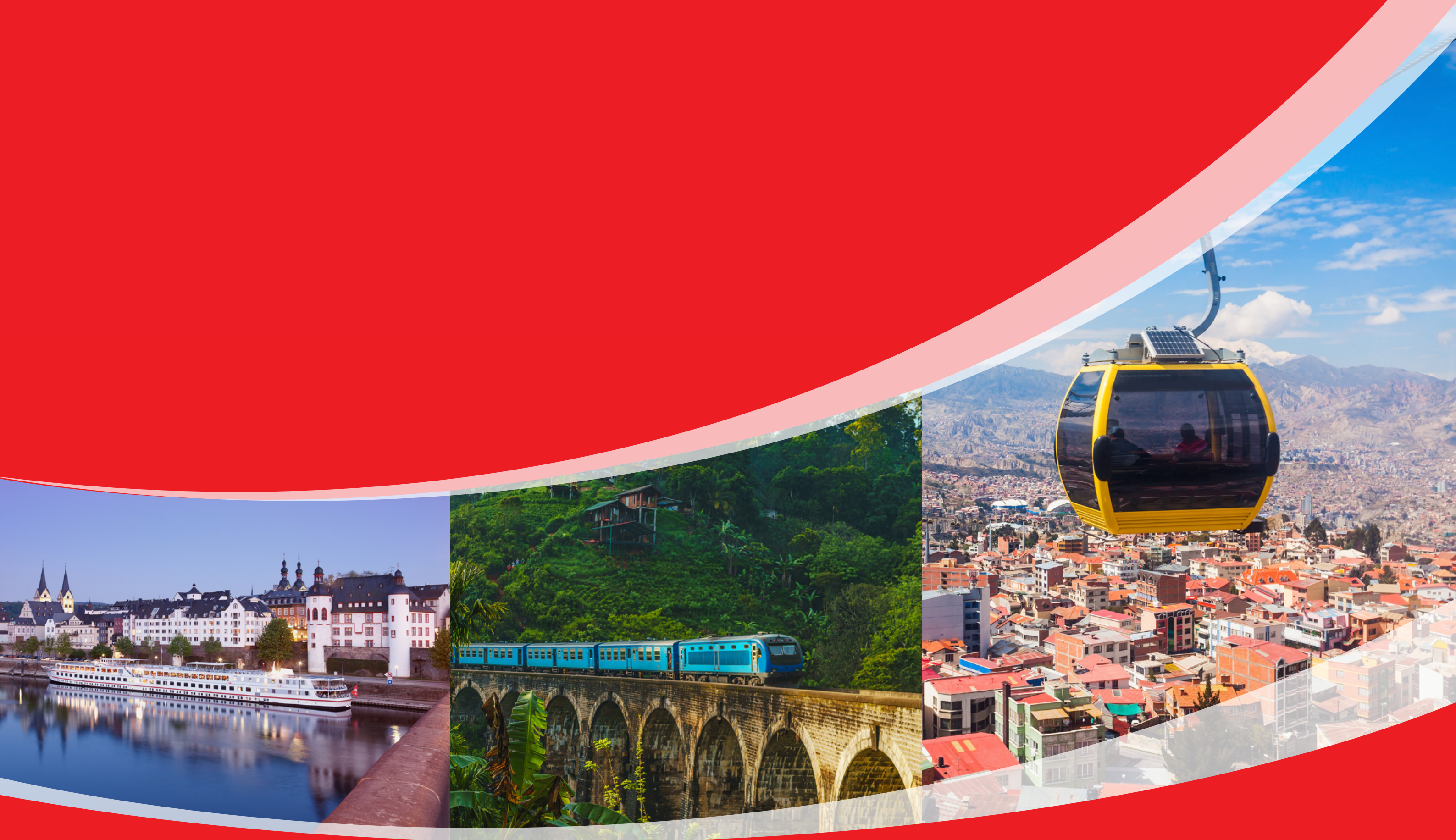
TRAVELLERS CHOICE

ANNUAL REPORT

2023



OUR PURPOSE
To sustainably create, protect and return value to members.

OUR VISION
To be the network of choice for successful travel businesses.

OUR VALUES
We focus on the customer, we work as a team, we are driven by results.

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CHAIRMAN'S STATEMENT

When trading conditions are challenging, boards seldom have difficulty adopting a judicious approach to investing in additional resources. The real test of a board's judgement occurs when markets are surging.

A little more than a year ago, with international borders not long having reopened, the travel industry was enjoying a robust post-pandemic revival. The VFR traffic that provided the initial booking momentum was giving way to more traditional – and predictable – leisure and corporate booking patterns. In addition, it was clear that consumers were relying on travel agents to help them navigate a more complex travel ecosystem.

After two years of contractions, a rapid upscale of resources would have seemed a reasonable response. Yet, a number of questions still hung over the travel sector.

Would consumer confidence stay strong, despite a clear deterioration in Australia's economic outlook and a rising cost-of-living? Could demand be smothered by the elevated fare prices resulting from a lack of air capacity? Would suppliers' efforts to return to full operational capabilities be undermined by a dearth of qualified staff?

The Travellers Choice Board was also well aware that, as small- and medium-sized independent businesses, our members' efforts to recruit new staff, re-establish shopfront locations and revive marketing activities would be hampered by cash-flow concerns. And, by comparison, our larger retail competitors' access to capital meant that their return to full strength would inevitably occur sooner.

The challenge for the Board, in this febrile environment, was to ensure that our members received all the support they required to facilitate sound growth, while carefully managing cash-flow and operational expenditure to ensure the Company continued on its own path to financial recovery.

During the 2022/23 financial year, this saw a gradual injection of additional resources to the sales and administrative team, which was considerably downsized during the pandemic. Regular re-evaluations were undertaken of our Company's products and services to ensure they continued to meet members' needs. Our much-loved annual conference returned. The roll out advanced of our new, more flexible membership packages – offering varying levels of business services and financial benefits. And significant work was undertaken to develop new recruitment strategies designed to deliver long-term benefits.

From a financial perspective, sustained consumer demand – combined with the support of members' patronage and the Board's prudent approach – delivered an outstanding result. Overall, the Company posted a full-year pre-tax operating profit of $2.02 million for the 12 months to 30 June 2023 – a dramatic turnaround on the $558,000 loss recorded for on the previous fiscal year.

After two consecutive years of finishing in the red – the only period of losses in our Company's 46 years of trading – it is exceptionally pleasing to return to profitability, while exceeding expectations and budget.

Given our Company's financial performance for 2022/23, the Board has declared an unfranked dividend of 6% on issued capital (being 30 cents per share), with the majority of the remaining profits distributed to member shareholders through trading rebates based on sales support for airline and wholesale partners.

Looking ahead, it is reasonable to foresee consumer demand for travel continuing as air capacity steadily increases and fares move towards pre-pandemic levels – despite the best efforts of some key players. At the same time, travel agents can be expected to play an integral role in facilitating that travel as consumers – still cognisant of COVID-era disruptions – seek assurance and guidance.

Nevertheless, there remain a number of issues that may inhibit growth, most notably Australia's rising cost-of-living and its potential negative impact on discretionary spending – a trend we are already seeing play out in the retail consumer goods sector. While inflation appears to have peaked, economists have not ruled out further interest rate rises during the current financial year.

Based on our current trajectory, the Board believes 2023/24 will see the Company maintain profitability. However, we will need to preserve what has been a patient and disciplined approach to rebuilding operational services in line with revenues.

I have no doubt that the Travellers Choice Board, tempered as it has been by the intense demands of the past few years, will provide the appropriate guidance and direction.

Throughout 2022/23 our Company's Directors were, as always, conscientious, cohesive and fully committed to advancing the long-term interests of shareholders. I would like, therefore, to take this opportunity to thank, on behalf of members, all of my fellow directors: Mark Brady, Phil Dalley, Trinity Hastwell, Greg Close, Jacqui Wilson-Smith and Managing Director Christian Hunter.

Finally, I would like to acknowledge the trust and encouragement you, our members, provide to the Board, as well as our talented management and staff. Your support is, I can assure you, received with humility and immense gratitude.

Trent Bartlett
Chairman

MANAGING DIRECTOR'S REPORT

We've all heard of 'revenge travel' – the term coined to describe the determined desire among consumers to book holidays once Australian governments reopened airports in 2022. But looking back on the past 12 months, I'd say that travel agents were the ones who really enjoyed sweet revenge.

Not only were retail travel businesses flooded with revenge travel bookings, but much of it came from people who just a few years earlier might have expressed the opinion that travel agents were relics of the past.

Of course, revenge – as always – can carry a sting in its tail. In this case, after two years in limbo, many travel agents found themselves ill-equipped to deal with the sudden rush in traffic. One of the reasons was that while customers may have been beating down the door, qualified consultants were simply nowhere to be found, forcing under-resourced teams to work harder and smarter than ever before.

The situation was no different for Travellers Choice's management and staff. With members requiring expanded support to help them rapidly regrow their businesses, cash-flow restrictions meant that the Company had to be judicious in how and when it replenished its own depleted resources. That left little option but to rely – once again – on the extraordinary capacity, dedication and patience of our employees.

Following are just a few of the notable achievements our teams registered during the 2022-23 financial year.

SALES

Led by General Manager – Sales, Nicola Strudwick, the sales team successfully pursued more than 310 supplier escalations. Since the commencement of this service, more than 1,000 cases have been managed to a favourable conclusion.

To support sales growth, the team seized every opportunity to re-connect members and suppliers – a process facilitated by our National Business Development Managers, who visited members across the country and hosted a variety of supplier briefings.

With an eye on lifting Travellers Choice's industry profile, Nicola also participated in key industry events, including taking part in a podcast run by The Travel Community Hub and serving as a panellist at the Australian Travel Industry Association's (formerly AFTA) Women in Travel Summit.

One of the most important projects involved a review of the Company's pre-COVID reporting system, which resulted in the introduction of a new and refined process, and facilitated a return to trading rebate distributions in September 2023.

Finally, the Sales team conducted an audit of members' GDS and Back Office Systems. The exercise expanded each member's profile on the TC Hub Member Directory and created a new resource for members to connect and support each other where they have like-for-like systems.

MARKETING

During 2022-23 the marketing team secured almost $190,000 from preferred suppliers and partners to fund 17 campaigns on behalf of members. A further 20 preferred supplier promotions were coordinated through various 'no-cost' channels operated by the Company and members – including websites, TC Mail, Facebook and point-of-sale artwork.

In addition, the team supported more than 195 member requests for assistance with everything from local area marketing to promotions through TC Mail and Site Builder websites, while also helping members design new logos and develop appropriate Terms and Conditions.

In the digital sphere, the team updated and expanded the affiliate link options for Site Builder websites, and oversaw the adoption of Google Analytics 4 – the latest generation of digital reporting – which measures traffic and engagement across Travellers Choice and member websites.

The marketing team was of course responsible for the creation of all branding for the 2022 Conference in Melbourne – our first since 2019 – as well as the development of the Conference website for the 2023 gathering on Queensland's Gold Coast.

Robyn also ensured Travellers Choice played a key role in our industry's representative bodies by answering an invitation to serve on Cruise Lines International Association's (CLIA) Travel Agent Advisory Group. She also continued a traditional of coordinating and hosting members at CLIA's Cruise360 conference in Sydney in August 2022.

Over the past six months the marketing team also took the lead on researching and developing Travellers Choice's first major marketing campaign through Australia's leading trade media. That campaign – which runs under the banner 'Choose Day' – is now underway, with positive results.

LOOKING FORWARD

Given that our most recent Member Survey results showed a remarkable 100% of members were 'satisfied' or 'more than satisfied' with the support they received over the past year, it's clear that the efforts of the Company's management and staff have been well directed and well received.

They have certainly contributed to our Company returning to financial health with a pre-tax operating profit of $2.02 million for the 2022/23 financial year – the majority of which has now been returned to members through a combination of dividends on shares held and trading rebates.

On behalf of all shareholders, I want to pass on to every member of the Travellers Choice team – including Nicola, Robyn and our multi-tasking National BDMs Tim Bolton, Graham Smith and Paula Moylan – immense gratitude for their efforts during 2022/23.

Looking ahead it's clear that, more than a year after the reopening of international borders, and despite economic headwinds, Australians' passion for travel remains undiminished. At the same time, a stabilised travel industry is returning to pre-pandemic operational capabilities, with suppliers increasingly keen to promote their products and members eager to undertake their own marketing activities.

In response our Company will continue to steadily rebuild our own marketing team this year to ensure we can effectively work with suppliers and meet members' needs. As foreshadowed during the 2023 Member Meetings, our network of National BDMs – expanded in 2022/23 with the addition of Paula in Sydney – will also be further bolstered through the re-instatement of a Queensland-based position.

Member recruitment will be another priority for 2023/24.

Thanks to an unwavering focus on protecting our core value proposition, Travellers Choice has over the years had little difficulty retaining members. In this respect 2022/23 was no different, with 97% of members staying within the fold. That figure, combined with our unrivalled member satisfaction result, was undoubtedly pivotal in our Company winning the Most Outstanding Non-Branded Travel Agency Group honour at the 2022 National Travel Industry Awards.

In 2022/23 we welcomed several new members, literally located from one side of the country to the other. During that period, we also rolled out our expanded suite of membership packages that now cater to a broader range of prospective members.

With industry consolidation continuing and agents naturally re-evaluating their consortia arrangements following pandemic-related upheavals, we see increased opportunities ahead to attract new members to our network. With this in mind we are now pursuing a more aggressive and consistent recruitment strategy. In addition to our current Choose Day trade media promotion, we are looking to appoint our first Network Development Manager – a Sydney-based position focused solely on elevating the Travellers Choice brand and attracting new members.

Finally, we are eager to push forward with the expansion of our TC One solution.

Technology development seldom follows prescribed timelines and that has certainly been the case with TC One. We are behind schedule with the addition of tours and cruises to the system, however, significant work is finally bearing fruit. The introduction of touring product is now in the final development stage, while progress has also been made in terms of cruise inventory. Our vision for TC One remains unchanged and I have no doubt that during 2023/24 we will move closer to our goal of delivering an integrated system offering members access to an extensive range of preferred product, which they can share with customers online and offline.

The Travellers Choice community has always been closely knit, and the pandemic only made our collective bonds stronger. I've witnessed that throughout the past year, during which I conducted more than 20 MD Webinars, celebrated at our resurrected Conference, and once again delivered in-person briefings during our annual capital city Member Meetings.

Thank you for all of the support you have provided me during 2022/23. Your constant encouragement cascades through our organisation, providing stimulation and motivation for every member of the Travellers Choice team.

Christian Hunter
Managing Director

Robyn Mitchell
General Manager Marketing

Nicola Strudwick
General Manager Sales

TRAVELLERS CHOICE

YEAR IN REVIEW

100% SATISFACTION 2023 ANNUAL MEMBER SURVEY

100% MEMBER SATISFACTION

83 NET PROMOTER SCORE

10 NEW SUPPLIER AGREEMENTS

21 WEBINARS

35% DISCOUNT ON MEMBERSHIP FEES

1 TRAVELLERS CHOICE CONFERENCE (**105** MEMBERS FROM **63** AGENCIES)

5 MEMBER MEETINGS

43RD PROFIT ANNOUNCED MAJORITY DISTRIBUTED TO MEMBERS

100+ FACEBOOK MANAGEMENT POSTS

182+ SITE BUILDER PRODUCTS UPLOADED

42 TC MAIL EDMS PRODUCED

314 SUPPLIER **BOOKING ISSUES ESCALATED AND RESOLVED**

$190K+ IN **PARTNER-FUNDED** CAMPAIGNS +250% YOY

195 LOCAL AREA MARKETING REQUESTS

35+ PARTNER PROMOTIONS

97% MEMBER RETENTION

NATIONAL TRAVEL INDUSTRY AWARDS **#1** IN **2022**

DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30 June 2023.

DIRECTORS

Details of the Directors in office at any time during or since the end of the year are outlined below, including names, period of office and length of tenure:

	DIRECTOR DETAILS	
	Current term expiry	Date of appointment
Trent Bartlett	2026 AGM	30 November 2018
Mark Brady	2026 AGM	01 November 2014
Greg Close	2025 AGM	17 November 2017
Phil Dalley	2023 AGM	30 November 2013
Trinity Hastwell	2024 AGM	30 November 2013
Christian Hunter	N/A	21 November 2015
Jacqueline Wilson-Smith	2024 AGM	30 November 2018

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

INFORMATION ON DIRECTORS

TRENT BARTLETT

Trent has over 19 years of extensive multi-industry Chair / Independent Director / Executive Director and CEO level leadership and experience in listed public companies, large private companies as well as NFP and 'for benefit' focused enterprises operating with diverse business models and scale across many industry sectors.

With a speciality in member owned and member governed businesses, Trent is currently the Chair of Good Samaritan Industries, Chair of Rocky Bay, Non-Executive Director, Chair of Governance and Remuneration Committee of customer owned Beyond Bank, and Non-Executive Director and Chair of the Remuneration and Nomination Committee of the Australian Packaging Covenant.

Trent is a former CEO of Capricorn Society from 2001 to 2011, one of Australia's largest and most successful cooperative enterprises which also includes Travellers Choice Member Capricorn Travel, as well as having a 15-year General Management career in Australia's largest retailers. He holds postgraduate qualifications in business and e-commerce and is a Faculty Member and Fellow of the Australian Institute of Company Directors and a certified Director (IDP-C) from INSEAD University (France).

MARK BRADY

Mark has 40 years' experience in the Australian travel industry, having joined Qantas in Sydney in 1982. He moved across to the retail travel sector in 1990, opening his first travel agency in Cairns.

A member of Travellers Choice for 14 years, he has owned and operated Ballina Cruise & Travel (NSW) since 1993. Mark is Chairman of the Audit & Risk Committee and also a member of the Australian Institute of Company Directors.

GREG CLOSE

Greg joined Travellers Choice in 2011 and is the owner and operator of Live The Dream Travel in Strathalbyn (SA).

Prior to operating his own business, Greg was employed within Flight Centre Travel Group's Cruiseabout brand as a business turnaround specialist. His role was to spend time in underperforming stores, turn them around and then move on to the next underperforming location.

Greg is a creative thinker possessing strong marketing skills which was rewarded a few years ago when he won the Cruise Lines International Australasia award for the best cruise promotion. Greg is part of the Audit & Risk Committee.

In his spare time, Greg is a volunteer with the South Australian Ambulance Service.

PHIL DALLEY

Phil Dalley was elected to the board in 2014 and has 35 years of travel Industry experience in various roles, firstly with East West Airlines, Australian Airlines and Qantas Airways. Phil successfully runs a high-profile retail and wholesale travel agency in the ACT, which he established in 1998.

Phil was also the ACT chairman of the Australian Federation of Travel Agents for period during the 1990s and is presently Deputy Chairman of the Travellers Choice Board and a member of the Strategic Issues Committee.

TRINITY HASTWELL

Trinity has worked in the retail travel industry for more than 18 years. A Graduate of the Australian Institute of Company Directors, Trinity was elected to the Travellers Choice Board in 2014. She is the Managing Director of Hastwell Travel & Cruise which has locations in Frewville and McLaren Vale (SA), and has been a member of Travellers Choice for more than 29 years.

Trinity holds a Business Management Degree from the University of South Australia, graduating with a Marketing major and minors in Public Relations and Tourism & Hospitality. Trinity has also spent three decades working in the South Australian wine industry and is Strategic Advisor for family run winery Hastwell & Lightfoot

CHRISTIAN HUNTER

Christian has worked in the UK and Australian travel industries for more than 30 years and has been employed by Travellers Choice since 2004 in a number of managerial positions, including CEO. He joined the Board as Managing Director in November 2015.

Christian holds a Bachelor of Commerce degree from Curtin University and is a graduate member of the Australian Institute of Company Directors. He is presently a Director, Vice Chair and Chair of the Audit & Risk Committee of the Australian Travel Industry Association (ATIA) and was previously a Director and Chairman of the Worldwide Independent Travel Network.

JACQUELINE WILSON-SMITH

Jacqui brings to the table independence, governance experience, facilitation skills, a collaborative leadership style and an international network of connections. She leverages 25 years of marketing, innovation and strategic experience having held various corporate and international roles with McCormick, Gourmet Garden, Mondelez, Accolade Wines, Constellation and EY.

Today Jacqui is CEO of the Sustainable Innovation Company, offering strategic facilitation services within a sustainability framework across Australia and overseas. In addition to Travellers Choice, she is also a Non-Executive Director for several organisations including MLA (Meat & Livestock Association) Research and Development Corporation, Food Agility Cooperative Research Centre, & Chair of the Agrifutures Ginger Advisory Panel. In addition, she is co-founder of the Food and Agribusiness Network and former Chair. In 2017, Jacqui was the Queensland recipient of the AgriFutures Rural Woman's Award.

DIRECTORS' MEETINGS

Directors' meetings attended during the year:

	NUMBER OF MEETINGS	
	Eligible to attend	Attended
Trent Bartlett	6	6
Mark Brady	6	5
Greg Close	6	6
Phil Dalley	6	5
Trinity Hastwell	6	6
Christian Hunter	6	6
Jacqueline Wilson-Smith	6	6

DIRECTORS' INTERESTS

The relevant interest of each Director in the shares of the Company are:

	Ordinary Shares
Trent Bartlett	-
Mark Brady	1,000
Greg Close	200
Phil Dalley	1,200
Trinity Hastwell	2,000
Christian Hunter	-
Jacqueline Wilson-Smith	-

No Director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Company, or a related company with a Director, a firm of which a Director is a member or an entity in which a Director has substantial financial interest, other than the benefits as disclosed in the notes to and forming part of the accounts.

OPERATING RESULTS

The Company produced an operating profit before providing for income tax for the financial year of $2,021,059 (2022: loss before income tax $450,622). After providing for income tax a profit of $1,565,646 was produced (2022: loss $405,370).

REVIEW OF OPERATIONS

The financial period commenced on 01 July 2022.

The Directors have authorised the following distribution of pre-tax profits to be paid in the 2023/24 financial year:

- A distribution based on member support of preferred airlines amounting to $709,423
- A distribution based on member support of wholesale suppliers amounting to $768,541
- A dividend of 6.0% of shareholding amounting to $22,036

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were to provide business services and financial returns to member shareholders of Travellers Choice in accordance with the Company's objectives.

No significant changes in the nature of these activities occurred during the financial year.

SHARE OPTIONS

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

INDEMNIFICATION & INSURANCE OF OFFICERS & AUDITORS

A deed of indemnity has been executed by all Directors and Officers. Management Liability insurance, including Directors and Officers Liability insurance premiums have also been paid, totalling $4,980 inclusive of GST, Stamp Duty and all fees.

ENVIRONMENTAL REGULATION

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the Company's state of affairs occurred during the financial year.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

DIVIDENDS AND TRADING REBATES

No dividends and trading rebates were declared or recommended but not paid during the financial year.

LIKELY DEVELOPMENTS

In the coming year, Travellers Choice's services will be focused on providing members with the support required to return to full trading as the travel industry continues its recovery from the pandemic.

In conjunction with this, business strategies focusing on retaining key agents and recruitment of new travel agent members are in place, with marketing activities remaining agile to leverage key preferred supplier campaigns as and when they become viable.

Cashflow modelling remains in place, which will be continually monitored for any major deviations from forecasts.

The Company will continue its niche positioning within the retail travel sector as the leading travel group for independent travel agents in Australia.

PROCEEDINGS ON BEHALF OF COMPANY

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

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

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 on page 13.

Signed in accordance with a resolution of the Board of Directors:

Trent Bartlett
Director

Dated this 22nd day of September 2023

AUDITOR'S INDEPENDENCE DECLARATION

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF TRAVELLERS CHOICE LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Travellers Choice Limited. As the audit partner for the audit of the financial report of Travellers Choice Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

• the auditor independence requirements of the C*orporations Act 2001* in relation to the audit; and

• any applicable code of professional conduct in relation to the audit.

AMW Audit

AMW AUDIT
Chartered Accountants (Auditor registration number 314299)

MARTIN SHONE
Director

Perth, WA

Dated this 26th day of September 2023

TRAVELLERS CHOICE LIMITED CORPORATE GOVERNANCE STATEMENT

OVERVIEW

The Board of Travellers Choice Limited (Travellers Choice, the Company) governs the business on behalf of its member/shareholders with the prime objective of protecting and enhancing member/shareholder value. The Board is committed to the highest standards of ethics and integrity and ensures that the senior management group runs the Company in accordance with these standards.

This Corporate Governance Statement is for the information of the shareholders/members on whose behalf the Board operates. The statement has been approved by the Board and outlines the main corporate governance practices employed by the Company. As a proud cooperative in the travel industry, the Company endorses the Co-operative and Mutual Enterprise (CME) Governance Principles developed by the Business Council of Co-operatives and Mutuals (BCCM) in partnership with the CME 100 Chairs' Forum.

These Principles and Recommendations were released in July 2018 and a copy can be accessed at bccm.coop/what-we-do/governance-principles.

Where the Company has not adopted a particular recommendation, a detailed explanation is provided. This statement is current at 18 October 2023.

PRINCIPLE 1 CREATE, PROTECT AND RETURN MEMBER VALUE

Travellers Choice acts on behalf of its members to achieve its agreed purpose by pursuing the sustainable creation, protection and return of value to current and future members.

The Board is responsible for:

a) Developing a clear set of strategic objectives designed to ensure the sustainable creation, protection and return of value for current and future members, consistent with its governing documents, purpose and primary activities;

b) Obtaining collaboration and support for these strategic objectives from the membership;

c) Monitoring and reviewing the activities undertaken towards the Company's strategic objectives; and

d) Reporting regularly to members as to the achievement of goals associated with delivery of strategic objectives.

The Board uses its annual member meetings and annual conference to communicate with members from time to time the strategic objectives developed by the Board and performance against these.

PRINCIPLE 2 LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Travellers Choice establishes and discloses the respective roles and responsibilities of its Board and management and how their performance is monitored and evaluated.

The relationship between the Board and senior management group is critical to the Company's long-term success. The Board is responsible for the performance of the Company in both the short and longer term and seeks to balance sometimes competing objectives in the best interests of the Company as a whole. The key aims of the Board are to ensure that the Company is properly managed to mitigate risk and has an appropriate corporate governance structure to ensure the creation and protection of members' value. The role and responsibilities of the Board, the Chairman and individual Directors are set out in the Company's Corporate Governance Charter. A copy of this Charter is available on travelagentschoice.com.au.

Board Accountability to Members
The members/shareholders of Travellers Choice determine who is a Director and the total remuneration paid to the Board. In accordance with the Company's constitution, the majority of Board Directors are members of the Company. The experience of all Board members and their attendance at Board and committee meetings is highlighted in the Annual Report.

Due Diligence on Board Appointments
Prior to a director appointment, the Board ensures that:

a) The appropriate checks, including background and reference checks, are conducted before appointing a person, or putting forward to members a candidate for election as a Director or officer of the Company; and

b) Directors clearly understand the responsibilities and requirements of the role, along with the potential liabilities. The Company provides each new prospective Director with all material information in its possession that can assist the candidate and members, relevant to a decision on whether or not to elect or re-elect a Director.

Terms of Appointment
The Company's Corporate Governance Charter clearly sets out the duties and obligations of being a Director and the expectations of the role. The constitution determines the length of the appointment to the Board. It has been customary to have a written agreement in place for non-member Directors. In future, this will apply to all member Directors also.

A written agreement is in place for the CEO and the senior management.

Company Secretary
The secretary of Travellers Choice is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The CEO is currently the company secretary.

Gender and Cultural Diversity
Travellers Choice is mindful of gender and cultural diversity. It supports commitment towards creating an inclusive workplace that embraces and promotes diversity. Due to its size, the Company is not considered to be a 'relevant employer' under the Workplace Gender Equality Act, however, it does meet the most recent 'Gender Equality Indicators', as defined in and published under that Act.

As at 30 June 2023, female representation at Travellers Choice was as follows:

- 67% of the total workforce;
- 67% of the senior management team; and
- 29% of the Board.

Board Performance

Travellers Choice annually reviews the performance of the Board, its committees and individual Directors. This review is either conducted internally facilitated by the Chairman or with the assistance of an external expert to gauge how the Company's governance practices compare to contemporary practice.

In addition, the Board includes an assessment of every Board meeting as a standard part of its meeting agenda.

PRINCIPLE 3 STRUCTURE THE BOARD TO ADD MEMBER VALUE

Travellers Choice has a Board that meets the organisation's requirements, is of an appropriate size, diversity and composition, and has the skills and commitment to discharge its duties and responsibilities effectively.

Board Composition

There are currently seven members of the Board (six registered and one de facto), with four member Directors and three non-member Directors. Of the three non-member Directors, two are considered independent. In accordance with the Company's constitution, member Directors hold the majority of Board positions at all times.

Further detail regarding the Directors' qualifications, special responsibilities, skills, experience and expertise (including the period of office held by each Director) and length of each Director's tenure is set out in the Directors' Report in the Annual Report.

Board Committees

There are currently two committees of the Board:

(a) The Audit & Risk Committee (which provides oversight of the financials and risk issues relevant to the Company's success); and

(b) The Strategic Issues Committee (which keeps a watching brief on emerging social, technological, customer and competitor issues that may have an impact on the Company now and into the future). This committee is not formally meeting at present to relieve corporate office resources but remains active in supporting the Board with projects from time to time.

Travellers Choice does not have a nomination committee and chooses to conduct Board succession planning work using the full Board.

The Board uses a skills matrix and member persona profiling to consider the types of skills and experience that would benefit the Board composition in achieving the Company's strategic objectives.

The Board considers these when considering potential candidates to join the Board.

The matrix is also a tool for identifying professional development opportunities for existing Directors to develop and maintain the skills and knowledge required to effectively perform their role as Directors.

Role of the Chair

Since 2007, Travellers Choice has elected to have an independent Chairman to augment the skills and experience of the Board. The role of the Chairman is an important leadership position which leads the communication with shareholders, mentors and guides the CEO, and facilitates effective decision making by the Board.

Induction Program for Directors

Travellers Choice has a formal program for inducting new Directors. This process provides appropriate learning prior to commencing the role. The Company aims to provide opportunities for Directors to develop and maintain the skills and knowledge needed to effectively perform their role as a Director.

PRINCIPLE 4 ACT ETHICALLY AND RESPONSIBLY

Travellers Choice acts ethically and responsibly in relation to its members and other stakeholders.

Code of Conduct

A code of conduct for the Board of Directors is included in the Company's Corporate Governance Charter.

Expected standards of conduct for staff are outlined in the Company's Employee Handbook, which is provided to all employees.

Whistleblower Protection Policy

A formal policy regarding whistleblower protections has been communicated to all staff members and forms part of the Company's Employee Handbook.

Employees are encouraged to report concerns in relation to illegal, unethical or improper conduct in circumstances where they may be apprehensive about raising their concern because of fear of possible adverse repercussions.

PRINCIPLE 5 SAFEGUARD INTEGRITY IN CO-OPERATIVE AND MUTUAL ENTERPRISES (CME) REPORTING

Travellers Choice has formal controls and rigorous processes that safeguard our assets, provide independent attestations to members of the integrity of our financial processes and disclosures, and can demonstrate alignment with purpose.

Audit & Risk Committee

The Audit & Risk Committee plays an important role in assisting the Board to provide oversight of the financial performance of the Company and the integrity of performance reporting.

The Chairman of the Committee is selected based on skill, experience and capability to perform the role. The current Chairman is a member Director. In the past, the Chairs have been both member Directors and independent Directors.

The terms of reference of the Audit & Risk Committee are detailed in the Company's Corporate Governance Charter.

Financial Statements

Historically, the Board of Travellers Choice has not received attestations from senior management in relation to financial statements.

However, a process will be implemented whereby prior to the Board approving the entity's financial statements for a financial period, it will receive a declaration from its Managing Director and General Manager Finance & Administration, attesting, in their opinion, that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards, 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.

Annual General Meetings and Audits

Travellers Choice has an Annual General Meeting (AGM) prior to 30 November each year. The AGM normally forms part of the Travellers Choice Conference which all members are encouraged to attend. The conference enables all members to network, be informed and developed, and ask questions of the Board and the senior management group.

Members who are unable to attend the AGM have the opportunity to declare a proxy for their vote on all matters dealt with at the AGM.

The Board closely monitors the independence of the external auditors. Each year (usually in August), the Company's lead audit partner attends a Board meeting in person or by teleconference to assist Directors with their assessment of year-end financial reports. Part of this meeting includes a Board-only session with the auditor, providing Directors with unfettered access to ask any questions regarding the audit, financial statements or cooperation of staff during the audit process.

The auditor does not usually attend the annual meeting of the members. Members have to date not requested further access to the auditor and incurring additional costs associated with the auditor attending the AGM have been deemed unnecessary.

However, should there be issues out of the ordinary, or requests received from the members, the auditor's attendance would be arranged.

PRINCIPLE 6 MAKE TIMELY AND BALANCED DISCLOSURE

Travellers Choice makes timely, transparent and balanced disclosure of all matters that a reasonable person would expect to have a material effect on the value received from ongoing membership and/or the interests of members and other stakeholders.

Twice each year, the Company's Chairman and Managing Director update the membership in person on matters relevant to the industry and the Company's performance. These meetings occur at the Shareholder Forum (immediately following the AGM) and at mid-year Member Meetings held around the country.

The Company ensures that members have access to information relevant to Travellers Choice that includes but is not limited to the following:

a) Financial and operating results of the Company;

b) Names of Directors and key executives;

c) Information about material and foreseeable risk factors;

d) Material issues regarding employees and other stakeholders; and,

e) The Company's governance structures and policies.

PRINCIPLE 7 RESPECT THE RIGHTS OF MEMBERS AND OTHER STAKEHOLDERS

Travellers Choice respects the rights of its members and other stakeholders by enabling them to access information and, where appropriate, education and training to allow them to exercise those rights effectively.

Member and Stakeholder Communications
The Company provides information about itself and its governance to members and other stakeholders via travelagentschoice.com.au.

Member Engagement
The Company designs and implements a member engagement program to facilitate effective two-way communication with members.

This includes regular updates to the membership by the Managing Director, a member Facebook group, regular visits and contacts by Travellers Choice Business Development Managers, regular member gatherings in each state and an open culture where members have direct access to the management team and are free to raise any queries. In the current environment, many of these events are being held virtually.

General Meetings

The Company promotes effective communication with the Company's member shareholders and encourages member shareholder participation at AGMs. To ensure participation, a member shareholders' forum is held immediately after the AGM, enabling members to ask questions of the Board of Directors and senior management.

The Company ensures that the explanatory notes accompanying its Notices of Annual General Meeting provide shareholders with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a Director at an AGM. The Chair ensures that shareholders are provided with the opportunity to question the Board concerning the operations of the Company at the AGM and other shareholder meetings.

Electronic Communications

The Company's preferred method of communication is electronic, and all member correspondence is distributed in this format.

PRINCIPLE 8 RECOGNISE AND MANAGE RISK

Travellers Choice has established a sound risk management framework which is periodically reviewed for its effectiveness in relation to the creation, protection and return of member value.

The Company has a written policy in place for the oversight and management of its material business risks. The Company takes a proactive approach to risk management.

Role of the Board and Audit & Risk Committee

The Board and Audit & Risk Committee are primarily responsible for ensuring that risks are identified and reviewed in a timely manner. A copy of the Audit & Risk Committee Charter is included in the Corporate Governance Charter available on travelagentschoice.com.au.

Under the Risk Management Policy, the Board and the Audit & Risk Committee are responsible for the following:

The Board is responsible for:

- Overseeing and approving the establishment and implementation of the Company's risk management, internal controls and compliance systems;
- Reviewing the effectiveness of the Company's risk management, internal control and compliance systems at least annually, and satisfying itself that management has developed and implemented a sound system of risk management and internal control; and
- Approving the delegations of authority for day-to-day management of the Company's operations.

The Audit & Risk Committee is responsible for assisting the Board with regard to:

- The reliability and integrity of information for inclusion in the Company's financial statements;
- Company-wide risk management;
- Compliance with legal and regulatory obligations, including audit, accounting, tax and financial reporting obligations; and
- The integrity of the Company's internal control framework.

The Board reviews the risk profile of the Company at least annually and risk information is a critical input to the Board's annual strategic planning activities.

The Company's senior management also plays a significant role in identifying, assessing, monitoring and managing risks. They are responsible for assisting the Audit & Risk Committee to ensure that robust risk management exists across the organisation. The senior management team ensures that a sufficient level of risk analysis is applied to critical decisions and provides assurance to the Audit & Risk Committee that risk processes at all levels are effective and compliant with the Audit & Risk Committee Charter.

Internal Audit

The Company does not have or engage an internal audit function although it does have the capacity to engage independent, expert consultants to conduct internal audit work on its behalf if required.

Sustainability Reporting

Risks relating to the economic, environmental and social sustainability of the business are incorporated into the risk profile of the Company. The Company does not report these separately as a Sustainability Report but consideration will be given to doing so in the future.

PRINCIPLE 9 REMUNERATE FAIRLY AND RESPONSIBLY

Travellers Choice pays Director remuneration sufficient to attract and retain high quality member and independent Directors. The Company designs its executive remuneration to attract, retain and motivate high quality senior executives and employees, and to align their interests with the creation of value for members and other stakeholders.

The Board does not have a Remuneration Committee and elects to perform the work of allocation of Director fees, senior management remuneration and performance assessment as a full Board.

Directors

The annual total of fees paid to Non-Executive Directors is set by the Company's shareholders and allocated as Directors' Fees by the Board on the basis of the roles undertaken by the Directors.

Full details of Directors' remuneration appear in the Financial Statements of the Annual Report. These fees are inclusive of statutory superannuation contributions. No retirement benefits and no equity-based remuneration scheme exist for Non-Executive Directors.

Senior Management

Remuneration for senior management is generally set to be competitive, so as to both retain executives and attract appropriately skilled executives to the Company. Remuneration comprises a fixed cash element and modest variable incentive components.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023	2022
		$	$
Revenue	2	3,375,574	657,211
Cost of sales		(951)	-
Gross profit		3,374,623	657,211
Other revenues	2	1,551,091	693,527
Annual conference		(355,543)	-
Computer expenses		(30,424)	(32,488)
Consultancy fees		(101,970)	(94,258)
Depreciation and amortisation expenses	3	(63,452)	(149,493)
Director fees		(106,313)	(86,125)
Fees (Corp/ATIA/ATAS/BSP)		(19,450)	(18,145)
Insurance expense		(18,454)	(17,620)
Marketing costs		(387,816)	(113,861)
Member overrides		(239,546)	(90,000)
Rent	3	(3,636)	(6,669)
Salaries & wages		(1,002,354)	(831,017)
Ticketing fee		(307,635)	(112,847)
Other expenses from ordinary activities	3	(268,062)	(248,837)
Profit/ (loss) before income tax	3	2,021,059	(450,622)
Income tax (expense)/ credit	4	(455,413)	45,252
Profit (loss) for the year		1,565,646	(405,370)
Other comprehensive income/ (loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		27,479	12,923
Unrealised gain on interest		-	67,564
Other comprehensive income/ (loss) for the year, net of tax		27,479	80,487
Total comprehensive income/ (loss) attributable to members of the Company		1,593,125	(324,883)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	NOTE	2023	2022
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,435,304	771,627
Trade and other receivables	8	404,103	70,617
Other assets	9	1,816,963	322,199
TOTAL CURRENT ASSETS		3,656,370	1,164,443
NON-CURRENT ASSETS			
Property, plant and equipment	10	14,179	13,514
Intangible assets	11	2,121	7,555
Right of Use Asset	12	168,980	53,122
Financial assets	13	213,000	496,530
Deferred tax assets	15	151,728	82,504
TOTAL NON-CURRENT ASSETS		550,008	653,225
TOTAL ASSETS		4,206,378	1,817,668
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	574,230	261,139
Current tax liabilities	15	390,833	429,179
Provisions	16	162,314	126,121
Lease Liabilities	17	52,991	53,122
TOTAL CURRENT LIABILITIES		1,180,368	869,561
NON-CURRENT LIABILITIES			
Provisions	16	11,115	23,984
Lease Liabilities	17	115,989	-
Deferred tax liabilities	15	498,062	116,404
TOTAL NON-CURRENT LIABILITIES		625,166	140,388
TOTAL LIABILITIES		1,805,534	1,009,949
NET ASSETS		2,400,844	807,719
EQUITY			
Issued ordinary share capital	18	367,265	367,265
Retained earnings		1,959,435	393,789
FVTOCI* reserve		74,144	46,665
TOTAL EQUITY		2,400,844	807,719

The accompanying notes form part of these financial statements

*: FVTOCI: fair value through other comprehensive income.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	ISSUED ORDINARY SHARE CAPITAL	FVTOCI RESERVE	RETAINED EARNINGS	TOTAL
	$	$	$	$
Balance at 01 July 2021	367,265	(33,822)	799,159	1,132,602
Loss for the year	-	-	(405,370)	(405,370)
Other comprehensive income				
Foreign currency translation	-	12,923	-	12,923
Unrealised gain on interest	-	67,564	-	67,564
Total comprehensive loss for the year	-	80,487	(405,370)	(324,883)
Dividends and rebates paid	-	-	-	-
Balance at 30 June 2022	367,265	46,665	393,789	807,719
Profit for the year	-	-	1,565,646	1,565,646
Other comprehensive income				
Foreign currency translation	-	27,479	-	27,479
Total comprehensive loss for the year	-	27,479	1,565,646	1,593,125
Dividends and rebates paid	-	-	-	-
Balance at 30 June 2023	367,265	74,144	1,959,435	2,400,844

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023	2022
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and government		3,177,800	854,534
Payments to suppliers and employees		(2,594,746)	(1,647,712)
Interest received		10,601	374
Income tax paid		(190,486)	(272,599)
Net cash provided by/ (used in) operating activities	22	403,169	(1,065,403)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(5,561)	(1,640)
Repayments of investments		320,169	92,485
Net cash provided by investing activities		314,608	90,845
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(54,100)	(41,955)
Net cash used in financing activities		(54,100)	(41,955)
Net increase/ (decrease) in cash held		663,677	(1,016,513)
Cash and cash equivalents at beginning of year		771,627	1,788,140
Cash and cash equivalents at end of year	7	1,435,304	771,627

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

The financial statements and notes represent those of Travellers Choice Limited. Travellers Choice Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on the 22nd day of September 2023 by the Directors of Travellers Choice Limited.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar unless stated otherwise.

Accounting Policies

a. Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

(a) the initial recognition of goodwill; or

(b) the initial recognition of an asset or liability in a transaction which:

- (i) is not a business combination; and
- (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Income Tax (continued)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

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

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

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

Reduction in Corporate Tax

The corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities at the reporting date are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled.

b. Fair Value of Assets and Liabilities

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b. Fair Value of Assets and Liabilities (continued)

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

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture & Office Equipment	40%
Vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. Leases

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. Leases (continued)

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to statement of profit or loss and other comprehensive income immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. Financial Instruments (continued)

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with AASB 9.3.25.3; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. Financial Instruments (continued)

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the Groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. Financial Instruments (continued)

Derivative financial instruments
The Company enters into various derivative financial instruments (ie foreign exchange forward contracts and interest rate swaps) to manage its exposure to interest rate and foreign exchange rate risks.

Derivative financial instruments are initially and subsequently measured at fair value. All gains and losses subsequent to the initial recognition are recognised in profit or loss.

Hedge accounting
At the inception of a hedge relationship, the Company identifies the appropriate risks to be managed by documenting the relationship between the hedging instrument and the hedged item, along with risk management objectives and the strategy for undertaking various hedge transactions.

The Company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk. That is, whether the hedging relationships meet all of the following hedge effective requirements:
- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedged ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the company actually hedges and the quantity of the hedging instrument that the company uses to hedge the quantity of hedged item.

When the hedging relationship ceases to meet the hedging ratio requirement, the Company rebalances the hedge so that it meets the qualifying criteria again.

Discontinuation of hedge is not voluntary and is only permitted if:
- the risk management objective has changed;
- there is no longer an economic relationship between the hedged item and the hedging instrument; or
- the credit risk is dominating the hedge relationship.

Qualifying items

Each eligible hedged item must be reliably measurable and will only be designated as a hedge item if it is made with a party which is not part of the Company and is from one of the following categories:
- a recognised asset or liability (financial or non-financial);
- an unrecognised firm commitment (binding agreement with specified quantity, price and dates); or
- a highly probable forecast transaction.

Fair value hedges

At each reporting date, except when the hedging instrument hedges an equity instrument designated as at fair value through other comprehensive income, the carrying amount of the qualifying hedge instruments will be adjusted for the fair value change and the attributable change is recognised in profit and loss, at the same line as the hedged item.

When the hedged item is an equity instrument designated as at fair value through other comprehensive income, the hedging gain or loss remains in other comprehensive income to match the hedging instrument.

Cash flow hedges

The effective portion of the changes in fair value of the hedging instrument is not recognised directly in profit or loss, but to the extent the hedging relationship is effective, it is recognised in other comprehensive income and accumulated under the heading Cash Flow Hedging Reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion (balancing figure) is recognised immediately in profit or loss.

Hedge accounting on cash flow hedge instruments is discontinued prospectively when the hedge relationship no longer meets the qualifying criteria. Amounts recognised in the cash flow hedging reserve that are related to the discontinued hedging instrument will immediately be reclassified to profit or loss.

e. Financial Instruments (continued)

Preference shares

Preferred share capital is classified as equity if it is non-redeemable or redeemable only at the discretion of the Parent Entity, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon declaration by the directors. Preferred share capital is classified as a liability if it is redeemable on a set date or at the option of the shareholders, or where the dividends are mandatory. Dividends thereon are recognised as interest expense in profit or loss.

Compound financial instruments

Compound instruments (convertible preference shares) issued by the Company are classified as either financial liabilities or equity in accordance with the substance of the arrangements. An option that is convertible and that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments will be classified as equity.

The fair value of the liability component is estimated on date of issue. This is done by using the prevailing market interest rate of the same kind of instrument. This amount is recognised using the effective interest method as a liability at amortised cost until conversion or the end of life of the instrument.

The equity portion is calculated by deducting the liability amount from the fair value of the instrument as a whole. The equity portion is not remeasured after initial recognition. Equity will remain as such until the option is exercised. When the option is exercised a corresponding amount will be transferred to share capital. If the option lapses without the option being exercised the balance in equity will be recognised in profit or loss.

Costs of the transaction of the issue of convertible instruments are proportionally allocated to the equity and liability. Transaction costs in regards to the liability are included in the carrying amount of the liability and are amortised over its life using the effective interest method. Transaction cost in equity is directly recognised in equity.

Impairment

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. **Financial Instruments (continued)**

General approach

Under the general approach, at each reporting period, the Company assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Purchased or originated credit-impaired approach

For a financial asset that is considered credit-impaired (not on acquisition or origination), the Company measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- high probability that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Company assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Company applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. Financial Instruments (continued)

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

f. Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

g. Intangible Assets Other than Goodwill

Acquired customer contracts and the related client relationships
Client relationships are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and impairment loss. Client relationships are tested annually for impairment, if there are indications of impairment, and are amortised on a straight-line basis over their useful lives. As at the end of the reporting period, these assets were fully amortised (no remaining useful life) but are still in use.

Trademarks
Trademarks are recognised at cost of acquisition. They include words, names, symbols or other devices used in trade to indicate the source of the product or service, and to distinguish the product or service from the source of others. Trademarks are deemed to have indefinite useful lives and are carried at cost. They are tested annually for impairment.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

g. Intangible Assets Other than Goodwill (continued)

Software and website development costs

Software and website development costs are capitalised only when the Company can demonstrate all of the criteria outlined in AASB 138.57. Software and developed websites are considered as having finite useful lives and are amortised on a systematic basis over their useful lives so as to match the economic benefits received to the periods in which the benefits are received. Amortisation begins when the software or websites become operational.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognised if, and only if, an entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amortisation rates used for each class of intangible asset with a finite useful life are:

Class of Fixed Asset	Depreciation Rate
Website Development	25% prime cost

h. Employee Benefits

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees up to balance date. These entitlements include wages and salaries, annual leave, and long service leave. Employee entitlements have been measured at the current values of leave owing to the respective employee, plus related on-costs. The calculation has been made for all employees from the date of commencement and the liability is classified as current for all employees who have completed seven years of continuous service at the reporting date.

Employees are entitled to take that balance as leave in the current financial year and / or have it paid out to them if they cease employment with the Company.

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

i. Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Cash and Cash Equivalents

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

k. Revenue and Other Income

The principal activities of the Company are those of acting as an agent for tour, travel and accommodation suppliers for which the Company earns service revenue, predominantly in the form of commissions. Revenue is recognised and measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, agent commissions and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's primary activities.

The Company's key revenue streams are outlined below:

(i) Commissions

Commissions consist of at source commissions across the Company's businesses and override commissions for performance of volume-based sales targets with specific airline and leisure partners. The Company acts in the capacity of an agent rather than principal with the facilitation of tour, travel and accommodation services as the Company's customer is a travel agent or supplier. As a result, commission revenue is recognised as the net amount of commission received or receivable by the Company. The revenue policy for the various types of commissions across the Company is outlined below:

At source commissions - retail and travel management businesses
The Company's retail and travel management businesses receive at source commission from suppliers for the arrangement of travel, tours and travel related products. Revenue is recognised at the point of time when tickets, itineraries or travel documents are issued (ticketed date) as this is when the performance obligation is met to the travel agent or supplier.

Other types of at source commissions
The Company also receives commissions from sales of travel related products such as insurance, foreign currency purchasing services and incentives from suppliers. These commissions are recognised as revenue at a point of time on an accrual basis when the performance obligation is met and the amount can be reliably measured.

Override commission revenue
The Company receives volume-based override commissions from airline and leisure partners across the air, land and cruise travel products sold.

The override commission revenue is recognised over a period of time using a tiered earning rate, based on eligible departed travel sales (for air and cruise) or on commencement of hotel stay (for land), for the contracted period as performance obligations involving target tier volumes are met with the suppliers over the life of the contract based on the departure date of the traveller. Each supplier has separate contractual agreements with the Company and the contractual rates, performance tiers and contract periods vary accordingly.

Override commission is calculated for the contract period, based on the value of eligible travel during the period at the expected contracted applicable override rates. Eligible travel for the financial year is calculated based on detailed booking information and is reviewed by management considering current and historical booking trends. To estimate the appropriate override rate to use in the calculation of the estimated override commission, the expected eligible travel sales for the contract period are estimated (based on actual sales, forecast bookings and historical trends) and compared to the contractual performance tiers.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

k. Revenue and Other Income (continued)

(ii) Transaction and service fees

The Company's travel management business charge customers a transaction fee when travel arrangements are booked through either the Company's online system or using a travel management consultant. Transaction fees are levied in accordance with their contractually agreed rates for the type of product booked. Transaction and service fees are recognised as revenue at the point of time when tickets are issued (ticketed date) as this is when the performance obligation is met to the consumer for the booking of travel arrangements and revenue can be measured reliably. Where amendments occur after the initial transaction, these are treated separately and additional transaction fees may be incurred.

(iii) *Marketing related activities*

The Company receives contributions from suppliers to compensate for the costs incurred in relation to the production of brochures, in relation to marketing campaigns and activities, and for travel conferences organised by the Company. Revenue is recognised at a point of time when the marketing related activity is undertaken as the performance obligation to the supplier has been met.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax.

A receivable will be recognised when they are rendered. The Company's right to consideration is deemed unconditional at this time as only the passage of time is required before payment of that consideration is due. There is no significant financing component because sales are made within a credit term of 30 to 45 days.

l. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

m. Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at cost using the effective interest method.

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

o. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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

p. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

(i) *Impairment*

The Company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(i) *Provision for impairment of receivables*

Included in trade receivables at the end of the reporting period are receivables amounting to $28,431 (2022: $36,965) that have been outstanding for over more than 90 days.

(ii) *Financial assets at fair value through other comprehensive income*

The Company maintain a convertible debenture with a carrying amount at the end of the reporting period of $213,000 (2022: $496,530). Other than the decline in foreign currency translation, no impairment has been recognised in respect of this investment.

(iii) *Employee benefits*

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the Company expects that all its employees would use all their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the Directors consider that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

q. New and Amended Accounting Policies Adopted by the Company

No new accounting standard has a material effect on the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

r. New and Amended Accounting Policies Not Yet Adopted by the Company

- AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

  The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.

  The Company plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

- AASB 2022-6: *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*

  AASB 2022-6 amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.

  The Company plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

- AASB 2021-2: *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

  The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

  The Company plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

- AASB 2021-5: *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendment amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences.

  The Company plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

NOTE 2 REVENUE AND OTHER INCOME

	NOTE	2023	2022
Revenue		$	$
Sales revenue:			
– Sale of services and commission		3,375,574	657,211
Other revenue:			
– Annual conference		396,486	-
– BAC wage subsidy		28,000	-
– Cruise club annual fees		-	3,611
– COVID-19 consumer travel support program		-	190,000
– Forgiven lease payments		-	12,240
– Gain on lease modification and rent relief		-	131,582
– Insurance commission		460,490	10,942
– Interest received	2a	10,601	374
– Marketing revenue		290,697	94,320
– Membership fees		357,955	220,458
– WA travel agent support program		5,000	30,000
– Other income		1,862	-
		1,551,091	693,527
Total revenue		4,926,665	1,350,738
a. Interest revenue from:			
– Banks		10,601	374
		10,601	374

NOTE 3 PROFIT / (LOSS) FOR THE YEAR

Profit (loss) before income tax from continuing operations includes the following expenses:

	2023	2022
Expenses	$	$
Depreciation of property, plant and equipment	(4,896)	(9,632)
Amortisation of intangible assets	(5,434)	(13,021)
Depreciation of right of use asset	(53,122)	(126,840)
Depreciation and amortisation expenses	(63,452)	(149,493)
Accounting fees	(28,830)	(26,030)
Fringe benefits tax	(7,138)	(5,049)
General interest charge	-	(29,469)
Operating lease interest	(978)	(16,199)
Legal fees	(1,502)	(20,113)
Subscriptions for members	(70,304)	(81,931)
Telephone and fax	(35,590)	(29,867)
Others	(123,720)	(40,179)
Other expenses from ordinary activities	(268,062)	(248,837)
Rental expense on operating leases	(3,636)	(6,669)

NOTE 4 INCOME TAX EXPENSE / (CREDIT)

		NOTE	2023	2022
a.	The components of tax expense comprise:		$	$
	– current tax expense		152,139	-
	– tax loss carry-back offset (credit)		-	(128,295)
	– over-provision for income tax in prior year		-	(5,424)
	– deferred tax expense / (income) relating to the origination and reversal of temporary differences	15	303,274	88,467
			455,413	(45,252)
b.	The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:			
	Prima facie tax payable on profit / (loss) from ordinary activities before income tax at 25% (2022: 25%)		505,265	(112,656)
	Tax effect of:			
	– Non-deductable income and expenses		207,487	165,698
	– Deductible income and expenses		(560,613)	(181,337)
	– Over-provision for income tax in prior year		-	(5,424)
	– Deferred tax asset/liability brought to account		303,274	88,467
	Income tax attributable to Company		455,413	(45,252)
	The applicable income tax rate is the Australian federal tax rate of 25% (2022: 25%) applicable to Australian resident companies.			
	Weighted average effective tax rates are:		23%	10%

NOTE 5 DIVIDENDS

	2023	2022
	$	$
Dividends recognised as distributions and paid during the period:	-	-
	-	-
Per share dividends amount paid during the period	-	-

NOTE 6 AUDITORS' REMUNERATION

	NOTE	2023	2022
		$	$
Remuneration of the auditor is as follows:			
– Auditing and preparation of the financial statements		18,350	15,500
– Auditing of other information		1,000	1,000
		19350	16,500

NOTE 7 CASH AND CASH EQUIVALENTS

	NOTE	2023	2022
		$	$
Cash at bank and on hand		1,414,430	647,954
Short-term deposits		20,874	123,673
	24	1,435,304	771,627

The effective interest rate on short-term bank deposits was 0.91% (2022: 0.25%); these deposits have an average maturity of 1 year (2022: one year).

	2023	2022
Cash and cash equivalents balance as shown in the statement of financial position can be reconciled to that shown in the statement of cash flows as follows:		
Per the statement of financial position	1,435,304	771,627
Less bank overdraft	-	-
Per the statement of cash flows	1,435,304	771,627

NOTE 8 TRADE AND OTHER RECEIVABLES

	2023	2022
	$	$
CURRENT		
Trade receivables	404,103	70,617
Provision for impairment of doubtful receivables	-	-
	404,103	70,617
Other receivables:	-	-
Total current trade and other receivables	404,103	70,617

Credit risk

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 8. The main sources of credit risk to the Company are considered to relate to the classes of assets described as “trade and other receivables”.

The following table details the Company’s trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as ‘past due’ when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	GROSS AMOUNT	PAST DUE AND IMPAIRED	PAST DUE BUT NOT IMPAIRED (DAYS OVERDUE)			
			<30	31-60	>60	NOT PAST DUE
2023	$	$	$	$	$	$
Trade and term receivables	404,103	-	304,815	26,568	32,015	40,705
Total	404,103	-	304,815	26,568	32,015	40,705
2022	$	$	$	$	$	$
Trade and term receivables	70,617	-	4,628	950	39,297	25,742
Total	70,617	-	4,628	950	39,297	25,742

The Company does not hold any financial assets whose terms have been renegotiated and would otherwise be past due or impaired.

NOTE 8 TRADE AND OTHER RECEIVABLES (continued)

Credit risk (continued)

	NOTE	2023	2022
		$	$
a. Financial assets classified as trade and other receivables			
Trade and other receivables:			
– Total current		404,103	70,617
Total financial assets classified as trade and other receivables	24	404,103	70,617

b. Collateral held as security

No collateral is held over trade and other receivables.

NOTE 9 OTHER ASSETS

	2023	2022
	$	$
CURRENT		
Prepayments	157,188	111,353
Accrued income	1,659,775	210,846
	1,816,963	322,199

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

	2023	2022
	$	$
PLANT AND EQUIPMENT		
At cost	173,909	168,348
Accumulated depreciation	(159,730)	(154,834)
Total plant and equipment	14,179	13,514

a. Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

NOTE 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	FURNITURE & OFFICE EQUIPMENT	VEHICLES	TOTAL
	$	$	$
Balance at 01 July 2021	5,899	15,607	21,506
Additions	1,640	-	1,640
Depreciation expense	(5,730)	(3,902)	(9,632)
Carrying amount at 30 June 2022	1,809	11,705	13,514
Additions	5,561	-	5,561
Depreciation expense	(1,969)	(2,927)	(4,896)
Carrying amount at 30 June 2023	5,401	8,778	14,179

NOTE 11 INTANGIBLE ASSETS

	2023	2022
	$	$
Website development costs		
Capitalisation cost	249,929	249,929
Accumulated amortisation	(247,808)	(242,374)
Total intangible assets	2,121	7,555

a. Movements in carrying amounts

	WEBSITE DEVELOPMENT
	$
Balance at 01 July 2021	20,576
Additions externally acquired	-
Amortisation expense	(13,021)
Carrying amount at 30 June 2022	7,555
Additions externally acquired	-
Amortisation expense	(5,434)
Carrying amount at 30 June 2023	2,121

NOTE 12 RIGHT OF USE ASSETS

The Company's lease portfolio includes buildings	2023	2022
	$	$
i) AASB 16 related amounts recognised in the balance sheet		
Right of use assets	168,980	53,122
Leased building	-	-
Accumulated depreciation	-	-
	168,980	53,122
Movement in carrying amounts:		
Leased buildings:		
Opening net carrying amount	53,122	461,469
Addition	168,980	53,122
Lease modification	-	(334,629)
Depreciation expense	(53,122)	(126,840)
Net carrying amount	168,980	53,122
ii) AASB 16 related amounts recognised in the statement of profit or loss		
Depreciation charge related to right-of-use assets	53,122	126,840
Interest expense on lease liabilities	978	16,199

NOTE 13 FINANCIAL ASSETS

		2023	2022
		$	$
Investments in equity instruments designated as at fair value through other comprehensive income		213,000	496,530
	24	213,000	496,530

NOTE 14 TRADE AND OTHER PAYABLES

	NOTE	2023	2022
		$	$
CURRENT			
Unsecured liabilities:			
Trade payables		88,381	55,527
Accrued expenses		388,267	178,845
Prepaid income		45,215	1,064
Other payables		35,174	24,020
Credit card payables		17,193	1,683
Total trade and other payables	14a	574,230	261,139

a. **Financial liabilities at amortised cost classified as trade and other payables**

	NOTE	2023	2022
Trade and other payables:			
Total current		574,230	261,139
Total non-current		-	-
		574,230	261,139
Add/(less): GST refundable/(payable)		953	2,988
Less: PAYG withholding payable		(22,795)	(17,724)
Financial liabilities as trade and other payables	24	552,388	246,403

The average credit period on trade and other payables (excluding GST payable or refundable) is 7 to 30 days. No interest is payable on outstanding payables during this period.

NOTE 15 TAX BALANCES

	2023	2022
	$	$
Current liabilities		
Income tax payable	390,833	429,179
Non-current assets		
Deferred tax assets	151,728	82,504
Non-current liabilities		
Deferred tax liabilities	498,062	116,404

NOTE 15 TAX BALANCES (CONTINUED)

	Balance as at 30 June 2023	(Charged) /Credited to Income	(Charged) /Credited to Equity	Balance as at 30 June 2022	(Charged) /Credited to Income	(Charged) /Credited to Equity	Balance as at 01 July 2021
	$	$	$	$	$	$	$
2023 at 25% (2022: 25%) Note 1(a)							
Deferred tax assets							
Provision for employee benefits	43,357	5,831	-	37,526	(16,836)	-	54,362
Prepaid income	11,304	11,038	-	266	(45,481)	-	45,747
Accrued expenses	97,067	52,355	-	44,712	22,766	-	21,946
Net ROUA/ lease liability	-	-	-	-	(11,674)		11,674
Financial assets	-	-	-	-	-	(11,274)	11,274
	151,728	69,224	-	82,504	(51,225)	(11,274)	145,003
Deferred tax liabilities							
Accelerated depreciation for tax purposes	(4,075)	1,192	-	(5,267)	3,099	-	(8,366)
Prepayments	(39,296)	(11,458)	-	(27,838)	(5,710)	-	(22,128)
Interest receivable	-	-	-	-	15	-	(15)
Other receivables	-	-	-	-	-	-	-
Accrued income	(414,944)	(362,232)	-	(52,712)	(34,646)	-	(18,066)
Financial assets	(39,747)	-	(9,160)	(30,587)	-	(30,587)	-
	(498,062)	(372,498)	(9,160)	(116,404)	(37,242)	(30,587)	(48,575)
Net amount	(346,334)	(303,274)	(9,160)	(33,900)	(88,467)	(41,861)	96,428

The amount of deductible temporary differences and unused tax losses for which no deferred tax asset has been brought to account:

- temporary differences $Nil (2022: $Nil); and
- tax losses: operating losses $Nil (2022 $Nil).

The benefits of the above temporary differences and unused tax losses will be realised when the conditions for deductibility set out in Note 1(a) occur. These amounts have no expiry date.

NOTE 16 PROVISIONS

	EMPLOYEE BENEFITS	TOTAL PROVISIONS
	$	$
Analysis of provisions		
Opening balance at 01 July 2022	150,105	150,105
Amount provided during the year	173,429	173,429
Amounts used	(150,105)	(150,105)
Balance at 30 June 2023	173,429	173,429

	2023	2022
CURRENT	$	$
Annual leave	57,439	49,935
Long service leave	104,875	76,186
	162,314	126,121
NON-CURRENT		
Long service leave	11,115	23,984
Total provisions	173,429	150,105

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

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

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

NOTE 17 LEASE LIABILITIES

		2023	2022
		$	$
Current	19	52,991	53,122
Non-current	19	115,989	-
Total lease liabilities	18, 24	168,980	53,122

NOTE 18 ISSUED CAPITAL

	2023	2022
	$	$
73,453 (2022: 73,453) fully paid ordinary shares	367,265	367,265
Total share capital	367,265	367,265

The Company has authorised share capital amounting to 2,005,268 ordinary shares of no par value.

	2023	2022
a. Movements in issued capital	No.	No.
Fully paid ordinary shares:		
At the beginning of the reporting period	73,453	73,453
Shares issued during the year	-	-
Share buyback during the year	-	-
At the end of the reporting period	73,453	73,453

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Capital management

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate return and to ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the capital structure or the objectives, policies, processes and strategy adopted by management to manage the capital of the Company from the previous year.

The capital structure at 30 June 2023 and 30 June 2022 is as follows:

	NOTE	2023	2022
		$	$
Trade and other payables	14	574,230	261,139
Lease liabilities	17	168,980	53,122
Less cash and cash equivalents	7	(1,435,304)	(771,627)
Net debt		-	-
Total equity		2,400,844	807,719
Total capital		2,400,844	807,719
Gearing ratio		0%	0%

NOTE 19 CAPITAL AND LEASING COMMITMENTS

Non-cancellable operating leases contracted for but not recognised in the financial statements as lease liabilities under AASB16

	2023	2022
Payable — minimum lease payments:	$	$
— not later than 12 months	52,991	53,122
— between 12 months and five years	115,989	-
— later than five years	-	-
Total operating lease payables	168,980	53,122

The Company has entered into a commercial agreement with Wittenoom Pty Ltd for the lease of approximately 180 square metres of office space on the first floor of 74 Wittenoom Street, East Perth, Western Australia, 6004.

The lease is extended for a three-year period up to 30 June 2026.

NOTE 20 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company has no contingent assets and liabilities for the year ended 30 June 2023.

NOTE 21 EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant events since the end of the reporting period.

NOTE 22 CASHFLOW INFORMATION

	2023	2022
	$	$
a. Reconciliation of cash flows from operating activities with profit / (loss) for the year		
Profit / (loss) after income tax	1,565,646	(405,370)
Non-cash flows items:		
— Depreciation and amortisation	63,452	149,493
— Interest from lease liability	978	16,199
— Forgiven lease payments	-	(12,240)
— Gain on modification	-	(131,582)
— General interest charges	-	(3,959)
— Deferred tax effect on FVTOCI reserve	(9,160)	(41,861)
Changes in assets and liabilities:		
— (increase)/decrease in trade and other receivables	(333,486)	(31,566)
— (increase)/decrease in other assets	(1,494,764)	(161,361)
— (increase)/decrease in deferred tax asset	(69,224)	62,499
— increase/(decrease) in trade and other payables	313,091	(133,250)
— increase/(decrease) in current tax liabilities	(38,346)	(372,890)
— increase/(decrease) in deferred tax liabilities	381,658	67,829
— increase/(decrease) in provisions	23,324	(67,344)
	403,169	(1,065,403)

NOTE 23 RELATED PARTY TRANSACTIONS

The Company's main related parties are as follows:

a. **Entities that exercise control over the Company**
None.

b. **Entities that are subject to common control outside the Company**
None.

c. **Controlled entities**
None.

d. **Key management personnel of the Company**
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the entity, is considered key management personnel.

e. **Entities for which the Company acts as the responsible entity**
None.

f. **Other related parties of the Company**
Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

NOTE 23 RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions and outstanding balances with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties (ie at arm's length) unless the terms and conditions disclosed below state otherwise.

The following transactions occurred with related parties:

	NOTE	2023	2022
(i) Key management personnel		$	$
Key management personnel compensation:			
Short-term employee benefits		349,248	282,546
Post-employment benefits		33,642	24,755
Other long-term benefits		41,261	37,295
		424,151	344,596

Remuneration of Directors and Executives

Name	CASH SALARY AND FEES		SUPERANNUATION BENEFITS		TOTAL REMUNERATION	
	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	$
Jacqueline Wilson-Smith	17,000	14,000	1,050	-	18,050	14,000
Trent Bartlett	25,500	21,000	-	-	25,500	21,000
Greg Close	12,947	10,662	1,359	1,067	14,306	11,729
Phil Dalley	13,371	11,012	1,404	1,101	14,775	12,113
Trinity Hastwell	12,947	10,662	1,359	1,066	14,306	11,728
Mark Brady	13,371	11,012	1,404	1,101	14,775	12,113
Christian Hunter	254,112*	204,198	27,066*	20,420	281,178*	224,618
	349,248	282,546	33,642	24,755	382,890	307,301

*Salary payments made to C. Hunter during the 2022/23 financial year included an amount of $39,811 plus applicable superannuation as remediation of foregone salary adjustments dating back to January 2021.

NOTE 24 FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies, are as follows:

	NOTE	2023	2022
Financial assets		$	$
Cash and cash equivalents	7	1,435,304	771,627
Trade and other receivables	8	404,103	70,617
Financial assets	13	213,000	496,530
Total financial assets		2,052,407	1,338,774
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	14a	552,388	246,403
Lease liabilities	17	168,980	53,122
Total financial liabilities		721,368	299,525

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

Senior executives meet on a regular basis to analyse financial risk exposure in the context of the most recent economic conditions and forecasts.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

a. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company. The Company's objective in managing credit risk is to minimise the credit losses incurred, mainly on trade and other receivables and loans. There is no significant credit risk exposure on available-for-sale financial assets and held-to-maturity investments.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Company, credit terms are generally 14 to 30 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the finance committee has otherwise cleared as being financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

NOTE 24 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Company has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 8.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 8.

All cash and cash equivalents are held with large reputable financial institutions within Australia and therefore credit risk is considered minimal.

	2023	2022
	$	$
Cash and cash equivalents:		
AA-rated	1,435,304	771,627

b. Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company is not currently exposed to any significant liquidity risk on the basis that the realisable value of financial assets is significantly greater than the financial liabilities due for settlement. The Company manages its liquidity risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year-end could become repayable within 12 months. The Company does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

NOTE 24 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial liability and financial asset maturity analysis

		WITHIN 1 YEAR		1 TO 5 YEARS		OVER 5 YEARS		TOTAL	
	NOTE	2023	2022	2023	2022	2023	2022	2023	2022
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities due									
Trade and other payables	14a	552	246	-	-	-	-	552	246
Lease liabilities	17	53	53	116	-	-	-	169	53
Total contractual outflows		605	299	116		-	-	721	299
Less bank overdrafts		-	-	-	-	-	-	-	-
Total expected outflows		605	299	116	-	-	-	721	299
Financial assets realisable									
Cash and cash equivalents	7	1,435	772	-	-	-	-	1,435	772
Trade and other receivables	8	404	71	-	-	-	-	404	71
Financial assets	13	213	496	-	-	-	-	213	496
Total anticipated inflows		2,052	1,339	-	-	-	-	2,052	1,339
Net (outflow)/inflow on financial instruments		1,447	1,040	(116)	-	-	-	1,331	1,040

c. Market risk

i. *Interest rate risk*

Exposure to interest rate risk arises on interest-bearing financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect either the future cash flows (in the case of variable interest instruments) or the fair value financial instruments (in the case of fixed rate instruments).

Interest rate risk is managed using a mix of fixed and floating rate instruments. At 30 June 2023, the Company had no interest-bearing financial liabilities and approximately 12% of group interest-bearing financial assets have fixed interest rates. It is the Company's policy to keep interest-bearing financial assets with fixed interest rates between 10% and 20%.

The Company also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

The weighted average interest rates of the Company's interest-bearing financial assets are as follows:

	2023	2022
Financial assets		
Cash and cash equivalents	0.91%	0.25%

NOTE 24 FINANCIAL RISK MANAGEMENT (CONTINUED)

ii. *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk) for securities. The Company's exposure to other price risk arises mainly from available-for-sale financial assets. Such risk is managed through diversification of investments across industries and geographical locations.

The Company is not exposed to any other price risk.

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	PROFIT	EQUITY
Year ended 30 June 2023	$	$
+/- 2% in interest rates (interest income)	2,500	2,500
Year ended 30 June 2022		
+/- 2% in interest rates (interest income)	1,500	1,500

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

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

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Company. Most of these instruments which are carried at amortised cost (ie trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Company.

NOTE 24 FINANCIAL RISK MANAGEMENT

	NOTE	CARRYING VALUE 2023	CARRYING VALUE 2022	FAIR VALUE 2023	FAIR VALUE 2022
		$	$	$	$
Financial assets					
Cash and cash equivalents (i)	7	1,435,304	771,627	1,435,304	771,627
Trade and other receivables (i)	8	404,103	70,617	404,103	70,617
Financial assets at fair value through other comprehensive income	13	213,000	496,530	213,000	496,530
Total financial assets		2,052,407	1,338,774	2,052,407	1,338,774
Financial liabilities					
Trade and other payables (i)	14a	552,388	246,403	552,388	246,403
Lease liabilities	17	168,980	53,122	168,980	53,122
Total financial liabilities		721,368	299,525	721,368	299,525

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments whose carrying amounts approximate their fair values. Trade and other payables exclude amounts relating to the provision of annual leave and deferred revenue, which are outside the scope of AASB 9.

NOTE 25 FVTOCI RESERVE

	2023	2022
Financial assets reserve	$	$
Foreign currency translation		
Opening balance	(20,899)	(33,822)
Addition	36,639	24,197
Less: tax effect	(9,160)	(11,274)
Net carrying amount	6,580	(20,899)
Unrealised gain on interest		
Opening balance	67,564	-
Addition	-	98,151
Less: tax effect	-	(30,587)
Net carrying amount	67,564	67,564
FVTOCI reserve	74,144	46,665

Foreign currency translation reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign transactions to Australian dollars.

NOTE 26 COMPANY DETAILS

The registered office and principal place of business of the Company is:

Travellers Choice Limited
Suite 1, Level 1, 74 Wittenoom Street
East Perth WA 6004

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Travellers Choice Limited, the Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 41 are in accordance with the *Corporations Act 2001* and:

   (a) comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and

   (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Trent Bartlett
Director

Dated this 22nd day of September 2023

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TRAVELLERS CHOICE LIMITED
ACN 121 496 900

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Travellers Choice Limited (the "Company"), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion:

a. the accompanying financial report of Travellers Choice Limited is in accordance with the *Corporations Act 2001*, including:
    (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
    (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Information Other than the Financial Report and Auditor’s Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report for the year ended 30 June 2023, but does not include the financial report and our auditor’s report thereon. Our opinion on the financial report does not cover the other information and accordingly 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 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 Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AMW Audit

AMW AUDIT
Chartered Accountants
Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

MARTIN SHONE
Director & Registered Company Auditor
Dated at Perth, Western Australia this 26th day of September 2023

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