivalents		187,722	(1,257,827)
Cash and cash equivalents at the beginning of the financial year		1,276,309	2,534,136
Cash and cash equivalents at the end of the financial year	9	1,464,031	1,276,309

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

Notes to the financial statements

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

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

Going concern
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 net loss for the period of $1,302,838 (2020: $2,153,771 loss). As at 30 June 2021, the Group had positive working capital of $2,263,698 (June 2020 negative working capital of $2,213,137) and net assets of $192,250 (June 2020 net liabilities of $1,064,193). The Group's liabilities include an interest bearing $2,500,000 related party loan from Kalonda Pty Limited due for repayment on the 31 December 2022. Kalonda Pty Limited is owned by the Executive Chairman Tony Leibowitz.

The going concern basis of preparation is deemed appropriate by the board owing to the following factors. Cash flow forecasts show the cash generation from the Australian entities (including TK Speciality Risks Pty Ltd) and Ensurance UK Limited being sufficient to offset their own respective cash outflows. In addition, the Board has secured a working capital facility of $750,000 from Kalonda Pty Ltd on equivalent terms to the existing loan, in order to support the business as it continues to execute on identified growth initiatives. This facility has not been drawn upon as at the date of this report.

The ultimate ability of the Group to continue as a going concern is dependent upon it achieving the cash flow forecast prepared by management and where needed, drawing down upon the working capital facility to the extent required to meet their obligations for a period of 12 months from the date of this report. On this basis, it is the Directors belief that the Group is able to pay its debts as and when they fall due and will have adequate resources to continue operating for the foreseeable future. For this reason, the Directors consider the going concern basis of preparation to be appropriate.

Reverse acquisition
Ensurance Ltd 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). Notwithstanding, as Ensurance Ltd is the listed entity and the ultimate holding company of the Ensurance Group of companies, the financial statements have been referred to as the financial statements of Ensurance Ltd.

Accounting for Government Grants and Disclosure of Government Assistance
During the period grants were received in the form of cash flow boosts due to COVID-19. The cash flow boost is recognised as income when the cash is received.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of Shares in Listed Companies.

Notes to the financial statements

Note 1. Significant accounting policies (continued)

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

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 32.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Ensurance Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue
Revenue consists principally of commission and administration fees associated with the placement of insurance contracts. This income is net of commissions payable to other directly involved parties. Revenues are recognised on the later of the inception date of the risk and the date of receipt of the order. Any adjustments to commission arising from premium additions or reductions are recognised as and when they are notified by third parties.

Profit commissions are recognised when the amount can be estimated with a reasonable degree of certainty and when it is highly probable that the commission will be received.

All revenue is stated net of the amount of GST/VAT.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Notes to the financial statements

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Ensurance Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Discontinued operations
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Notes to the financial statements

Note 1. Significant accounting policies (continued)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Intangible assets - Software
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 5 years.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Notes to the financial statements

Note 1. Significant accounting policies (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Notes to the financial statements

Note 1. Significant accounting policies (continued)

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Ensurance Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and Value Added Tax (VAT)
Revenues, expenses and assets are recognised net of the amount of associated GST/VAT, unless the GST/VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST/VAT receivable or payable. The net amount of GST/VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST/VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Notes to the financial statements

Note 2. Critical accounting judgements, estimates and assumptions

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

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

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

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

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

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

Performance Rights
These rights are issued at 30 June 2021, 2022 and 2023 based on both short and long term incentives. The vesting conditions relate to Ensurance UK Pty Limited achieving agreed upon NRC and EBITA at year end. The rights will be brought to account when it is probable that the vesting conditions will be met.

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

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Notes to the financial statements

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

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into 2 operating segments: These being the business in the UK and the head office in Australia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

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

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

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

Operating segment information

Consolidated - 2021	Ensurance UK $	Head Office $	Total $
Revenue			
Sales to external customers	4,340,747	-	4,340,747
Interest revenue	2,356	1,603	3,959
Other revenue	14,418	175,018	189,436
Total revenue	4,357,521	176,621	4,534,142
EBITDA	326,198	(843,943)	(517,745)
Depreciation and amortisation	(54,244)	(1,420)	(55,664)
Impairment of assets	(68,335)	-	(68,335)
Finance costs	(6,060)	(655,034)	(661,094)
Profit/(loss) before income tax expense	197,559	(1,500,397)	(1,302,838)
Income tax expense			-
Loss after income tax expense			(1,302,838)
Assets			
Segment assets	21,418,769	26,456,738	47,875,507
Intersegment eliminations			(24,848,668)
Total assets			23,026,839
Liabilities			
Segment liabilities	19,351,543	13,148,557	32,500,100
Intersegment eliminations			(9,665,511)
Total liabilities			22,834,589

Notes to the financial statements

Note 3. Operating segments (continued)

Consolidated - 2020	Ensurance UK $	Head Office $	Information technology $	Discontinued Operations $	Total $
Revenue					
Sales to external customers	3,612,313	-	-	588,510	4,200,823
Other revenue	24,966	4,964	54,858	-	84,788
Interest revenue	11,196	87,819	-	-	99,015
Total revenue	3,648,475	92,783	54,858	588,510	4,384,626
EBITDA	(181,278)	(1,482,591)	-	(145,661)	(1,809,530)
Depreciation and amortisation	(300,633)	(43,608)	-	-	(344,241)
Loss before income tax expense	(481,911)	(1,526,199)	-	(145,661)	(2,153,771)
Income tax expense					-
Loss after income tax expense					(2,153,771)
Assets					
Segment assets	15,145,703	26,968,157	-	-	42,113,860
Intersegment eliminations					(24,718,977)
Total assets					17,394,883
Liabilities					
Segment liabilities	13,579,124	14,699,261	-	-	28,278,385
Intersegment eliminations					(9,819,307)
Total liabilities					18,459,078

Note 4. Revenue

	Consolidated 2021 $	Consolidated 2020 $
From continuing operations		
Underwriting commission	3,998,072	3,612,313
Profit commission	206,078	-
Policy administration fees	136,597	-
Revenue from continuing operations	4,340,747	3,612,313

Note 5. Other income

	Consolidated 2021 $	Consolidated 2020 $
Net gain on disposal of business	21,220	-
Government grants - cash flow boost	153,798	54,858
Other income	14,418	29,930
Other income	189,436	84,788

Notes to the financial statements

Note 6. Other expenses

	Consolidated 2021 $	Consolidated 2020 $
Depreciation and amortisation		
Depreciation expense	(23,343)	(48,071)
Amortisation - Software	(31,593)	-
Amortisation - Right of use assets	(29,319)	(296,170)
Write off of office furniture	(67,842)	-
	(152,097)	(344,241)

	Consolidated 2021	Consolidated 2020
Finance costs		
Interest on convertible notes	(255,585)	(264,749)
Interest on related party loans	(399,449)	(403,839)
Interest on lease liability	(8,104)	(72,152)
	(663,138)	(740,740)

	Consolidated 2021 $	Consolidated 2020 $
Employee Entitlements		
Non-executive Director fees	(82,752)	(93,563)
Increase/(Decrease) in employee benefit provisions	(42,867)	57,973
Superannuation expenses	(215,509)	(262,756)
Wages and salaries	(2,927,521)	(3,673,307)
Other employment related costs	(32,758)	(53,576)
Employee National Insurance Contributions (UK)	(300,832)	(297,350)
	(3,602,239)	(4,322,579)

Notes to the financial statements

Note 7. Income tax expense

	Consolidated 2021 $	Consolidated 2020 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(1,302,838)	(2,864,588)
Profit before income tax expense from discontinued operations	-	710,817
	(1,302,838)	(2,153,771)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(338,738)	(592,287)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	202	3,112
Loss on sale of investment	-	189,618
(Profit) / Losses in Ensurance UK Limited	(51,365)	130,116
Non-assessable income	(35,528)	(44,948)
Deferred tax asset not recognised	425,429	314,389
Income tax expense	-	-

Franking account

	Consolidated 2021 $	Consolidated 2020 $
Balance of franking account of the legal parent entity	8,620	8,620

Note 8. Discontinued operations

Financial performance information

	Consolidated 2021 $	Consolidated 2020 $
Discontinued revenue	-	588,510
Other discontinued income	-	313
Discontinued expense	-	(734,484)
Loss before income tax expense	-	(145,661)
Income tax expense	-	-
Loss after income tax expense	-	(145,661)
Gain on disposal before income tax	-	856,478
Income tax expense	-	-
Gain on disposal after income tax expense	-	856,478
Profit after income tax expense from discontinued operations	-	710,817

Notes to the financial statements

Note 8. Discontinued operations (continued)

Cash flow information

	Consolidated	
	2021 $	2020 $
Net cash used in operating activities	-	(273,112)

Note 9. Current assets - cash and cash equivalents

	Consolidated	
	2021 $	2020 $
Cash on hand	184	1,690
Cash at bank	1,463,847	1,245,673
Cash on deposit	-	28,946
	1,464,031	1,276,309

Note 10. Current assets - trade and other receivables

	Consolidated	
	2021 $	2020 $
Commission on Trust Assets	1,613,593	1,446,122
Less: Allowance for expected credit losses	(34,125)	(33,211)
	1,579,468	1,412,911
Other receivables	17,849	30,495
Funds owing on the sale of Ensurance Underwriting Pty Limited	171,460	187,308
	1,768,777	1,630,714

Allowance for expected credit losses
The consolidated entity has recognised an additional loss of $914 to $34,125 (2020: $33,211) in profit or loss in respect of the expected credit losses for the year ended 30 June 2021.

Note 11. Current assets - Trust account insurer assets

	Consolidated	
	2021 $	2020 $
Insurance debtors	11,418,742	9,515,767
Trust accounts	7,807,520	3,724,992
	19,226,262	13,240,759

Notes to the financial statements

Note 12. Current assets - other

	Consolidated 2021 $	Consolidated 2020 $
Prepayments	129,281	64,591

Note 13. Non-current assets - receivables

	Consolidated 2021 $	Consolidated 2020 $
Other receivables	280,859	871,493
Less: Allowance for expected credit losses	(7,512)	(15,022)
	273,347	856,471

Allowance for expected credit loss

The consolidated entity has reduced the expected credit loss by $7,510 to $7,512 (2020: $15,022). This has resulted in a write back in profit or loss in respect of the expected credit loss for the year ended 30 June 2021.

Note 14. Non-current assets - investments

	Consolidated 2021 $	Consolidated 2020 $
Shares in listed Companies	1,200	1,200

Note 15. Non-current assets - property, plant and equipment

	Consolidated 2021 $	Consolidated 2020 $
Plant and equipment - at cost	77,673	85,683
Less: Accumulated depreciation	(67,529)	(80,390)
	10,144	5,293
Fixtures and fittings - at cost	5,283	179,766
Less: Accumulated depreciation	(3,921)	(93,640)
	1,362	86,126
	11,506	91,419

Notes to the financial statements

Note 15. Non-current assets - property, plant and equipment (continued)

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

Consolidated	Plant & Equipment $	Furniture & Fittings $	Total $
Balance at 1 July 2019	8,786	125,912	134,698
Additions	7,649	870	8,519
Depreciation expense	(11,142)	(40,656)	(51,798)
Balance at 30 June 2020	5,293	86,126	91,419
Additions	9,252	-	9,252
Exchange differences	133	2,361	2,494
Write off of assets	-	(68,335)	(68,335)
Depreciation expense	(4,534)	(18,790)	(23,324)
Balance at 30 June 2021	10,144	1,362	11,506

Note 16. Non-current assets - right-of-use assets

	Consolidated	
	2021 $	**2020 $**
Right of use assets	684,753	729,007
Less: Accumulated depreciation	(684,753)	(698,718)
	-	30,289

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

Consolidated	Office Space $	Total $
Balance at 1 July 2019	866,611	866,611
Revaluation decrements	(486,951)	(486,951)
Exchange differences	(53,202)	(53,202)
Depreciation expense	(296,169)	(296,169)
Balance at 30 June 2020	30,289	30,289
Exchange differences	(970)	(970)
Depreciation expense	(29,319)	(29,319)
Balance at 30 June 2021	-	-

Notes to the financial statements

Note 17. Non-current assets - intangibles

	Consolidated 2021 $	Consolidated 2020 $
Software - at cost	166,013	125,665
Less: Accumulated amortisation	(32,321)	-
	133,692	125,665

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

Consolidated	Software $	Total $
Balance at 1 July 2019	125,665	125,665
Balance at 30 June 2020	125,665	125,665
Additions	36,892	36,892
Exchange differences	3,456	3,456
Amortisation expense	(32,321)	(32,321)
Balance at 30 June 2021	133,692	133,692

Note 18. Current liabilities - trade and other payables

	Consolidated 2021 $	Consolidated 2020 $
Trade payables	332,851	262,507
Convertible note redemption payout with interest	816,814	-
Other payables	159,686	97,355
	1,309,351	359,862

Refer to note 28 for further information on financial instruments.

Note 19. Current liabilities - borrowings

	Consolidated 2021 $	Consolidated 2020 $
Bank loans	66,665	26,662
Related party loan (refer note 23)	-	2,500,000
Convertible notes payable	-	2,188,335
	66,665	4,714,997

Refer to note 28 for further information on financial instruments.

Notes to the financial statements

Note 20. Current liabilities - lease liabilities

	Consolidated 2021 $	Consolidated 2020 $
Lease liability	-	231,106

Refer to note 28 for further information on financial instruments.

Note 21. Current liabilities - provisions

	Consolidated 2021 $	Consolidated 2020 $
Employee benefits	88,917	52,709

Note 22. Current liabilities - Trust account insurer liabilities

	Consolidated 2021 $	Consolidated 2020 $
Underwriter's liability	18,336,288	12,719,614
Other	523,432	377,514
	18,859,720	13,097,128

	Consolidated 2021 $	Consolidated 2020 $
Trust account insurer assets		
Insurance debtors	11,418,742	9,515,767
Trust accounts	7,807,520	3,724,992
Total trust account assets	19,226,262	13,240,759
Trust account insurer liabilities		
Underwriter's liability	(18,336,288)	(12,719,614)
Other	(523,432)	(377,514)
Total trust account liabilities	(18,859,720)	(13,097,128)
Excess of insurance assets over liabilities	366,542	143,631

Note 23. Non-current liabilities - borrowings

	Consolidated 2021 $	Consolidated 2020 $
Related party loan	2,500,000	-

Refer to note 28 for further information on financial instruments.

Notes to the financial statements

Note 23. Non-current liabilities - borrowings (continued)

The total secured and unsecured liabilities (current and non-current) are as follows:

	Consolidated	
	2021 $	2020 $
Secured liabilities		
Bank loan	66,665	26,662
Unsecured liabilities		
Related party loan	2,500,000	2,500,000

Note 24. Equity - issued capital

	Consolidated			
	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares - fully paid	718,254,117	570,956,232	22,241,201	19,291,070

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	01 July 2019	316,086,819		16,301,785
Capital raising and transaction costs		254,869,413	$0.015	2,989,285
Balance	30 June 2020	570,956,232		19,291,070
Conversion of options	30 April 2021	1,244,800	$0.020	24,896
Conversion of options	21 May 2021	24,267,358	$0.020	485,347
Conversion of options	08 June 2021	25,186,932	$0.020	503,739
Conversion of convertible notes	30 June 2021	96,598,795	$0.015	1,448,982
Movement of Reserves to Issued Capital				487,167
Balance (Pre-consolidation of capital)	30 June 2021	718,254,117		22,241,201

Consolidation of Capital
Subsequent to year end the Company implemented a 10 to 1 share consolidation. Post consolidation there were a total of 80,158,845 securities on issue. This was approved at the General Meeting of shareholders on 28th of July 2021.

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

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

Partly Paid Shares
Partly Paid Shares were issued at a price of 20 cents of which 0.01 of one cent was paid with the balance payable, at the election of the holder, any time within five years from the date of Shareholder approval of the special resolution, being 30 November 2020, in accordance with resolution 13 of the Company's 2015 Annual General Meeting.

The Partly Paid Shares were not subject to calls by Ensurance and any of the Partly Paid Shares which were not fully paid up at the expiration date of 30 November 2020 shall be forfeited. All Partly paid shares were forfeited during the year.

Partly paid shares	-	8,000,000

Notes to the financial statements

Note 24. Equity - issued capital (continued)

Options
63,217,342 unlisted $0.02 options expired on 6th June 2021. Of these options 50,699,090 were exercised into ordinary shares and 12,518,252 options lapsed.

Convertible notes
The convertible notes expired on 30 June 2021. Of these notes, $1,448,982 were converted into share capital, resulting in the issue of 96,598,795 ordinary shares. The remaining notes balance of $772,506 was repaid to subscribers. The interest rate on the notes was 8%.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2020 Annual Report.

Note 25. Equity - reserves

	Consolidated	
	2021 $	2020 $
Revaluation surplus reserve	(800)	(800)
Foreign currency translation reserve	(144,362)	(161,113)
Share-based payments reserve	219,326	1,917,182
Convertible notes options premium reserve	-	155,942
	74,164	1,911,211

Notes to the financial statements

Note 25. Equity - reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Asset Revaluation $	Share Based Payment $	Foreign Currency Translation $	Convertible Note Option Premium $	Total $
Balance at 1 July 2019	(680)	1,289,604	(11,197)	203,927	1,481,654
Revaluation - gross	(120)	-	-	-	(120)
Translation of Ensurance UK	-	-	(149,916)	-	(149,916)
Rollover of Convertible Notes	-	-	-	(47,985)	(47,985)
Capital raising and transaction costs	-	560,528	-	-	560,528
Forfeit of options	-	(8,438)	-	-	(8,438)
Expense of Options	-	75,488	-	-	75,488
Balance at 30 June 2020	(800)	1,917,182	(161,113)	155,942	1,911,211
Foreign currency translation	-	-	16,751	-	16,751
Expense of options	-	79,563	-	-	79,563
Lapse of options and performance rights	-	(1,391,973)	-	-	(1,391,973)
Issue of shares on exercise of options	-	(385,446)	-	-	(385,446)
Redemption of convertible notes	-	-	-	(54,225)	(54,225)
Issue of shares on conversion of convertible notes	-	-	-	(101,717)	(101,717)
Balance at 30 June 2021	(800)	219,326	(144,362)	-	74,164

Note 26. Equity - accumulated losses

	Consolidated 2021 $	Consolidated 2020 $
Accumulated losses at the beginning of the financial year	(22,266,476)	(20,161,478)
Loss after income tax expense for the year	(1,302,838)	(2,153,771)
Transfer from Share based payment reserve	54,225	40,335
Transfer from Convertible notes options premium reserve	1,391,974	8,438
Accumulated losses at the end of the financial year	(22,123,115)	(22,266,476)

Note 27. Equity - dividends

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

Note 28. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Notes to the financial statements

Note 28. Financial instruments (continued)

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group has no material exposure to foreign exchange risk on its financial instruments.

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk. Borrowings obtained at fixed rates expose the consolidated entity to fair value interest rate risk. 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.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is 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. The consolidated entity does not hold any collateral.

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.

The objective of the Group is to minimise the risk of loss from credit risk and 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 has impaired where necessary the trade and other receivables.

Exposure
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 or the United Kingdom.

Impairment losses
The ageing of the Group's trade and other receivables at reporting date was as follows (standard terms of trade are 90 days in the UK and 30 days in Australia):

Notes to the financial statements

Note 28. Financial instruments (continued)

	Gross 2021	Impaired 2021	Net 2021	Past due but not impaired 2021
Current trade and other receivables				
Commissions	1,613,593	(34,125)	1,579,468	-
Ensurance Underwriting Pty Limited sale proceeds	165,000	-	165,000	-
Other	11,666	-	11,666	-
Non-current trade and other receivables	-	-	-	-
Ensurance Underwriting Pty Limited sale proceeds	312,319	(15,362)	296,957	-
	2,102,578	(49,487)	2,053,091	-

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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.

All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2021	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	(1,303,167)	-	-	-	(1,303,167)
Trust account insurer liabilities	-	(18,859,720)	-	-	-	(18,859,720)
Interest-bearing - fixed rate						
Bank loans	5.27%	(66,666)	-	-	-	(66,666)
Other loans	11.00%	-	(2,500,000)	-	-	(2,500,000)
Total non-derivatives		(20,229,553)	(2,500,000)	-	-	(22,729,553)

Notes to the financial statements

Note 28. Financial instruments (continued)

Consolidated - 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	(359,862)	-	-	-	(359,862)
Trust account insurer liabilities	-	(13,097,128)	-	-	-	(13,097,128)
Interest-bearing - variable						
Bank loans	2.27%	(26,662)	-	-	-	(26,662)
Other loans	16.00%	(2,500,000)	-	-	-	(2,500,000)
Convertible notes	8.00%	(2,188,335)	-	-	-	(2,188,335)
Total non-derivatives		(18,171,987)	-	-	-	(18,171,987)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 29. Key management personnel disclosures

Directors
The following persons were directors of Ensurance Limited during or since the end of the financial year:

Mr Tony Leibowitz	Executive Chairman
Mr Adam Davey	Non-Executive Director (resigned 2 July 2021)
Mr Tony Wehby	Non-Executive Director
Mr Sam Hallab	Non-Executive Director (appointed 2 July 2021) and Company Secretary

Other key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Mr Tim James	CEO of Ensurance UK Limited

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2021 $	Consolidated 2020 $
Short-term employee benefits	769,751	1,049,783
Post-employment benefits	118,105	175,606
	887,856	1,225,389

Notes to the financial statements

Note 30. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Mazars Risk & Assurance Pty Limited, the auditor of the company:

	Consolidated	
	2021 $	2020 $
Audit services - Mazars Risk & Assurance Pty Limited		
Audit or review of the financial statements	80,000	91,250

Note 31. Related party transactions

Parent entity
Ensurance Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 33.

Key management personnel
Disclosures relating to key management personnel are set out in note 29 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2021 $	2020 $
Interest paid to Kalonda Pty Limited	399,499	403,839
Other transactions:		
On 18 August 2020, the Company paid Mr Tony Leibowitz for a letter of guarantee, confirming he would continue to support the Company financially for eighteen months.	20,000	20,000
Remuneration paid to related parties of KMP	-	47,464

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

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

	Consolidated	
	2021 $	2020 $
Current borrowings:		
Kalonda Pty Limited	-	(2,500,000)
Non-current borrowings:		
Kalonda Pty Limited	(2,500,000)	-

Notes to the financial statements

Note 31. Related party transactions (continued)

Unsecured loan form Kalonda Pty Ltd, associated entity of Executive Chairman Tony Leibowitz. Term of 2 years at interest rate of 16% pa.

This agreement was renewed on 30 June 2021, with an effective date of 1 July 2021. The term is for 18 months at an interest rate of 11% pa. It also includes an additional working capital facility of $750,000, if required.

Terms and conditions
All transactions were made on normal commercial terms and conditions.

Note 32. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2021 $	Parent 2020 $
Loss after income tax	(1,060,889)	(996,914)

Statement of financial position

	Parent 2021 $	Parent 2020 $
Total current assets	1,004,045	1,037,625
Total assets	3,075,061	2,605,404
Total current liabilities	862,777	4,742,820
Total liabilities	3,362,777	4,742,820
Equity		
Issued capital	27,362,797	25,049,391
Revaluation surplus reserve	(800)	(800)
Foreign currency translation reserve	(259,862)	(252,893)
Share-based payments reserve	324,626	1,500,476
Convertible notes options premium reserve	-	155,942
Accumulated losses	(27,714,477)	(28,589,532)
Total deficiency in equity	(287,716)	(2,137,416)

Impairment of investments and loans to subsidiaries

The Board of Ensurance Ltd has undertaken an impairment assessment of the parent entity's investment in Ensurance Capital of $7,525,195, its investment in Ensurance UK Ltd of $7,657,953 and loans to subsidiaries of $9,665,510. As a result of this assessment, the Company has recognised an impairment to the investment of $7,525,195 and $5,590,727, respectively and an impairment to the loans of $9,665,510. This equates to an impairment loss of $22,781,432. Of this amount $0 is recognised in the current year (2020: $2,346,318). These impairments relate only to disclosures as contained in this Note.

Notes to the financial statements

Note 32. Parent entity information (continued)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1. The only exception to this is Investments in subsidiaries, which are accounted for at cost less any impairment in the parent entity.

Note 33. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2021 %	2020 %
Ensurance Capital Pty Limited	Australia	100.00%	100.00%
Ensurance IT Pty Limited	Australia	100.00%	100.00%
Ensurance UK Limited	United Kingdom	100.00%	100.00%

Note 34. Events after the reporting period

Acquisition of TK Specialist Risks Pty Ltd (TKSR)
Ensurance has acquired 100% of an Australian boutique underwriting agency, TKSR, through the issue of 83,333,334 Ensurance shares at a deemed 3 cents per share. This was approved at the General Meeting of shareholders on 28th of July 2021.

Post-acquisition, Mr Tom Kent will remain with Ensurance Limited and lead the freshly re-branded Australian operation as it begins to further expand its footprint via;

(1) organic growth with via its existing Australia-wide network of Australian brokers,
(2) accretive acquisitions,
(3) distribution of products on behalf of the UK division of Ensurance, and
(4) release of new insurance products backed by key insurance partners.

The above shares were issued and quoted pre-consolidation on the 28 July 2021. On this basis, the total securities on issue pre-consolidation were 801,587,451.

Consolidation of Capital
Subsequent to year end, the Company implemented a 10 to 1 share consolidation. Post consolidation there were a total of 80,158,845 securities on issue. This was approved at the General Meeting of shareholders on 28th of July 2021.

Ensurance Underwriting Pty Limited sale proceeds
360 Construction and Engineering Pty Limited paid the remaining sale proceeds outstanding, ahead of the contract dates of 31 July 2022 and 31 July 2023. The funds were received by the 12 August 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Notes to the financial statements

Note 35. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2021 $	Consolidated 2020 $
Loss after income tax expense for the year	(1,302,838)	(2,153,771)
Adjustments for:		
Depreciation and amortisation	152,097	405,780
Convertible note interest	177,719	192,226
Profit on disposal of Ensurance Underwriting Pty Limited	-	(856,478)
Convertible note option premium reserve	96,264	(352,294)
Interest on related party loan	407,553	496,304
Dilapidation costs	52,554	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(1,628,475)	641,904
Increase in prepayments	(64,689)	(60,443)
Increase/(decrease) in trade and other payables	1,375,555	(1,814,156)
Increase/(decrease) in employee benefits	42,867	(56,953)
Net cash used in operating activities	(691,393)	(3,557,881)

Note 36. Options

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

Grant Date	Expiry Date	Exercise Price Pre share consolidation	Exercise Price Post share consolidation	Number of Options Pre share consolidation	Number of Options Post share consolidation
28/11/2018	31/12/2021	$0.04	$0.40	3,000,000	300,000
28/11/2018	31/12/2022	$0.06	$0.60	5,000,000	500,000
28/11/2018	31/12/2023	$0.09	$0.90	7,000,000	700,000
				15,000,000	1,500,000

Note 37. Earnings per share

	Consolidated 2021 $	Consolidated 2020 $
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of Ensurance Limited	(1,302,838)	(2,864,588)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	575,745,376	570,956,232
Weighted average number of ordinary shares used in calculating diluted earnings per share	575,745,376	570,956,232
	Cents	**Cents**
Basic earnings per share	(0.23)	(0.50)
Diluted earnings per share	(0.23)	(0.50)

Notes to the financial statements

Note 38. Share-based payments

Employee incentive share plan
An offer of fully paid ordinary shares were made and accepted by four employees under the Incentive Share Plan, to be issued in four tranches as follows:

Ordinary Shares

	2021 Pre share Consolidation	2021 Post share Consolidation	2020
Target issue date of March 2022	1,000,000	100,000	1,000,000
Target issue date of March 2023	1,000,000	100,000	1,000,000
Target issue date of June 2022	3,250,000	325,000	3,250,000
Target issue date of June 2023	3,250,000	325,000	3,250,000
	8,500,000	850,000	8,500,000

Performance Rights

	2021 Pre share consolidation	2021 Post share consolidation	2020
Class A	-	-	1,500,000
Class B	-	-	500,000
Class C	7,500,000	750,000	-
Class D	7,500,000	750,000	-
Class E	10,000,000	1,000,000	-
	25,000,000	2,500,000	2,000,000

On 24 February 2021, 750,000 Performance Rights Class C (Class C Rights) were granted to Tim James. Upon Ensurance UK achieving an NRC of 2,689,310 pounds and EBITDA of 254,235 pounds at 30 June 2021, the Class C Rights will vest, entitling the holder or his nominee to 1 fully paid ordinary share in the Company per vested Class C Right. The Class C Rights hold no voting or dividend rights and are not transferable.

On 24 February 2021, 750,000 Performance Rights Class D (Class D Rights) were granted to Tim James. Upon Ensurance UK achieving an NRC of 3,739,182 pounds and EBITDA of 875,970 pounds at 30 June 2022, the Class D Rights will vest, entitling the holder or his nominee to 1 fully paid ordinary share in the Company per vested Class D Right.

On 24 February 2021, 1,000,000 Performance Rights Class E (Class E Rights) were granted to Tim James. Upon Ensurance UK achieving an NRC of 4,595,970 pounds and EBITDA of 1,426,675 pounds at 30 June 2023, the Class E Rights will vest, entitling the holder or his nominee to 1 fully paid ordinary share in the Company per vested Class E Right.

During the year the vesting rules for Performance Rights Class A and Class B were not achieved and have been forfeited.

Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

A.H. Leibowitz

Tony Leibowitz
Executive Chairman

22 September 2021

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENSURANCE LIMITED AND ITS CONTROLLED ENTITIES

Report on the Financial Report

Opinion

We have audited the accompanying consolidated financial report of Ensurance Limited (the "Company") and the entities it controlled (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2021 and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, other selected explanatory notes and the directors' declaration.

In our opinion, the accompanying consolidated financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants including Independence Standards* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of $1,302,838 during the year ended 30 June 2021 (2020: $2,153,771 loss). As at 30 June 2021, the Group's statement of financial position reflected positive working capital of $2,213,137 (2020: negative working capital $2,243,428), net assets of $192,250 (2020: net liabilities of $1,064,195) which includes a related party loan of $2,500,000 due for repayment on 31 December 2022. Accumulated losses are $22,123,115 (2020: Accumulated losses of $22,266,476). During the year ended 30 June 2021, the Group generated operating cash outflows of $691,393 (2020: Operating cash outflows of $3,557,881).

The ability of the Group to continue as a going concern and pay their debts as and when they fall due is dependent upon two interrelated uncertainties. First, it is dependent upon Ensurance UK Limited and the Australian entities (including TK Speciality Risks Pty Ltd) achieving the cash flow forecasts prepared by management, to the extent that the operating cash inflows from these entities are sufficient to cover their own respective cash outflows. Second, in the event that cash flow forecasts are not achieved, the Group will be dependent upon the continued financial support of the director related entity, Kalonda Pty Ltd, in the form of a $750,000 working capital facility.

Should the cash flow forecasts not be achieved and the working capital facility not be available, then a material uncertainty exists which may cast significant doubt as to the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Key Audit Matters

The key audit matters are those matters that, in our professional judgement key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

mazars

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor’s opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extreme rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

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Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 8-12 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Ensurance Limited for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Group 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.

MAZARS RISK & ASSURANCE PTY LIMITED

James Martin
Director

Sydney, 22 September 2021

Shareholder information

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 (4th 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.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of the board and management; and (b) those matters expressly reserved to the board and those delegated to management.	YES	The Company has adopted a Board Charter which sets out the respective roles and responsibilities of the Board and management. 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.
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	YES	(a) The Company has detailed guidelines for the appointment and selection of the Board members. 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. (b) Material information relevant to any decision on whether or not to elect or re-elect a director is be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the director.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	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.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chairman, on all matters to do with the proper functioning of the board.	YES	The Board Charter outlines the roles, responsibilities and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chairman, on all matters to do with the proper functioning of the Board.
Recommendation 1.5 A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	NO	(a) The Company has adopted a Diversity Policy. The Diversity Policy provides a framework for the Company to achieve gender diversity in the composition of its board, senior executives and workforce generally. The Diversity Policy is stated in Schedule 8 of the Corporate Governance Plan which is available on the company website. (b) Whilst the Company may not exactly follow the ASX Corporate Governance Recommendations, the Company is an equal opportunity employer and does not discriminate on gender, age, cultural or country of origin. Given the size of the Group, the Company believes that all appointments and hiring decisions should be based on an assessment of merit in respect of the available talent pool at the time of the appointment. (c) Due to the size of the Company, the Board does not set measurable objectives to achieve gender diversity, however, the Board does review this matter on an informal basis. The Board is currently comprised of 3 Directors all of whom are men. The Company currently has 24 employees, 8 of those employees are woman.

Shareholder information

<table>
<tr><td>Recommendation 1.6
A listed entity should:
(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</td><td>YES</td><td colspan="2">(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 3 of the Company's Corporate Governance Plan.
(b) The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. 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. The Chairman conducts informal reviews each financial year whereby the performance of the Board as a whole and the individual contributions of each director are reviewed. The Board considers that at this stage of the Company's development an informal process is appropriate. The review will assist to indicate if the Board's performance is appropriate and efficient with respect to the Board Charter.</td></tr>
<tr><td>Recommendation 1.7
A listed entity should:
(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</td><td>YES</td><td colspan="2">(a) The Company's Corporate Governance Plan requires the Board to conduct an annual performance evaluation of the senior executives. Schedule 3 'Performance Evaluation' requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.
(b) During the financial year an evaluation of performance of the senior executives was not formally carried out. However, a general review of the individuals occurs on an on-going basis to ensure that these individuals are performing to the standards expected.</td></tr>
<tr><td colspan="4">Principle 2: Structure the board to be effective and add value</td></tr>
<tr><td>Recommendation 2.1
The board of a listed entity should:
(a) have a nomination committee which:
(1) has at least three members, a majority of whom are independent directors; and
(2) is chaired by an independent director, and disclose:
(3) the charter of the committee;
(4) the members of the committee; and
(5) 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
(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, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</td><td>NO</td><td colspan="2">Due to the size of the Board, it is not practical to maintain separate Board Committees. The Board as a whole considers all matters that would normally be considered by the Nominations Committee. 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. The Board updates the Company's board skills matrix when required (in accordance with recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.</td></tr>
<tr><td>Recommendation 2.2
A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</td><td></td><td>Board Skills Matrix</td><td>Number of Directors that Meet the Skill</td></tr>
</table>

Shareholder information

	YES	Listed company experience at Board level Industry experience at senior management level Leadership Corporate governance & risk management Development & implementation of strategy M&A assessment & execution Development & implementation of culture International experience Capital Markets experience ***Subject matter expertise:*** - accounting - ASX compliance - capital management - corporate financing - employee management & remuneration - industry taxation - industrial relations/communications/PR - risk management - legal	3 2 3 3 3 3 3 1 3 3 3 3 3 3 1 3 3 0
Recommendation 2.3 A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	YES	(a) The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent. These details are provided in the Annual Reports and Company website. (b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions, associations and relationships are provided in the Annual Reports. (c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Reports.	
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	YES	The Board Charter requires that where practical the majority of the Board will be independent. All of the non-executive directors are considered by the Board to be independent. Details of each Director's independence are provided in the Annual Report and Company website.	
Recommendation 2.5 The chairman 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.	NO	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. At the present time the Board has an Executive Chairman in place.	
Recommendation 2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	YES	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.	
Principle 3: Instill a culture of acting lawfully, ethically and responsibly			
Recommendation 3.1 A listed entity should articulate and disclose its values.	YES	The directors and senior managers of the Group actively promote the Company's values by ensuring that all of its activities are undertaken with "Trust, integrity and Expertise". These values are promoted by the Group's staff members by ensuring that our clients come first and that we do what we say we'll do.	
Recommendation 3.2 A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	YES	(a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees. Any breaches of the Code of Conduct are escalated to the Board. (b) The Company's Corporate Code of Conduct is in Schedule 2 of the Corporate Governance Plan which is on the Company's website.	

Shareholder information

Recommendation 3.3 A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	YES	The Company has implemented an Anti-bribery and Corruption Policy that applies to all directors and employees. The Board is informed of any material incidents in relation to the policy. The Whistleblower Policy is available on the Company's website.
Recommendation 3.4 A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	YES	The Company has implemented a Whistleblower Policy that applies to all directors and employees. The Board is informed of any material incidents in relation to the policy. The Anti-bribery and Corruption Policy is available on the Company's website.
Principle 4: Safeguard the integrity in corporate reports		
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chairman of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) 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 (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 corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	NO	(a) Due to the size of the Board, it is not practical to maintain separate Board Committees. The Board as a whole considers all matters that would normally be considered by the Audit Committee. (b) The Board devotes time at board meetings to review and evaluate financial reports, to ensure the integrity of its corporate reporting. The Board as a whole also considers the appointment and removal of the external auditor and the rotation of the audit engagement partner.
Recommendation 4.2 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, 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.	YES	The Board ensures 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.
Recommendation 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	YES	The Company may release, from time to time, information to the market such as quarterly reports and investor presentations, that are neither audited or reviewed by the external auditors. Notwithstanding this, the information released to the market is derived from the same process as that developed for the collection of information and data that accompanies the Company's Half Year Report and Annual Report. Therefore, shareholders can be confident that the information released to the market is reliable.

Shareholder information

Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1	YES	The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 4 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. The Board Charter and Schedule 4 of the Corporate Governance Plan are available on the Company's website.
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	YES	All market announcements are authorized by either the Board or the Executive Chairman prior to disclosure. A copy of material market announcements not authorized by the Board are promptly circulated to the Board after the announcement is made.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	YES	Where analysts are briefed on aspects of the Group's operations, the material used in such presentations that is not already released to the ASX, is released to the ASX Market Announcements Platform, ahead of the presentation.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.
Recommendation 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	YES	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. The Shareholder Communications Strategy can be found in Schedule 7 of the Corporate Governance Plan which is available on the Company's website.
Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	YES	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 dispatch of any notice of meeting to Shareholders, the Company Secretary sends out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	NO	The Company's Constitution stipulates that at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded. Where there are special circumstances such as a pandemic or other event that render a physical meeting not possible, shareholders will be informed through the Notice of Meeting, that resolutions will be conducted by way of poll.
Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	The Company provides electronic reports and other communications to shareholders, who provide their email address and have opted for electronic communication. Hard copies are posted to other shareholders. Shareholders can also register with the Company to receive email notifications when an announcement is made by the Company to the ASX.

Shareholder information

Principle 7: Recognise and manage risk		
Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) 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 (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	NO	(a) Due to the size of the Board, it is not practical to maintain separate Board Committees. The Board as a whole considers all matters that would normally be considered by the Risk Committee. (b) The Board devote time at board meetings 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.
Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	NO	(a) Schedule 5 of the Corporate Governance Plan is entitled 'Disclosure – Risk Management' and details the Company's review and disclosure requirements with respect to risk management, compliance and controls. (b) The Company did not conduct a formal review of its risk management framework this reporting period.
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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 governance, risk management and internal control processes.	NO	(a)The company does not have an internal audit function. (b)The Board is responsible for monitoring the effectiveness of its governance, risk management and internal control processes.
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	YES	The Group does not have material direct exposure to environmental or social risks.
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) 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 (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.	NO	(a)Due to the size of the Board, it is not practical to maintain separate Board Committees. The Board as a whole considers all matters that would normally be considered by the Remuneration Committee. (b)The Board devotes time at 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.
Recommendation 8.2 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.	YES	The Board is responsible for setting the level and composition of the remuneration of the Executive Chairman, non-executive directors and other senior executives.

Shareholder information

Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	NO	The Company does not 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.

Additional Information for Listed Public Companies

Company Secretary
The name of the Company Secretary is Samir Hallab.

Principal registered office
Suite 2102, Level 21, 101 Grafton Street Bondi Junction NSW 2022.

Register of securities
As disclosed in the corporate directory of this Annual Report.

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 of this Annual Report.

Shareholder Information

A. Distribution of equity security holders by size of holding
The Company implemented a 10:1 share consolidation effective 28 July 2021.

Analysis of number of equity security holders by size of holding as at 13 August 2021 is as follows:

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 - 1,000	82	62,590	0.08
1,001 – 5,000	168	468,488	0.58
5,001 – 10,000	82	663,611	0.83
10,001 – 100,000	169	5,857,653	7.31
100,001 – and over	66	73,106,503	91.20
	567	**80,158,845**	**100.00**

There were 121 holders of less than marketable parcel of ordinary shares.

On-Market Buy-Back
There is no current on-market buy-back.

Restricted Securities
The Company has the following shares on escrow:
- 200,000 shares on escrow until 31 January 2022; and
- 8,333,334 shares on escrow until 28 July 2023.

There are no other restricted securities.

Shareholder information

B. Equity security holders
Twenty largest quoted equity security holders

The names of the 20 largest registered shareholders of quoted equity securities as at 13 August 2021 are listed below:

	Name	Number Held	Percentage of issued shares
1.	KALONDA PTY LTD <LEIBOWITZ SUPER FUND A/C>	14,236,083	17.76
2.	MR VAUGHAN THALES KENT <VAUGHAN KENT FAMILY A/C>	11,975,559	14.94
3.	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	5,046,489	6.30
4.	PETERS INVESTMENTS PTY LTD	3,850,000	4.80
5.	CHURCH STREET TRUSTEES LIMITED <THE MATLAS A/C>	2,923,207	3.65
6.	GABRIEL INVESTMENT AND MANAGEMENT LIMITED	2,291,667	2.86
7.	GOLDSTAKE CORPORATION PTY LTD	2,072,294	2.59
8.	CAPRICORN ELEVEN SUPERANNUATION FUND PTY LTD <CAPRICORN ELEVEN P/L	2,034,783	2.54
9.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,989,819	2.48
10.	FIRST CAR INTERNATIONAL LIMITED <0312.6904.02.01 A/C>	1,900,000	2.37
11.	MUSEUM INVESTMENTS LIMITED	1,849,738	2.31
12.	MR ALLAN GRAHAM JENZEN + MRS ELIZABETH JENZEN <AG & E JENZEN P/L NO2 SF	1,795,000	2.24
13.	CITICORP NOMINEES PTY LIMITED	1,540,251	1.92
14.	FLUE HOLDINGS PTY LTD <BROMLEY SUPERANNUATION A/C>	1,358,334	1.69
15.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,225,176	1.53
16.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,000,000	1.25
17.	MR DAVID ALAN STERN	944,044	1.18
18.	MR ADAM STUART DAVEY <THE DAVEY INVESTMENT A/C>	906,667	1.13
19.	NUTSVILLE PTY LTD <INDUST ELECTRIC CO S/F A/C>	899,005	1.12
20.	INVIA CUSTODIAN PTY LIMITED <TABACHNIK SUPER FUND A/C>	719,550	0.90
	Total	**60,557,666**	**75.55**

Unquoted equity securities

As at 13 August 2021

Type of Security	Name of Holders	Number on Issue	Number of Holders
Options	Kalonda Pty Ltd <Leibowitz Super Fund A/C>	1,500,000	1
Performance Rights	Timothy James	2,500,000	1

C. Substantial shareholders
Substantial shareholders and associates as at 13 August 2021 (more than 5% of a class of shares) in the company are set out below:

Name	Number Held	Percentage
KALONDA PTY LTD <LEIBOWITZ SUPER FUND A/C>	14,236,083	17.76
MR VAUGHAN THALES KENT <VAUGHAN KENT FAMILY A/C>	11,975,559	14.94
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	5,046,489	6.30

D. Voting rights
The voting rights attaching to each class of equity securities are set out below:

Ordinary Shares
On a show of hands each holder of ordinary shares has one vote and upon a poll one vote for each share held

Options
No voting rights

Performance Rights
No voting rights