Ensurance Ltd

Ensurance Limited and controlled entities

ABN 80 148 142 634

Annual Report
30 June 2022

Corporate directory

Directors	**Mr Tony Leibowitz** Chairman Appointed 27 September 2017
	Mr Tony Wehby Non-Executive Director Appointed 3 May 2018
	Mr Sam Hallab Non-Executive Director Appointed 2 July 2021
	Mr Vaughan (Tom) Kent Executive Director
Company secretary	**Mr Sam Hallab** Appointed 1 February 2017
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-au.computershare.com/investor/#home
Auditor	William Buck (SA) Level 6, 211 Victoria Square Adelaide SA 5000 Telephone: +61 (0)8 8409 4333 Website: www.williambuck.com
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street PERTH WA 6000 Website: www.steinpag.com.au
Stock exchange listing	Australian Securities Exchange Level 40, Central Park 152-158 St George Terrace PERTH WA 6000 Website: www2.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 29 August 2022. 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 (referred to hereafter as the 'consolidated entity') consisting of Ensurance Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

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 Tom Kent (appointed on 17 February 2022)
Mr Adam Davey (resigned on 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 and terrorism & sabotage. All insurance products issued by the company are distributed on an intermediary basis by appropriately qualified and licenced insurance brokers.

Dividends

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

Review of operations

The profit for the consolidated entity after providing for income tax amounted to $273,745 (30 June 2021: loss of $1,302,838).

Throughout the financial year, the consolidated entity comprised of two operating divisions being Ensurance Australia and Ensurance UK.

Ensurance Australia was established by the acquisition of TK Specialty Risks Pty Ltd (TKSR) with effect from 1 July 2021. During the course of the 2022 financial year, TKSR was swiftly re-branded as Ensurance Australia and the management team set about expanding its footprint across Australia in order to distribute its Professional Risks insurance product set.

Ensurance UK continued to focus on growth in the terrorism and construction related classes and is now seen as a key market for insurance broker partners for these products in the United Kingdom.

The Gross Written Premiums (GWP) under management of the consolidated group now exceed $57m (2021: $35m).

Significant changes in the state of affairs

The purchase of TK Specialty Risks Pty Limited with effect from 1 July 2021, meant the company again had a presence in the Australian insurance market. The purchase was made by issuing 8,333,334 shares.

During the year the consolidated entity

- raised $2,111,179 from a share placement.
- repaid its $2,500,000 loan to Kalonda Pty Limited. This was paid out early, saving the company interest on the balance of the loan.
- signed a 3 year agreement for delegated underwriting authority, with Liberty Specialty Markets.

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

Matters subsequent to the end of the financial year

The company has entered into a non-binding agreement to sell 100% of its shares in Ensurance UK Limited to ASX-listed PSC Insurance Group Ltd (PSC) for $8.2m. If executed PSC will pay $6.15m in cash and the balance of $2.05m in PSC shares (in escrow for 12 months).

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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.

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.

Information on directors

Name:	**Mr Tony Leibowitz**
Title:	Chairman
Qualifications:	Chartered Accountant (FCA)
Experience and expertise:	Mr Leibowitz has over 35 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: - Trek Metals (TKM) - Greenvale Mining (GRV)
Former directorships (last 3 years):	Bardoc Gold (BDC)
Interests in shares:	15,436,083 ordinary shares in Ensurance Limited (indirect) (2021: 14,236,083). Shareholding increased as a result of multiple purchases on open trade market, at arm’s length and transfer of stock at market value.
Interests in options:	500,000 options exercisable at 60 cents expiring 31 December 2022 700,000 options exercisable at 90 cents expiring 31 December 2023

Directors' report

Name:	**Mr Tony Wehby**
Title:	Non-Executive Director
Qualifications:	Chartered Accountant (FCA), 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 Ltd and member of the Board Advisory Committee of Moss Capital Funds Management Limited. Mr Wehby is also on the Board of Kingston Resources Ltd (KSN).
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	632,188 ordinary shares in Ensurance Limited (indirect) (2021: 632,188).
Interests in options:	Nil

Name:	**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 (FID)
Former directorships (last 3 years):	Nil
Interests in shares:	Nil
Interests in options:	100,000 options exercisable at 30 cents expiring on the 2 July 2023 100,000 options exercisable at 50 cents expiring on the 2 July 2023

Directors' report

Name:	**Mr Tom Kent**
Title:	Executive Director (appointed 17 February 2022)
Qualifications:	Master of Arts (Applied Linguistics) Bachelor Mathematics and Computer Science (Pure Maths)
Experience and expertise:	Mr Kent has worked in the insurance sector for both Australian and global insurers in a number of key roles since 2004. Most recently, prior to establishing TK Specialty Risks Pty Ltd in 2015, Mr Kent was the Professional and Financial Lines Manager for Axis Specialty Australia in South Australia.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	13,609,340 ordinary shares in Ensurance Limited (direct and indirect). Shareholding increased as a result of Ensurance Limited's purchase of TK Specialty Risks Pty Limited, open market trades and off market stock transfers, at arm's length. 8,333,334 of these shares are in escrow until 28 July 2023.
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
Sam Hallab appointed 1 February 2017.

Meetings of directors

	Held	Attended
Tony Leibowitz	5	5
Tony Wehby	5	4
Sam Hallab	5	5
Tom Kent	2	2

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

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 information
- 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 has 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 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.

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 24 November 2021.

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.

The short-term incentives ('STI') program is designed to align the goals of the business with performance targets. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution and net retained commissions (NRC).

Directors' report

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 and Tim James (CEO of Ensurance UK Limited).

	Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments	
2022	Cash salary and fees $	Super-annuation $	Long service leave $	$	Total $
Chairman:					
Tony Leibowitz					
- 1 Jan to 30 Jun 22	91,731	9,173	-	13,860	114,764
- 1 Jul to 31 Dec 21 (Executive)	135,000	13,500	-	20,310	168,810
	-	-	-	-	-
Non-Executive Directors:	-	-	-	-	-
Tony Wehby	39,600	-	-	-	39,600
Sam Hallab	39,600	-	-	12,730	52,330
Adam Davey	277	-	-	-	277
Executive Director:					
Tom Kent	254,585	24,430	3,475	-	282,490
Company Secretary:					
Sam Hallab	48,000	-	-	-	48,000
Other Key Management Personnel:					
Tim James	384,258	22,623	-	60,999	467,880
	993,051	69,726	3,475	107,899	1,174,151

Directors' report

2021	Short-term benefits Cash salary and fees $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments $	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
Company Secretary:					
Sam Hallab	37,000	-	-	-	37,000
Other Key Management Personnel:					
Tim James	382,076	22,198	-	13,233	417,507
	769,751	51,403	7,949	58,753	887,856

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name	**Tony Leibowitz**
Title	Chairman
Agreement commenced	1 January 2022 as Chairman. From 27 September 2017 to 31 December 2021, he was appointed as Executive Chairman.
Term of agreement	At the annual general meeting, one-third of the Non-Executive Directors must retire from office or stand for re-election. No Director may hold office for a period in excess of 3 years, without submitting for re-election. The Director to retire, is the person who has been longest in office since their last election.
Details	The Company appointed Mr Tony Leibowitz on 27 September 2017 as an Executive Chairman on standard terms for agreements of this nature. He was entitled to fees of $270,000 per annum plus superannuation. From 1 January 2022, he became Chairman and is now entitled to fees of $180,000 per annum plus superannuation.

Name	**Tony Wehby**
Title	Non-Executive Director
Agreement commenced	3 May 2018
Term of agreement	At the annual general meeting, one-third of the Non-Executive Directors must retire from office or stand for re-election. No Director may hold office for a period in excess of 3 years, without submitting for re-election. The Director to retire, is the person who has been longest in office since their last election.
Details	From 1 July 2022, he is entitled to director fees of $39,780 per annum.

Directors' report

Name	**Sam Hallab**
Title	Non-Executive Director
Agreement commenced	2 July 2021
Term of agreement	At the annual general meeting, one-third of the Non-Executive Directors must retire from office or stand for re-election. No Director may hold office for a period in excess of 3 years, without submitting for re-election. The Director to retire, is the person who has been longest in office since their last election.
Details	From 1 July 2022, he is entitled to director fees of $39,780 per annum.

Name	**Tom Kent**
Title	Executive Director
Agreement commenced	Joined on 1 July 2021 with the purchase of TKSR, became CEO on 1 January 2022 and Director on 17 February 2022.
Term of agreement	Standard employment agreement with a termination notice of 12 weeks.
Details	The remuneration package is $276,000 per annum plus superannuation.

Name	**Tim James**
Title	CEO of Ensurance UK Limited
Agreement commenced	December 2016
Term of agreement	Standard employment agreement with a termination notice of 6 months.
Details	The remuneration package is $360,546 per annum plus employer pension duties.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Securities Received that are not performance-related
No members of key management personnel are entitled to receive securities that are not performance-based as part of their remuneration package.

Options and Rights Granted as Remuneration

On 28 November 2018, 1,500,000 options were granted to Tony Leibowitz as part of his executive services agreement. 300,000 options have now expired, 500,000 are exercisable at 60 cents within 4 years of issue and 700,000 are exercisable at 90 cents within 5 years of issue.

On 2 July 2021, 200,000 options were granted to Sam Hallab. 100,000 options are exercisable at 30 cents and 100,000 are exercisable at 50 cents within 2 years.

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

Directors' report

Share-based compensation

Issue of shares
Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Date	Shares	Fair value of shares on grant date	$
Tim James	1 October 2021	200,000	$0.24	48,000
Tim James	18 June 2022	200,000	$0.20	21,400

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Sam Hallab	100,000	2 Jul 2021	2 Jul 2023	2 Jul 2023	$0.30	$0.27
Sam Hallab	100,000	2 Jul 2021	2 Jul 2023	2 Jul 2023	$0.50	$0.27
Tony Leibowitz	500,000	28 Nov 2019	31 Dec 2022	31 Dec 2022	$0.60	$0.35
Tony Leibowitz	700,000	28 Nov 2019	31 Dec 2023	31 Dec 2023	$0.90	$0.35

Options granted carry no dividend or voting rights.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Tony Leibowitz	-	-	38,700	13%
Sam Hallab	12,730	-	-	24%

Retention rights
There were no retention rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2022 are summarised below:

	2022 $ '000	2021 $ '000	2020 $ '000	2019 $ '000	2018 $ '000
Sales revenue	7,295	4,341	3,612	2,577	1,208
EBITDA	540	(518)	(799)	(790)	(7,608)
EBIT	540	(518)	(799)	(790)	(7,608)
Profit/(loss) after income tax	274	(1,303)	(2,154)	(1,403)	(8,706)

	2022	2021	2020	2019	2018
Share price at financial year end ($)	0.22	0.27	0.20	0.23	0.39
Basic earnings per share (cents per share)	0.324	(2.26)	(5.00)	(4.40)	(25.10)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each person in their capacity as 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	14,236,083	-	680,000	-	14,916,083
Tony Wehby	632,188	-	-	-	632,188
Tim James	-	400,000	-	(200,000)	200,000
Tom Kent	-	-	13,089,340	-	13,089,340
Adam Davey	1,418,450	-	-	(1,418,450)	-
	16,286,721	400,000	13,769,340	(1,618,450)	28,837,611

- Tony Leibowitz's shares are held in the related entity, Kalonda Pty Limited.
- 8,333,334 shares held by Tom Kent are in escrow until 28 July 2023.
- Adam Davey resigned as Director on 2 July 2021. His shares held at 30 June 2022 are not reported above.

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	1,500,000	-	-	(300,000)	1,200,000
Tony Wehby	200,000	-	-	(200,000)	-
Sam Hallab	-	200,000	-	-	200,000
	1,700,000	200,000	-	(500,000)	1,400,000

- Tony Leibowitz's options are held in the 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
Retention rights over ordinary shares					
Tim James	2,500,000	-	-	(1,500,000)	1,000,000
	2,500,000	-	-	(1,500,000)	1,000,000

Directors' report

- On 24 February 2021, 750,000 Performance Rights Class C (Class C Rights) were granted to Tim James. These were conditional upon Ensurance UK achieving an NRC of 2,689,310 pounds and EBITDA of 254,235 pounds at 30 June 2021. These Class C Rights have been forfeited upon these conditions not being met.

- On 24 February 2021, 750,000 Performance Rights Class D (Class D Rights) were granted to Tim James. These were conditional upon Ensurance UK achieving an NRC of 3,739,182 pounds and EBITDA of 875,970 pounds at 30 June 2022. These Class C Rights have been forfeited upon these conditions not being met.

- 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.

Other transactions with key management personnel and their related parties
The Group had a loan from Kalonda Pty Limited of $2.5m. This company is a related party to the Chairman. The loan was repaid during the financial year.

This concludes the remuneration report, which has been audited.

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

Party	Expiry date	Exercise price	Number under option
Kalonda Pty Limited	31 December 2022	$0.60	500,000
Kalonda Pty Limited	31 December 2023	$0.90	700,000
Sam Hallab	2 July 2023	$0.30	100,000
Sam Hallab	2 July 2023	$0.50	100,000
			1,400,000

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

Grant date	Expiry date	Exercise price	Number under rights
24 February 2021	30 June 2023	$0.00	1,000,000

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

Directors' report

Incentive shares
The following ordinary shares of Ensurance Limited were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted under the incentive share scheme:

Date shares granted	Fair value of shares granted	Number of shares issued
31 March 2022	$0.12	100,000
17 June 2022	$0.23	125,000
18 June 2022	$0.23	200,000
		425,000

Shares issued on the exercise of retention rights
There were no ordinary shares of Ensurance Limited issued on the exercise of retention rights during the year ended 30 June 2022 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

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.

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
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 31 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 31 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of William Buck (SA)

There are no officers of the company who are former partners of William Buck (SA).

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

William Buck (SA) was appointed as auditor of the Company, from 24 November 2021. In accordance with section 327 of the Corporations Act 2001, this is subject to ratification by shareholders at the AGM. Our previous auditors were Mazars Risk & Assurance Pty Limited.

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

On behalf of the directors

A.H. Leibowitz

Tony Leibowitz
Chairman

29 August 2022

Auditor's Independence Declaration Under Section 307c Of The Corporations Act 2001 To The Directors Of Ensurance Limited.

I declare that, to the best of my knowledge and belief during the year ended 30 June 2022 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.

William Buck

William Buck (SA)
ABN: 38 280 203 274

M.D. King
Partner

Dated this 29th day of August, 2022 in Adelaide, South Australia.

Level 6, 211 Victoria Square, Adelaide SA 5000
GPO Box 11050, Adelaide SA 5001

+61 8 8409 4333

sa.info@williambuck.com
williambuck.com

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Revenue	4	7,295,040	4,340,747
Other income	5	-	189,436
Interest revenue		19,403	3,959
Expenses			
Insurance		(172,115)	(144,893)
Business development		(139,627)	(79,737)
Compliance costs		(342,898)	(363,566)
Computers and communications		(565,688)	(334,850)
Depreciation and amortisation	6	(87,211)	(152,097)
Employment costs	6	(5,045,582)	(3,602,239)
Commissions		(106,629)	(182,621)
Legal and consulting fees		(137,766)	(109,327)
Occupancy costs		(217,253)	(167,092)
Travel and accommodation		(27,092)	(7,576)
Other expenses		(19,178)	(27,758)
Finance costs	6	(179,659)	(663,138)
Operating profit/(loss)		273,745	(1,300,752)
Modified loss on sale of subsidiary		-	(2,086)
Profit/(loss) before income tax expense		273,745	(1,302,838)
Income tax expense	7	-	-
Profit/(loss) after income tax expense for the year attributable to the owners of Ensurance Limited	27	273,745	(1,302,838)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(59,408)	16,752
Other comprehensive income for the year, net of tax		(59,408)	16,752
Total comprehensive income for the year attributable to the owners of Ensurance Limited		214,337	(1,286,086)
		Cents	**Cents**
Basic earnings per share	39	0.32	(2.26)
Diluted earnings per share	39	0.32	(2.26)

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 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Assets			
Current assets			
Cash and cash equivalents	8	1,018,530	1,464,031
Trade and other receivables	9	2,415,894	1,768,777
Trust account insurer assets	10	24,335,214	19,226,262
Bonds on deposit		17,595	-
Other	11	148,162	129,281
Total current assets		27,935,395	22,588,351
Non-current assets			
Receivables	12	-	273,347
Investments	13	1,200	1,200
Property, plant and equipment	14	30,179	11,506
Right-of-use assets	15	28,776	-
Intangibles	16	2,332,599	133,692
Bonds on deposit		1,448	18,743
Total non-current assets		2,394,202	438,488
Total assets		30,329,597	23,026,839
Liabilities			
Current liabilities			
Trade and other payables	17	981,320	1,309,351
Borrowings	18	73,109	66,665
Lease liabilities	19	26,585	-
Employee benefits	20	107,693	88,917
Trust account insurer liabilities	21	24,219,026	18,859,720
Total current liabilities		25,407,733	20,324,653
Non-current liabilities			
Borrowings	22	-	2,500,000
Lease liabilities	23	2,940	-
Employee benefits	24	26,556	9,936
Total non-current liabilities		29,496	2,509,936
Total liabilities		25,437,229	22,834,589
Net assets		4,892,368	192,250
Equity			
Issued capital	25	26,697,280	22,241,201
Reserves	26	(55,966)	74,164
Accumulated losses	27	(21,748,946)	(22,123,115)
Total equity		4,892,368	192,250

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

Statement of changes in equity
For the year ended 30 June 2022

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
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	-	16,752	-	16,752
Total comprehensive income for the year	-	16,752	(1,302,838)	(1,286,086)
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
Lapse on repayment of convertible notes	-	(54,226)	54,226	-
Transactions with owners in their capacity as owners:				
Expense of Options	-	79,563	-	79,563
Balance at 30 June 2021	22,241,201	74,164	(22,123,115)	192,250

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2021	22,241,201	74,164	(22,123,115)	192,250
Profit after income tax expense for the year	-	-	273,745	273,745
Other comprehensive income for the year, net of tax	-	(59,408)	-	(59,408)
Total comprehensive income for the year	-	(59,408)	273,745	214,337
Lapse of options & performance rights	-	(100,424)	100,424	-
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 25)	2,111,179	-	-	2,111,179
Exercise of options (note 40)	46,900	(46,900)	-	-
Purchase of TK Specialty Risks Pty Ltd	2,250,000	-	-	2,250,000
Incentive shares issued to Tim James	48,000	-	-	48,000
Expense of Options	-	76,602	-	76,602
Balance at 30 June 2022	26,697,280	(55,966)	(21,748,946)	4,892,368

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 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		7,744,201	4,187,831
Payments to suppliers and employees (inclusive of GST)		(7,305,849)	(5,053,611)
		438,352	(865,780)
Interest received		19,403	6,145
Other revenue		-	168,242
Net cash from/(used in) operating activities	37	457,755	(691,393)
Cash flows from investing activities			
Payments for property, plant and equipment	14	(14,216)	(9,252)
Payments for intangibles	16	-	(36,892)
Payments for financial assets		-	(5,650)
Funds received on acquisition of TK Specialty Risks Pty Ltd		336,312	-
Proceeds from disposal of business		457,974	633,128
Net cash from investing activities		780,070	581,334
Cash flows from financing activities			
Proceeds from issue of shares	25	2,145,001	1,013,982
Proceeds from borrowings		121,507	66,666
Share issue transaction costs		(33,821)	-
Interest and other finance costs paid		(179,659)	(585,272)
Repayment of borrowings		(3,429,912)	(26,662)
Repayment of lease liabilities		(30,288)	(170,933)
Pre-acquisition dividend less expenses paid for TK Specialty Risks Pty Ltd		(276,154)	-
Net cash from/(used in) financing activities		(1,683,326)	297,781
Net increase/(decrease) in cash and cash equivalents		(445,501)	187,722
Cash and cash equivalents at the beginning of the financial year		1,464,031	1,276,309
Cash and cash equivalents at the end of the financial year	8	1,018,530	1,464,031

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 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.

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').

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 33.

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.

Notes to the financial statements

Note 1. Significant accounting policies (continued)

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.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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.

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.

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.

Notes to the financial statements

Note 1. Significant accounting policies (continued)

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
Commission on Trust Assets and 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.

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.

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.

The Group has applied the simplified approach measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue

Notes to the financial statements

Note 1. Significant accounting policies (continued)

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Right-of-use assets that meet the definition of investment property are measured at fair value where the consolidated entity has adopted a fair value measurement basis for investment property assets.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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 4 to 5 years.

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

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

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.

Notes to the financial statements

Note 1. Significant accounting policies (continued)

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.

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.

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.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

Notes to the financial statements

Note 1. Significant accounting policies (continued)

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.

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.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

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.

Notes to the financial statements

Note 1. Significant accounting policies (continued)

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 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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.

Notes to the financial statements

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

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 2022 and 2023 based on both short and long term incentives. The vesting conditions relate to Ensurance UK Limited achieving agreed upon NRC and EBITDA at year end. The rights will be brought to account when it is probable that the vesting conditions will be met. The conditions were not met for the rights vesting at 30 June 2022.

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

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

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.

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.

Business combinations
As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments, on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Operating segments

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

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

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

Notes to the financial statements

Note 3. Operating segments (continued)

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

Operating segment information

Consolidated - 2022	Ensurance UK $	Ensurance Australia $	Head Office $	Total $
Revenue				
Commission and administration fees	4,832,310	2,462,730	-	7,295,040
Interest revenue	557	127	18,719	19,403
Total revenue	4,832,867	2,462,857	18,719	7,314,443
EBITDA	314,878	1,386,053	(1,160,316)	540,615
Depreciation and amortisation	(44,905)	(40,031)	(2,275)	(87,211)
Finance costs	(7,067)	(921)	(171,671)	(179,659)
Profit/(loss) before income tax expense	262,906	1,345,101	(1,334,262)	273,745
Income tax expense				-
Profit after income tax expense				273,745
Assets				
Segment assets	24,528,946	2,840,426	27,631,243	55,000,615
Intersegment eliminations				(24,671,018)
Total assets				30,329,597
Liabilities				
Segment liabilities	22,258,224	1,454,216	10,997,615	34,710,055
Intersegment eliminations				(9,272,826)
Total liabilities				25,437,229

Notes to the financial statements

Note 3. Operating segments (continued)

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

Note 4. Revenue

	Consolidated 2022 $	Consolidated 2021 $
Underwriting commission	6,548,785	3,998,072
Profit commission	212,124	206,078
Policy administration fees	534,131	136,597
Revenue	7,295,040	4,340,747

Note 5. Other income

	Consolidated 2022 $	Consolidated 2021 $
Net gain on disposal of business	-	21,220
Government grants - cash flow boost	-	153,798
Other income	-	14,418
Other income	-	189,436

Notes to the financial statements

Note 6. Other expenses

	Consolidated 2022 $	Consolidated 2021 $
Depreciation and amortisation		
Depreciation expense	(10,478)	(23,343)
Amortisation - Software	(46,193)	(31,593)
Amortisation - Right of use assets	(30,540)	(29,319)
Write off of office furniture	-	(67,842)
	(87,211)	(152,097)

	Consolidated 2022	Consolidated 2021
Finance costs		
Interest on convertible notes	-	(255,585)
Interest on related party loans	(171,671)	(399,449)
Interest on lease liability	(921)	(5,339)
Interest on loans with third parties	(7,067)	(2,765)
	(179,659)	(663,138)

	Consolidated 2022 $	Consolidated 2021 $
Employee costs		
Chairman fees (1 Jan to 30 Jun 22)	(124,705)	-
Non-executive director fees	(79,477)	(82,752)
Superannuation expenses	(310,258)	(215,509)
Wages and salaries	(4,055,428)	(2,927,521)
Other employment related costs	(119,825)	(32,758)
Employee National Insurance Contributions (UK)	(351,188)	(300,832)
(Increase)/decrease in employee benefit provisions	(25,373)	(42,867)
	(5,066,254)	(3,602,239)

Notes to the financial statements

Note 7. Income tax expense

	Consolidated 2022 $	Consolidated 2021 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(loss) before income tax expense	273,745	(1,302,838)
Tax at the statutory tax rate of 25% (2021: 26%)	68,436	(338,738)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	2,410	202
(Profit) in Ensurance UK Limited	(65,727)	(51,365)
Non-assessable income	-	(35,528)
Deferred tax asset not recognised	-	425,429
	5,119	-
Prior year temporary differences not recognised now recognised	(5,119)	-
Income tax expense	-	-

Franking account

	Consolidated 2022 $	Consolidated 2021 $
Balance of franking account of the legal parent entity	8,620	8,620

Note 8. Current assets - cash and cash equivalents

	Consolidated 2022 $	Consolidated 2021 $
Cash on hand	176	184
Cash at bank	1,002,100	1,463,847
Visa debit cards	16,254	-
	1,018,530	1,464,031

Note 9. Current assets - trade and other receivables

	Consolidated 2022 $	Consolidated 2021 $
Commission on Trust Assets	2,418,937	1,613,593
Less: Allowance for expected credit losses	(20,270)	(34,125)
	2,398,667	1,579,468
Other receivables	17,227	17,849
Funds owing on the sale of Ensurance Underwriting Pty Limited	-	171,460
	2,415,894	1,768,777

Notes to the financial statements

Note 9. Current assets - trade and other receivables (continued)

Allowance for expected credit losses
The consolidated entity has reduced the expected credit loss by $13,855 to $20,270 (2021: $34,125) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

Note 10. Current assets - Trust account insurer assets

	Consolidated	
	2022 $	2021 $
Insurance debtors	14,115,802	11,418,742
Trust accounts	10,219,412	7,807,520
	24,335,214	19,226,262

Note 11. Current assets - other

	Consolidated	
	2022 $	2021 $
Prepayments	148,162	129,281

Note 12. Non-current assets - receivables

	Consolidated	
	2022 $	2021 $
Other receivables	-	280,859
Less: Allowance for expected credit losses	-	(7,512)
	-	273,347

Allowance for expected credit loss

The consolidated entity has reduced the expected credit loss by $7,512 to $0 (2021: $7,512). This has resulted in a write back in profit or loss in respect of the expected credit loss for the year ended 30 June 2022.

Note 13. Non-current assets - investments

	Consolidated	
	2022 $	2021 $
Shares in unlisted Companies	1,200	1,200

Notes to the financial statements

Note 14. Non-current assets - property, plant and equipment

	Consolidated 2022 $	Consolidated 2021 $
Plant and equipment - at cost	72,396	77,673
Less: Accumulated depreciation	(44,453)	(67,529)
	27,943	10,144
Fixtures and fittings - at cost	6,711	5,283
Less: Accumulated depreciation	(4,475)	(3,921)
	2,236	1,362
	30,179	11,506

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 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
Additions	13,413	2,065	15,478
Additions through business combinations (note 34)	14,216	-	14,216
Exchange differences	(488)	(55)	(543)
Depreciation expense	(9,342)	(1,136)	(10,478)
Balance at 30 June 2022	27,943	2,236	30,179

Note 15. Non-current assets - right-of-use assets

	Consolidated 2022 $	Consolidated 2021 $
Right of use assets	46,251	684,753
Less: Accumulated depreciation	(17,475)	(684,753)
	28,776	-

Notes to the financial statements

Note 15. Non-current assets - right-of-use assets (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	Office Space $	Total $
Balance at 1 July 2020	30,289	30,289
Exchange differences	(970)	(970)
Depreciation expense	(29,319)	(29,319)
Balance at 30 June 2021	-	-
Additions through business combinations (note 34)	59,316	59,316
Depreciation expense	(30,540)	(30,540)
Balance at 30 June 2022	28,776	28,776

Note 16. Non-current assets - intangibles

	Consolidated 2022 $	Consolidated 2021 $
Goodwill - at cost	2,223,867	-
Software - at cost	204,562	166,013
Less: Accumulated amortisation	(95,830)	(32,321)
	108,732	133,692
	2,332,599	133,692

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 $	Goodwill $	Total $
Balance at 1 July 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
Additions through business combinations (note 34)	15,405	2,223,867	2,239,272
Exchange differences	5,828	-	5,828
Amortisation expense	(46,193)	-	(46,193)
Balance at 30 June 2022	108,732	2,223,867	2,332,599

Notes to the financial statements

Note 16. Non-current assets - intangibles (continued)

Goodwill is tested for impairment at each reporting period in accordance with AASB136 Impairment of Assets.

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

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

At each reporting date the Directors review intangible assets for impairment. No impairment was assessed as necessary during the financial year ended 30 June 2022.

Note 17. Current liabilities - trade and other payables

	Consolidated	
	2022	2021
	$	$
Trade payables	577,983	332,851
Convertible note redemption payout with interest	-	816,814
Other payables	403,337	159,686
	981,320	1,309,351

Refer to note 29 for further information on financial instruments.

Note 18. Current liabilities - borrowings

	Consolidated	
	2022	2021
	$	$
Premium Finance Loan	73,109	66,665

Refer to note 29 for further information on financial instruments.

Note 19. Current liabilities - lease liabilities

	Consolidated	
	2022	2021
	$	$
Lease liability	26,585	-

Refer to note 29 for further information on financial instruments.

Notes to the financial statements

Note 20. Current liabilities - employee benefits

	Consolidated 2022 $	Consolidated 2021 $
Annual leave	107,693	88,917

Note 21. Current liabilities - Trust account insurer liabilities

	Consolidated 2022 $	Consolidated 2021 $
Underwriter's liability	23,095,944	18,336,288
Amounts due to associates	1,123,082	523,432
	24,219,026	18,859,720

	Consolidated 2022 $	Consolidated 2021 $
Trust account insurer assets		
Insurance debtors	14,115,802	11,418,742
Trust accounts	10,219,412	7,807,520
Total trust account assets	24,335,214	19,226,262
Trust account insurer liabilities		
Underwriter's liability	(23,095,944)	(18,336,288)
Other	(1,123,082)	(523,432)
Total trust account liabilities	(24,219,026)	(18,859,720)
Trust account debtors		
Commission on Trust Assets	2,418,937	1,613,593
Excess of insurance assets over liabilities	2,535,125	1,980,135

Note 22. Non-current liabilities - borrowings

	Consolidated 2022 $	Consolidated 2021 $
Related party loan (refer to note 29)	-	2,500,000

The related party loan to Kalonda Pty Limited was repaid in full during the financial year.

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

	Consolidated 2022 $	Consolidated 2021 $
Secured liabilities		
Premium Finance Loan	73,109	66,665
Unsecured liabilities		
Related party loan	-	2,500,000

Note 23. Non-current liabilities - lease liabilities

	Consolidated 2022 $	Consolidated 2021 $
Lease liability	2,940	-

Refer to note 29 for further information on financial instruments.

Note 24. Non-current liabilities - employee benefits

	Consolidated 2022 $	Consolidated 2021 $
Long service leave	26,556	9,936

Note 25. Equity - issued capital

	Consolidated 2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares - fully paid	90,109,937	718,254,117	26,697,280	22,241,201

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 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	8 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		-	$0.000	487,167
Balance	30 June 2021	718,254,117		22,241,201
Share consolidation 1 for 10 basis	26 July 2021	(646,428,606)	$0.00	-
Purchase of TKSR (escrowed until 28 July 2023) at fair value	28 July 2021	8,333,334	$0.27	2,250,000
Incentive shares issued at fair value	1 October 2021	200,000	$0.24	48,000
Share placement (net of expenses)	8 October 2021	9,326,092	$0.23	2,111,179
Options conversion - Incentive share plan	31 March 2022	100,000	$0.12	12,000
Options conversion - Incentive share plan	27 June 2022	325,000	$0.23	34,900
Balance	30 June 2022	90,109,937		26,697,280

Consolidation of Capital
The Company implemented a 10 to 1 share consolidation on the 28th of July 2021. This was approved at the General Meeting of shareholders. The shares disclosed above are post consolidation figures.

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.

Notes to the financial statements

Note 25. Equity - issued capital (continued)

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.

Options and incentive shares

- 925,000 unlisted options expired during the year. Of these, 300,000 options at $0.40, 100,000 options at $0.50 and 100,000 options at $0.80 lapsed on 31 December 2021.
- 100,000 incentive shares were issued at $0 on 31 March 2022 The market value of these shares on issue date was $0.12.
- 325,000 incentive shares were issued at $0 on 27 June 2022. The market value of these shares on issue date was $0.23.
- 200,000 incentive shares were issued at $0 on 1 October 2021. The market value of these shares on issue date was $0.24.

Share buy-back

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

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 2021 Annual Report.

Note 26. Equity - reserves

	Consolidated	
	2022 $	2021 $
Asset revaluation	(800)	(800)
Foreign currency translation reserve	(203,770)	(144,362)
Share-based payments reserve	148,604	219,326
	(55,966)	74,164

Notes to the financial statements

Note 26. 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 2020	(800)	1,917,183	(161,113)	155,942	1,911,212
Foreign currency translation	-	-	16,751	-	16,751
Expense of options	-	79,562	-	-	79,562
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)
Shares issue on conversion of convertible notes	-	-	-	(101,717)	(101,717)
Balance at 30 June 2021	(800)	219,326	(144,362)	-	74,164
Foreign currency translation	-	-	(59,408)	-	(59,408)
Expense of options	-	76,602	-	-	76,602
Lapse of options and performance rights	-	(100,424)	-	-	(100,424)
Issue of shares on exercise of options	-	(46,900)	-	-	(46,900)
Balance at 30 June 2022	(800)	148,604	(203,770)	-	(55,966)

Note 27. Equity - accumulated losses

	Consolidated 2022 $	Consolidated 2021 $
Accumulated losses at the beginning of the financial year	(22,123,115)	(22,266,476)
Profit/(loss) after income tax expense for the year	273,745	(1,302,838)
Transfer from Share based payment reserve	100,424	54,225
Transfer from Convertible notes options premium reserve	-	1,391,974
Accumulated losses at the end of the financial year	(21,748,946)	(22,123,115)

Note 28. Equity - dividends

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

Note 29. 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.

Note 29. 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 short-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 45 or 60 days in Australia):

Notes to the financial statements

Note 29. Financial instruments (continued)

	Gross 2022	Impaired 2022	Net 2022	Past due but not impaired 2022
Current trade and other receivables				
Commissions	2,418,937	(20,270)	2,398,667	-
Other	17,227	-	17,227	-
	2,436,164	(20,270)	2,415,894	-

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 - 2022	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	-	(925,777)	-	-	-	(925,777)
Trust account insurer liabilities	-	(26,622,303)	-	-	-	(26,622,303)
Interest-bearing - fixed rate						
Premium Finance Loan	6.33%	(73,109)	-	-	-	(73,109)
Lease liability	2.00%	(26,585)	(2,940)	-	-	(29,525)
Total non-derivatives		(27,647,774)	(2,940)	-	-	(27,650,714)

Notes to the financial statements

Note 29. Financial instruments (continued)

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						
Premium Finance Loan	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)

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 30. 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 (appointed 27 September 2017 to 31 December 2021) Chairman (from 1 January 2022)
Mr Tony Wehby	Non-Executive Director
Mr Sam Hallab	Non-Executive Director (appointed 2 July 2021) and Company Secretary
Mr Tom Kent	Executive Director (appointed 17 February 2022)
Mr Adam Davey	Non-Executive Director (resigned 2 July 2021)

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

Notes to the financial statements

Note 30. Key management personnel disclosures (continued)

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

	Consolidated	
	2022	2021
	$	$
Short-term employee benefits	993,051	769,751
Post-employment benefits	73,201	59,352
Share-based payments	107,899	58,753
	1,174,151	887,856

Note 31. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck (SA), the auditor of the company, and unrelated firms. Last year the group audit services were performed by Mazars Risk & Assurance Pty Limited.

	Consolidated	
	2022	2021
	$	$
Audit services - Mazars Risk & Assurance Pty Limited		
Audit or review of the financial statements	-	27,750
Audit services - William Buck (SA)		
Audit or review of the financial statements	38,000	-
Other services - William Buck (SA)		
Tax related services	14,800	-
	52,800	27,750
Audit services - unrelated firms		
Audit or review of the financial statements of Ensurance UK Limited	70,379	52,250

Note 32. Related party transactions

Parent entity
Ensurance Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 35.

Key management personnel
Disclosures relating to key management personnel are set out in note 30 and the remuneration report included in the directors' report.

Notes to the financial statements

Note 32. Related party transactions (continued)

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

	Consolidated 2022 $	Consolidated 2021 $
Interest paid to Kalonda Pty Limited.	171,671	399,499
A pre-acquisition dividend of $498,548 was paid to the CEO, as per the Binding Heads of Agreement with TK Specialty Risks Pty Ltd (TKSR). This was offset by amounts owed by the CEO and his related entities of $222,394.	276,154	-
An executive service fee was paid to Mr Tony Leibowitz in relation to the share placement.	27,500	-
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
Repayment of loan from Kalonda Pty Limited.	2,500,000	-

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

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

	Consolidated 2022 $	Consolidated 2021 $
Non-current borrowings:		
Kalonda Pty Limited	-	(2,500,000)

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

This loan was repaid in full during the financial year in two instalments. $1,500,000 was repaid in October 2021 and $1,000,000 was repaid in May 20222. The working capital facility was also terminated.

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

Notes to the financial statements

Note 33. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2022 $	Parent 2021 $
Loss after income tax	(690,811)	(1,060,889)
Total comprehensive income	(690,811)	(1,060,889)

Statement of financial position

	Parent 2022 $	Parent 2021 $
Total current assets	175,052	1,004,045
Total assets	2,537,461	3,075,061
Total current liabilities	46,658	862,777
Total liabilities	1,021,658	3,362,777
Equity		
Issued capital	32,068,876	27,362,797
Asset revaluation	(800)	(800)
Foreign currency translation reserve	(259,862)	(259,862)
Share-based payments reserve	253,905	324,626
Accumulated losses	(30,546,316)	(27,714,477)
Total equity/(deficiency)	1,515,803	(287,716)

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 Pty Limited of $7,525,195, its investment in Ensurance UK Ltd of $7,657,953, its investment in Ensurance Australia Pty Limited of $2,500,000 and net loans to subsidiaries of $8,834,909. As a result of this assessment, the Company has recognised an impairment to the investment of $7,525,195, $5,387,231 and $138,790, respectively and an impairment to the loans of $9,809,909. This equates to an impairment loss of $22,861,125. Of this amount $79,693 is recognised in the current year (2021: $0). These impairments relate only to disclosures as contained in this Note.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Notes to the financial statements

Note 33. Parent entity information (continued)

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 34. Business combinations

On 1 July 2021 Ensurance Limited acquired 100% of the ordinary shares of TK Specialty Risks Pty Ltd (TKSR), a boutique underwriting agency. The total consideration transferred was for 8,333,334 Ensurance shares. The fair value of these shares at 1 July 2021 is 27 cents per share. The goodwill of $2,223,867 represents the fair value of the business. The acquired business contributed revenues of $2.5M and a profit of $1.3M to the consolidated entity for the period from 1 July 2021 to 30 June 2022.

The acquisition provides Ensurance Limited with a new underwriting market (Australia) and will help the group grow and scale its existing business.

Provisional accounting was applied to the acquisition of TKSR in the 2022 half-year financial statements. The fair value of TKSR's assets have been valued by an external independent valuer, with the final acquisition accounting presented below.

Details of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	71,768
Trade receivables	253,245
Trust assets	2,039,155
Plant and equipment	29,621
Right-of-use assets	59,316
Trade payables	(158,016)
Provision for income tax	(139,914)
Employee benefits	(30,073)
Trust liabilities	(2,039,155)
Lease liability	(59,814)
Net assets acquired	26,133
Goodwill	2,223,867
Acquisition-date fair value of the total consideration transferred	2,250,000
Representing:	
Ensurance Limited shares issued to vendor	2,250,000

Expenses in relation to the purchase of TKSR were legal fees and consulting fees. These are included legal and consulting fees in the Statement of profit or loss and other comprehensive income.

Notes to the financial statements

Note 35. 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:

Name	Principal place of business / Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Ensurance Capital Pty Limited	Australia	100%	100%
Ensurance IT Pty Limited	Australia	100%	100%
Ensurance UK Limited	United Kingdom	100%	100%
TK Specialty Risks Pty Limited renamed as Ensurance Australia Pty Limited	Australia	100%	-

Note 36. Events after the reporting period

Non-binding sale of Ensurance UK Limited
The company has entered into a non-binding agreement to sell 100% of its shares in Ensurance UK Limited to ASX-listed PSC Insurance Group Ltd (PSC) for $8.2M. If executed PSC will pay $6.15M in cash and the balance of $2.05M in PSC shares (in escrow for 12 months).

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 37. Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

	Consolidated 2022 $	Consolidated 2021 $
Profit/(loss) after income tax expense for the year	273,745	(1,302,838)
Adjustments for:		
Depreciation and amortisation	87,211	152,097
Convertible note interest	-	177,719
Net fair value adjustment on sale of Ensurance Underwriting Pty Limited	4,807	-
Convertible note option premium reserve	-	96,264
Interest on related party loan and the Premium Finance loan	178,738	407,553
Dilapidation costs	-	52,554
Interest on lease property	921	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(312,965)	(1,628,475)
Increase in prepayments	(18,881)	(64,689)
Increase in trade and other payables	58,707	1,375,555
Increase in employee benefits	185,472	42,867
Net cash from/(used in) operating activities	457,755	(691,393)

Notes to the financial statements

Note 38. Options

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

Grant Date	Expiry Date	Exercise price	Number of Options
28/11/2018	31/12/2022	$0.60	500,000
28/11/2018	31/12/2023	$0.90	700,000
02/07/2021	02/07/2023	$0.30	100,000
02/07/2021	02/07/2023	$0.50	100,000
			1,400,000

Note 39. Earnings per share

	Consolidated 2022 $	Consolidated 2021 $
Profit/(loss) after income tax attributable to the owners of Ensurance Limited	273,745	(1,302,838)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	86,467,210	57,574,538
Adjustments for calculation of diluted earnings per share:		
Shares under incentive share scheme	425,000	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	86,892,210	57,574,538
	Cents	**Cents**
Basic earnings per share	0.32	(2.26)
Diluted earnings per share	0.32	(2.26)

At year-end, the Group's unissued shares under option were anti-dilutive.

In calculating the number of ordinary shares outstanding (the denominator of the EPS calculation) for the year-ended 30 June 2022, the number of ordinary shares outstanding at the beginning of the year shall be adjusted by the number of shares issued in the period multiplied by the number of days they were in issue divided by 365.

Note 40. Share-based payments

An incentive share plan has been established by the consolidated entity and approved by shareholders at a general meeting. The consolidated entity may, at the discretion of the Board, grant ordinary shares in the company to employees. The incentive shares are issued for nil consideration and are granted in accordance with guidelines approved at the general meeting. The shares exercise on the vesting date or at the Boards discretion. The incentive shares are forfeited if the employee resigns, prior to vesting date.

Notes to the financial statements

Note 40. Share-based payments (continued)

Set out below are summaries of incentive shares granted under the plan:

	Number of Incentive Shares 2022	Weighted average exercise price 2022	Number of Incentive Shares 2021	Weighted average exercise price 2021
Outstanding at the beginning of the financial year	850,000	$0.00	850,000	$0.00
Exercised	(425,000)	$0.00	-	$0.00
Outstanding at the end of the financial year	425,000	$0.00	850,000	$0.00

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 three tranches as follows:

Incentive Shares

	2022	2021
Target issue date of March 2022 (issued)	-	100,000
Target issue date of 31 March 2023	100,000	100,000
Target issue date of June 2022 (issued)	-	325,000
Target issue date of 18 June 2023	125,000	125,000
Target issue date of 17 June 2023	200,000	200,000
	425,000	850,000

On the 13 August 2020 Ensurance Limited made an offer of fully paid ordinary shares to two employees under the Incentive Share Plan (50,000 shares each). The first tranche was issued on the 31 March 2022 after the completion of two years of service. The second tranche will be issued on the completion of three years of employment on the 31st of March 2023. There is no consideration on these shares.

On the 3 July 2019, Ensurance Limited made an offer of fully paid ordinary shares to two employees under the Incentive Share Plan. The first tranche was issued on the 27th of June 2022 after the completion of three years of service. The second tranche will be issued on the completion of four years of employment in June 2023. There is no consideration on these shares.

The share price used is the price of Ensurance Limited's shares at issue date. The calculations have assumed that all employees will reach the vesting date.

Performance Rights

	2022	2021
Class C	-	750,000
Class D	-	750,000
Class E	1,000,000	1,000,000
	1,000,000	2,500,000

Notes to the financial statements

Note 40. Share-based payments (continued)

- On 24 February 2021, 750,000 Performance Rights Class C (Class C Rights) were granted to Tim James. These were conditional upon Ensurance UK achieving an NRC of 2,689,310 pounds and EBITDA of 254,235 pounds at 30 June 2021. These Class C Rights have been forfeited upon these conditions not being met.

- On 24 February 2021, 750,000 Performance Rights Class D (Class D Rights) were granted to Tim James. These were conditional upon Ensurance UK achieving an NRC of 3,739,182 pounds and EBITDA of 875,970 pounds at 30 June 2022. These Class C Rights have been forfeited upon these conditions not being met.

- 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.

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 2022 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.

On behalf of the directors

A.H. Leibowitz

Tony Leibowitz
Chairman

29 August 2022

WilliamBuck
ACCOUNTANTS & ADVISORS

Ensurance Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ensurance Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2022, 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 then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying 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 2022 and of its financial performance for the year ended on that date; 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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.

KEY AUDIT MATTER

Impairment Assessment of Intangible Assets. Refer also to notes 1 and 16.	**How our audit addressed it**
As at 30 June 2022, the Group's statement of financial position included goodwill of $2.2 million. The Group is required to, at least annually, perform impairment assessments of goodwill. Management have determined that there are multiple CGU's. The most appropriate CGU in which goodwill has been allocated is the business operations of providing customised insurance solutions in Australia. To assess whether goodwill is impaired, the carrying amount of the CGU is compared to the recoverable amount, determined based on the greater of its value in use and its fair value less costs of disposal. The assessment of the recoverable amount of the Group's CGU requires the exercise of significant judgement in respect of factors such as discount rates, cash flow forecasts and economic assumptions. We focused on this area in light of the amounts involved and the level of judgement required, thus we considered this area to be a key audit matter.	Our audit procedures included: – A detailed evaluation of the Group's budgeting procedures (upon which the forecasts are based) and testing the principles and integrity of the discounted future cash flow model. – Testing the accuracy of the calculation derived from each forecast model and we assessed key inputs in the calculations such as revenue growth, discount rates and working capital assumptions, by reference to the Board approved forecasts, data external to the Group and our own views. – Engaging our own valuation specialists when considering the appropriateness of the discount rates and the long-term growth rates. – Perform a sensitivity analysis on the key assumptions incorporated in the forecast model. We also considered the adequacy of the Group's disclosures in relation to the impairment testing

KEY AUDIT MATTER

Business Combinations Refer also to notes 1 and 35.	**How our audit addressed it**
Ensurance acquired 100% of the share capital of TK Speciality Risks Pty Ltd on 1 July 2021 for a consideration of 8,333,334 shares in Ensurance valued at $2.5 million. AASB 3 Business Combinations requires the Group to recognise identifiable assets and liabilities at fair value at the date of acquisition, with the excess of the fair value of the consideration over the identified fair value of recognised assets and liabilities as goodwill. Management has engaged an independent expert to assist with the valuation of the intangible assets at the respective acquisition date and reporting date. As a result of the acquisition accounting, the Group recognised goodwill, amounting to $2.2m (refer to Note 35).	Our audit procedures included: — understanding the methodology adopted by management and the Directors to recognise the acquisition; — obtaining a detailed understanding of the terms and conditions of the purchase contract to evaluate the accounting treatment; — evaluating the acquisition date, date of control and assessing the treatment of costs incurred; — evaluating the competence, capabilities and objectivity of management's independent expert, understanding the scope of work performed by the expert and evaluating the appropriateness of the expert's work as audit evidence for the relevant assertions; — assessing and evaluating management's key assumptions applied in arriving at the fair values of the assets acquired including intangible assets recognised upon acquisition and liabilities assumed;

The identification of such assets and liabilities, including intangible assets and their measurement at fair value is inherently judgemental, thus we considered this area to be a key audit matter.	— assessing the appropriateness of the fair value of the net identifiable assets acquired including intangible assets recognised upon acquisition and liabilities assumed; — assessing and evaluating the adequacy and appropriateness of any contingent consideration. We have assessed the adequacy of the Group's disclosures in respect of the transaction. The Group's disclosures of the business combination accounting applied to the acquisition of TK Speciality Risks Pty Ltd during the financial year is included in Note 35 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do 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 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 this 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 Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In 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 has 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. 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 this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Ensurance Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck (SA)
ABN: 38 280 203 274

M.D. King
Partner

Dated this 29th day of August, 2022 in Adelaide, South Australia.

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 entityshould 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 4 Directors all of whom are men. The Company currently has 27 employees, 9 of those employees are woman.

Shareholder information

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.	YES	(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.
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.	YES	(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.
Principle 2: Structure the board to be effective and add value		
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.	NO	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.
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.		Board Skills Matrix | Number of Directors that Meet the Skill

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 3 4 4 4 2 2 1 3 3 3 3 3 4 2 1 4 1
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.	YES	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 a Non-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: Instil 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 a Whistleblower 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 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 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 and 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 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 20 July 2022 is as follows:

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 - 1,000	80	59,159	0.07
1,001 – 5,000	165	469,482	0.52
5,001 – 10,000	84	667,760	0.74
10,001 – 100,000	177	6,708,744	7.45
100,001 – and over	79	82,204,292	91.22
	585	**90,109,937**	**100.00**

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

Restricted Securities
The Company has 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 20 July 2022 are listed below:

	Name	Number Held	Percentage of issued shares
1.	KALONDA PTY LTD <LEIBOWITZ SUPER FUND A/C>	14,836,083	16.46
2.	MR VAUGHAN THALES KENT <VAUGHAN KENT FAMILY A/C>	13,089,340	14.53
3.	BNP PARIBAS NOMS PTY LTD <DRP A/C>	5,046,489	5.60
4.	CHURCH STREET TRUSTEES LIMITED <THE MATLAS A/C>	2,923,207	3.24
5.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,764,168	3.07
6.	GOLDSTAKE CORPORATION PTY LTD	2,339,248	2.60
7.	SHELLFRO PTY LTD <A&S VIDOR FAMILY A/C>	2,173,914	2.41
8.	CAPRICORN ELEVEN SUPERANNUATION FUND PTY LTD <CAPRICORN ELEVEN S/F AC>	2,034,783	2.26
9.	H&G HIGH CONVICTION LIMITED	2,000,000	2.22
10.	FIRST CAR INTERNATIONAL LIMITED <0312.6904.02.01 A/C>	1,900,000	2.11
11.	MUSEUM INVESTMENTS LIMITED	1,849,738	2.05
12.	MR ALLAN GRAHAM JENZEN + MRS ELIZABETH JENZEN <AG & E JENZEN P/L NO2 SF	1,795,000	1.99
13.	CITICORP NOMINEES PTY LIMITED	1,571,193	1.74
14.	RICKENBACKER CAPITAL INVESTMENTS PTY LTD	1,475,000	1.64
15.	FLUE HOLDINGS PTY LTD <BROMLEY SUPERANNUATION A/C>	1,358,334	1.51
16.	MEGALITH DEVELOPMENT PTY LTD	1,345,624	1.49
17.	DKP SUPER PTY LTD <PAVIC SUPER FUND A/C>	1,101,018	1.22
18.	BARANA CAPITAL PTY LIMITED <SHAND FAMILY A/C>	1,000,000	1.11
19.	DR IDA CONSTABLE	1,000,000	1.11
20.	INFINITY FUND PTY LTD <INFINITY A/C>	1,000,000	1.11
	Total	**62,603,139**	**69.47**

Unquoted equity securities

As at 20 July 2022

Type of Security	Name of Holders	Number on Issue	Number of Holders
Options	Kalonda Pty Ltd <Leibowitz Super Fund A/C>	1,200,000	1
Options	Glotown Pty Ltd <Samson Super Fund A/C>	200,000	1
Performance Rights	Timothy James	1,750,000	1

C. Substantial shareholders

Substantial shareholders and associates as at 20 July 2022 (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>	14,836,083	16.46
MR VAUGHAN THALES KENT <VAUGHAN KENT FAMILY A/C>	13,089,340	14.53
BNP PARIBAS NOMS PTY LTD <DRP A/C>	5,046,489	5.60

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