ANNUAL REPORT

2015

Our purpose To be a leading Australian travel company that represents independent travel agents and provides financial rewards based on support and shareholding. **Our vision** To deliver growth in returns and services which guarantee the ongoing success of the business. **Our values** We work as a team, we focus on the customer, we are driven by results.

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CHAIRMAN'S STATEMENT

The key to any team's success is its ability to work as one….. but in the retail travel industry that is a lot easier said than done.

Across retail networks, travel agents often serve disparate communities and each business faces its own distinct challenges. In addition, independent travel agents are often strong-minded individuals who will not hesitate to put their own needs ahead of their retail group.

But thanks to its ownership structure, which guarantees members are the Company's sole shareholders, and its unique culture, which melds individual freedom with collective benefit, Travellers Choice has always been different.

That fact has perhaps never been more evident than over the past 12 months.

During this period our Company proudly became the first retail travel network in Australia to have 100% of its members individually accredited as part of the AFTA Travel Accreditation Scheme (ATAS) – an outstanding achievement that sent a strong message to our industry partners and to consumers seeking credible and professional travel agents.

At the same time, our members once again demonstrated the discipline and commitment required to exceed preferred sales goals and extract the maximum value from our Company's preferred partner agreements. The result of that effort was Travellers Choice's third consecutive record profit.

This rare ability for independent agents to work towards shared goals makes our Company a valuable partner in the eyes of suppliers. Travellers Choice also remains an attractive option for other talented travel agents, not least because our ownership structure sees profits flow directly back to member shareholders.

Over the past 12 months we have continued to recruit some remarkable new member shareholders, attracted not just by our ownership structure, but also our modest fees, effective member support services, and broad stable of preferred suppliers.

These new members significantly strengthened our Group's overall turnover in 2014/15, and they have helped position us to surpass key sales targets with our preferred suppliers in the year ahead.

Our network's standing - to both suppliers and potential members – was, of course, further enhanced this year when Travellers Choice was named Best Travel Agency Group at the prestigious 2015 National Travel Industry Awards. Winning such a prestigious accolade against heavyweight opposition was a magnificent achievement for our network. It recognised not just the accomplishments of the past year, but the efforts of everyone who has over the years helped Travellers Choice fulfil its vision to become one of Australia's most respected national travel organisations.

Travellers Choice's 2014/15 pre-tax operating profit of $1.86 million represented an impressive 15 per cent increase on the previous financial year and the Board declared an unfranked dividend of 5.0 per cent on issued capital (being 25 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.

Economists are forecasting slower growth for the Australian economy in 2015/16, along with a further softening of the Australian Dollar against major currencies. Nevertheless, Travellers Choice members are reporting encouraging sales in key areas, including coach tours and cruise holidays. Airline passenger numbers should also continue to rise as additional international capacity is injected into the Australian market in 2016.

Over the past 12 months we have continued to recruit some remarkable new member shareholders.

Trish Ridsdale – Chairman

Based on these expectations, the Board is forecasting further growth for 2015/16.

On behalf of the Board and members I would like to express my gratitude to all of the staff who over the past year have worked so diligently for Travellers Choice in its corporate office and across the States. As always, your loyalty and professionalism are genuinely appreciated.

I would particularly like to recognise the outstanding achievements of our talented senior management team of Chief Executive Officer Christian Hunter, Marketing Manager Robyn Mitchell and Sales Development Manager Leith Poad.

My fellow Directors – Gary Allomes, Mark Brady, Phil Dalley, Trinity Hastwell and Sue Holmes – deserve special mention for their dedication and selfless commitment to overseeing the performance of your company. I thank them for their support over the past year.

Finally, thank you to you, our shareholders, for the trust and regard you steadfastly display in your Board, management and staff.

P. Ridsdale

Trish Ridsdale
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

The past 12 months has been a particularly rewarding period for Travellers Choice. As I'm sure many of you would agree, being named as Best Travel Agency Group at the prestigious 2015 National Travel Industry Awards was a memorable highlight, but there have been plenty of other reasons to celebrate during 2014/15.

2014/15 IN REVIEW

Despite a slowdown in Australia's economic expansion as the country transitions away from resource investment-led growth, and a steady fall in the value of the Australian Dollar, consumer demand for travel remained relatively strong throughout the year.

Once again the retail travel sector was assisted by robust competition on the domestic and international aviation fronts, which ensured consumers continued to enjoy attractive pricing offers. At the same time, the fast-growing cruise sector attracted record numbers of Australian passengers, in part through the injection of new capacity in key markets.

Against this backdrop Travellers Choice pursued a broad range of initiatives that supported our members' efforts to optimise sales and marketing opportunities.

MARKETING SERVICES

Travellers Choice undertook a number of well-targeted national marketing campaigns in 2014/15, and worked closely with members to support effective and often innovative local promotional activities. The Company also continued to investment in its highly successful Digital Marketing Strategy.

This strategy includes the ongoing evolution of the Company's social media activities, our low-cost email marketing solution, TC Direct, and Site Builder, a website solution that allows members to create customised websites featuring their own content alongside centrally-loaded products.

This year work commenced on a major upgrade to the Travellers Choice corporate website, with enhancements including a responsive design for mobile use, improved navigation, further integration of social media and increased member presence. The new-look website will be launched in the second half of 2015 and also offers improved tracking capabilities to help assess campaign performance and conversion rates.

The end result of these developments – which will be rolled-out to members' own Site Builder websites in the new year - will be a more effective channelling of business to Travellers Choice members.

This is one of the projects now being managed by Swati Vaghjiani, Travellers Choice's recently appointed Digital Services Supervisor. The creation in 2015 of this new role reflects the Company's desire to remain an industry leader in the digital marketing arena.

TRAVELLERS CHOICE CRUISE CLUB

Australia's cruise industry passed an important milestone in 2014, with cruise lines for the first time carrying in excess of one million passengers in a calendar year. With numbers once again expanding by more than 20%, Australia maintained its position as the world's fastest growing cruise market.

Travellers Choice worked closely with Cruise Club members to develop customer databases and create marketing campaigns that maximise sales. The development of cruise packages for Travellers Choice by Platinum partner, The Cruise Team, also provided members with a competitive point-of-difference over rival retailers.

With Australian consumers increasingly well-informed on the complex array of cruise products, ships and destinations on offer, it is of course vital that travel agents continually enhance their own cruise skills and knowledge. In November this year, Travellers Choice members will do precisely that by attending the Company's second Cruise Forum, which takes place onboard P&O Cruises' new ship *Pacific Eden*.

I'm also pleased to report that over the past 12 months more Travellers Choice members than ever before gained higher-level cruise qualifications. According to Cruise Lines International Association (CLIA), Travellers Choice now has almost 50 agents certified as Master Cruise Consultants, with another eight agents holding Ambassador Cruise Consultant status.

I have no doubt those numbers will grow steadily over the coming year, providing the Company with the expertise and experience required to further capitalise on cruising's growth.

WIN

The Worldwide Independent Travel Network (WIN) is an international group of independent travel organisations that work together to grow and secure business. Established in 1985, WIN membership now totals 6,000 locations in 40 countries.

Travellers Choice joined the network in 2002 and in 2010 became a minority shareholder. Over the past three years we have taken the opportunity to acquire additional shares and our Company is now an equal shareholder with independent retail groups in the United Kingdom, Germany and South Africa.

During 2014/15 WIN performed well, with strong growth in the organisation's hotel program. As a shareholder Travellers Choice benefits from WIN's commercial success, and last financial year our Company received a WIN dividend of AU$10,000.

If our Company is to maximise the return on its investment, it is important that we see more members utilise WIN's products and services wherever possible.

RECORD FINANCIAL PERFORMANCE

Members once again showed disciplined support for preferred suppliers during the 2014/15 financial year, helping Travellers Choice optimise the value of our preferred agreements. At the same time, the Company benefited from the addition of some high-calibre recruits.

The result was a third consecutive record financial result, with pre-tax operating profit up 15 per cent to $1.86 million.

The Company has now returned 95 per cent of the 2014/15 profits directly to member shareholders through a 25 cents per share unfranked dividend.

MEMBERSHIP

Travellers Choice has traditionally adhered to a simple but effective recruitment philosophy: we only accept high-quality members who can contribute positively to our organisation both financially and culturally.

The benefits of this approach were clear in 2014/15. During this period the overall size of the Travellers Choice network remained relatively steady, yet the Company's turnover grew by 14%, reflecting the excellent quality of new member shareholders joining the group.

Membership of Travellers Choice remains an attractive proposition for many travel agents thanks to our Company's low-fee business model, extensive member support services, co-branding strategy and unique ownership structure.

We will continue to carefully select successful, well-established companies that can contribute skills, experience and knowledge that enhance our national network.

Of course retention is just as important as recruitment and this year we introduced a Member Benefit Statement to demonstrate the value that Travellers Choice membership offers.

The aim was to break down the many benefits Travellers Choice delivers – such as at-source commission benefits, marketing support, exclusive educationals and incentives – to help members fully appreciate the true return on their investment.

The response to this initiative has been very positive.

CHIEF EXECUTIVE OFFICER'S REPORT
(CONTINUED)

MANAGEMENT AND STAFF

New members joining Travellers Choice are often pleasantly surprised at just how responsive and efficient our exceptionally lean corporate office is when delivering support. That level of service is only possible thanks to the hard work, commitment and resourcefulness of our management and staff.

Our Company's senior management team of Marketing Manager, Robyn Mitchell and Sales Development Manager, Leith Poad, have worked tirelessly over the past 12 months to steer the Company towards its business objectives. As always they were ably supported by all of our corporate office staff, whose loyalty and dedication never ceases to impress.

Our Business Development Managers are also a unique asset to the Company, and during 2014/15 the team of Andrea Moore, Melissa Robertson and Graham Smith welcomed two new members: Nerida O'Brien in New South Wales and Kim Tomlinson in Queensland.

Every one of our Business Development Managers is passionate about growing and nurturing the Travellers Choice network in their State, and I know that all of our members appreciate the vital role they play in promoting our Company's qualities and culture to the industry at large.

Robyn Mitchell
Marketing Manager

Leith Poad
Sales Development Manager

STRATEGIES FOR THE FUTURE

In a highly-competitive market, where travel products are commoditised, travel agents must offer customers a booking process that is positive and engaging. Travellers Choice is constantly re-evaluating and enhancing our support services to ensure member shareholders are equipped to deliver the kind of customer service that stands them apart.

That includes refining our suite of preferred suppliers in the knowledge that the ongoing financial success of our Company is directly related to our ability to achieve sales targets for preferred products.

I have often said that Travellers Choice membership is best described as a virtuous circle. When members support the group's preferred suppliers they generate income for the Company, and the profits flow back to them as shareholders. The more members put in the more they get back.

If our Company is to grow and evolve we must also continue to attract new members who can contribute ideas, experience and verve to the group. Over the next 12 months recruitment will remain a major focus, and I am confident we can attract businesses that will invigorate our national network.

On a personal note, thank you for the ongoing support and friendship you have provided me during an exhilarating year. I look forward to working together as we make an award-winning Travellers Choice and all its members more successful than ever.

Christian Hunter
Chief Executive

DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30 June 2015.

DIRECTORS

The names of the Directors in office at any time during or since the end of the year are:

- Trish Ridsdale
- Anni Baillieu (retired 01 November 2014)
- Gary Allomes
- Sue Holmes
- Phil Dalley
- Trinity Hastwell
- Mark Brady (appointed 01 November 2014)

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

INFORMATION ON DIRECTORS

TRISH RIDSDALE

Trish Ridsdale has been an independent director on the board of Travellers Choice since 2005 and has been the Chairman since 2007. She is also the Managing Director of Board Business, a specialist consultancy firm which specialises in executive coaching, corporate governance, risk management and strategic advisory services.

Trish holds a number of board positions including the RME Group of Companies, the Art Gallery of Western Australia, the Curtin Graduate Business School and the Brightspark Foundation. Between 2007 and 2012 she was also a Commissioner on the Board of Tourism WA.

Trish is a Fellow of the Australian Institute of Company Directors and has been a regular director education presenter with the AICD since 1996.

ANNI BAILLIEU

Anni Baillieu retired from the Board at the Annual General Meeting held 01 November 2014.

SUE HOLMES

Sue Holmes worked for one of the world's leading tour operators in Australia and the UK before moving into the retail travel sector almost 20 years ago. In 1997 she launched her own company, Carine Travel Bug, and the agency, located in in the northern Perth suburb of Duncraig, has since consistently ranked among Travellers Choice's top performing members. More recently, Sue has expanded her business with the introduction of New Zealand specialists, N. Zed Holidays.

GARY ALLOMES

Gary Allomes has worked in the Australian travel and tourism sector for more than 30 years, including a number of roles within Australian Airlines and Qantas Airways. Gary joined Travellers Choice as CEO in 1996 and retired from his position of Managing Director 31 December 2011, but remains on the Board as an independent, non-member director.

Gary holds a Graduate Diploma of Business Administration (Grad Dip Admin) from the University of Queensland; is a Graduate member of the Australian Institute of Company Directors and holds a number of other management qualifications from the Australian Institute of Management (WA). Gary is a past Director of the Australian Federation of Travel Agents (AFTA), Managing Director of International Golf Specialists and is Principal Director of a business consultancy practice, Allomes & Associates.

TRINITY HASTWELL

Trinity Hastwell joined the travel industry in 2005 while completing her final year of a Business Management

Degree at the University of South Australia, graduating in 2006 with a major in Marketing and minors in Public Relations and Tourism & Hospitality. Trinity is a Director of Hastwell Travel & Cruise, a member of Travellers Choice for more than 18 years and was awarded the Brian Pateman Agency Award for Excellence in 2012.

Trinity is a Graduate member of the Australian Institute of Company Directors and is currently Vice President of Skal International Adelaide Club.

PHIL DALLEY

Phil Dalley was elected to the board in 2014 and has 27 years of travel industry experience in various roles, including 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 AFTA for a period during the 1990s and is presently Deputy Chairman of the Travellers Choice Board.

MARK BRADY

Mark has more than 30 years' experience in the Australian travel industry, having joined Qantas Airways 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 now for 6 years, today he owns three Travellers Choice member agencies: Ballina Cruise & Travel (NSW), Byron Cruise & Travel (NSW) and Runaway Bay Cruise & Travel (QLD).

DIRECTORS' MEETINGS

Directors' meetings attended during the year:

	Number of Meetings	
	Eligible to attend	Attended
Trish Ridsdale	6	6
Anni Baillieu	2	2
Gary Allomes	6	6
Sue Holmes	6	6
Phil Dalley	6	6
Trinity Hastwell	6	5
Mark Brady	2	2

DIRECTORS' INTERESTS

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

	Ordinary Shares
Anni Baillieu	1,696
Sue Holmes	915
Phil Dalley	200
Trinity Hastwell	2,000
Mark Brady	1,710
Trish Ridsdale	-
Gary Allomes	-

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 for the financial year of $1,859,635. After providing for income tax a profit was produced, amounting to $1,822,156 (2014: $1,606,601).

REVIEW OF OPERATIONS

The financial period commenced on 01 July 2014.

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

The Directors have authorised the following distribution of pre-tax profits:

- A distribution based on member support of preferred airlines amounting to $990,000
- A distribution based on member support of preferred suppliers amounting to $747,000
- A dividend payment of 5.0 per cent of shareholding amounting to $22,094

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 Group'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. Directors & Officers Liability insurance premiums have also been paid, totalling $7,040 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.

EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, in the future financial year.

DIVIDENDS & TRADING REBATES

Dividends of $22,094 and two trading rebates of $990,000 and $747,000 have been declared since 30 June 2015. During the year dividends of $21,225 were paid.

LIKELY DEVELOPMENTS

In the coming year, Travellers Choice will continue to work towards increasing Group revenues in line with its strategic plans. This will be achieved through business strategies focused on retaining key agents, recruitment of new travel agent members and marketing activities in conjunction with key preferred suppliers. 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 has 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 7.

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

Director P. Ridsdale

Name: Trish Ridsdale

Dated this 16th day of September 2015

AUDITOR'S
INDEPENDENCE DECLARATION

Anderson Munro & Wyllie
CHARTERED ACCOUNTANTS

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

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

ANDERSON MUNRO & WYLLIE

ANDERSON MUNRO & WYLLIE
Chartered Accountants (Auditor registration number 314299)

BILLY-JOE THOMAS
Director

Perth, WA

Dated this 17th day of September 2015

STATEMENT OF
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015	2014
		$	$
Revenue	2	5,069,508	4,690,534
Cost of sales	3	(1,079,329)	(1,191,707)
Gross profit		3,990,179	3,498,827
Other revenues from ordinary operations		2,223,589	1,909,404
Annual conference		(356,488)	(334,639)
Marketing costs		(1,122,671)	(984,819)
Member overrides		(398,255)	(115,905)
Rent	3	(211,332)	(171,753)
Salaries & Wages		(1,536,524)	(1,474,617)
Ticketing fee		(340,137)	(369,861)
Other expenses from ordinary activities		(388,726)	(332,384)
Profit before income tax		1,859,635	1,624,253
Income tax expense	4	(37,479)	(17,652)
Profit for the year		**1,822,156**	**1,606,601**
Profit attributable to members of the entity		1,822,156	1,606,601
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		1,822,156	1,606,601

The accompanying notes form part of these financial statements.

STATEMENT OF
FINANCIAL POSITION
AS AT 30 JUNE 2015

	NOTE	2015	2014
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,001,069	1,494,630
Trade and other receivables	8	184,064	242,966
Other assets	9	1,211,232	1,309,200
TOTAL CURRENT ASSETS		3,396,365	3,046,796
NON-CURRENT ASSETS			
Property, plant and equipment	10	40,401	52,434
Investments		76,201	40,245
Deferred tax assets	12	69,275	60,296
TOTAL NON-CURRENT ASSETS		185,877	152,975
TOTAL ASSETS		**3,582,242**	**3,199,771**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	669,026	554,784
Current tax liabilities	12	89,446	75,578
Deferred tax liabilities	12	327,162	376,802
Short-term provisions	13	172,010	175,954
TOTAL CURRENT LIABILITIES		1,257,644	1,183,118
TOTAL LIABILITIES		1,257,644	1,183,118
NET ASSETS		**2,324,598**	**2,016,653**
EQUITY			
Issued capital	14	441,880	424,505
Retained earnings		1,882,718	1,592,148
TOTAL EQUITY		**2,324,598**	**2,016,653**

The accompanying notes form part of these financial statements.

STATEMENT OF
CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	ISSUED CAPITAL ORDINARY	RETAINED EARNINGS	TOTAL
		$	$	$
Balance at 01 July 2013		464,875	1,187,985	1,652,860
Shares issued during the year		(40,370)	–	(40,370)
Net profit for the year		–	1,606,601	1,606,601
Subtotal		424,505	2,794,586	3,219,091
Dividends paid or provided for		–	(1,202,438)	(1,202,438)
Balance at 30 June 2014		**424,505**	**1,592,148**	**2,016,653**
Share movements during the year		17,375	–	17,375
Net profit for the year		–	1,822,156	1,822,156
Subtotal		441,880	3,414,304	3,856,184
Dividends paid or provided for		–	(1,531,586)	(1,531,586)
Balance at 30 June 2015		**441,880**	**1,882,718**	**2,324,598**

The accompanying notes form part of these financial statements.

STATEMENT OF
CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015	2014
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,535,349	6,723,408
Payments to suppliers and employees		(5,382,232)	(4,848,891)
Interest received		15,991	11,060
Income tax refunded/(paid)		(82,233)	(34,216)
Net cash provided by operating activities	18	2,086,875	1,851,361
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(35,956)	–
Proceeds from disposal of assets		-	10,909
Purchase of property, plant and equipment		(10,429)	(42,797)
Net cash used in investing activities		(46,385)	(31,888)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on share buy backs		(2,465)	(9,750)
Dividends and rebates paid		(1,531,586)	(1,202,438)
Net cash used in financing activities		(1,534,051)	(1,212,188)
Net increase in cash held		506,439	607,285
Cash at beginning of financial year		1,494,630	887,345
Cash at end of financial year	**7**	**2,001,069**	**1,494,630**

The accompanying notes form part of these financial statements.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

The financial statements cover Travellers Choice Ltd as an individual entity. Travellers Choice Ltd is a company limited by shares, incorporated and domiciled in Australia.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations.

Australian Accounting Standards set out accounting policies that the AASB 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 otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

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

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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

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

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

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

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

b. **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 less depreciation and impairment losses.

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.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 entity 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 entity 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 amount of all plant and equipment are depreciated on straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

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 comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

c. **Leases**
Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership), that are transferred to entities in the consolidated group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

d. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either, fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition, (ii) less principal repayments, (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

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

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period, the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derecognition

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

e. 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 jointly controlled entities 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 to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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.

f. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employees may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

g. 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

h. 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.

i. Revenue and Other Income

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

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

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

j. Trade and Other Payables

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

k. 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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

l. 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 has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

m. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments 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.

Key judgments

(i) Provision for impairment of receivables

NIL.

n. Adoption of New and Revised Accounting Standards

During the current year, the Company has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions.

o. New Accounting Standards for Application in Future Periods

The Company has reviewed new and amended Accounting Standards which affect future accounting periods and has determined that none of them will have any impact on the Company's financial report.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2: REVENUE AND OTHER INCOME

	NOTE	2015	2014
Revenue		$	$
Sales revenue:			
– Sale of goods		5,069,508	4,690,534
Other revenue:			
– Annual fees		432,556	373,403
– Commission revenue		358,222	402,157
– Conference fees		409,339	352,492
– Marketing revenue		443,002	413,836
– Other income		564,479	379,724
– Interest received	2a	15,991	9,049
		2,223,589	1,930,661
Total revenue		7,293,097	6,621,195
a. Interest revenue from:			
– Banks		15,991	9,049
Total interest revenue on financial assets not at fair value through profit or loss		15,991	9,049

NOTE 3: PROFIT FOR THE YEAR

	NOTE	2015	2014
Expenses		$	$
Cost of sales		(1,079,329)	(1,191,707)
Bad and doubtful debts:			
– Trade receivables		–	–
Total bad and doubtful debts		–	–
Rental expense on operating leases		(211,332)	(171,753)

NOTE 4: INCOME TAX EXPENSE

		NOTE	2015	2014
a.	The components of tax expense comprise:		$	$
	Current tax		(96,098)	(77,032)
	Deferred tax	12	58,619	59,380
			(37,479)	(17,652)
b.	The prima facie tax on profit before income tax is reconciled to the income tax as follows:			
	Prima facie tax payable on profit before income tax at 30% (2014: 30%)		557,891	487,276
	Tax effect of:			
	– Non-deductable income and expenses		377,491	430,608
	– Deductible income and expenses		(839,284)	(840,850)
	– Deferred tax asset/liability brought to account		(58,619)	(59,380)
	Income tax attributable to entity		37,479	17,652

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

	2015	2014
	$	$
Short-term employee benefits	264,992	255,699
Post-employment benefits	21,186	19,748
	286,178	275,447

Remuneration of Directors and Executives

	CASH SALARY AND FEES		SUPERANNUATION BENEFITS		TOTAL REMUNERATION	
	2015	2014	2015	2014	2015	2014
Director	$	$	$	$	$	$
Trish Ridsdale	27,000	26,250	–	–	27,000	26,250
Mark Hastwell	–	6,333	–	586	–	6,919
Anni Baillieu	7,000	13,750	665	1,272	7,665	15,022
Cathy Barnett	–	6,333	–	586	–	6,919
Sue Holmes	13,500	13,083	1,283	1,210	14,783	14,293
Gary Allomes	14,000	13,500	–	–	14,000	13,500
Phil Dalley	13,500	6,500	1,283	601	14,783	7,101
Trinity Hastwell	13,000	6,500	1,235	601	14,235	7,101
Mark Brady	6,500	–	618	–	7,118	–
Christian Hunter	170,492	163,450	16,102	14,892	186,594	178,342
	264,992	255,699	21,186	19,748	286,178	275,447

NOTE 6: AUDITORS' REMUNERATION

	NOTE	2015	2014
		$	$
Remuneration of the auditor:			
– Auditing or reviewing the financial report		13,900	13,350
– Auditing of other information		2,800	2,700
– Taxation services		–	–

NOTE 7: CASH AND CASH EQUIVALENTS

	NOTE	2015	2014
		$	$
Cash at bank and in hand		2,001,069	1,494,630

The effective interest rate on short–term bank deposits was 2.67% (2014: 3.15%); these deposits have an average maturity of 227 days (2014: 183 days).

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	NOTE	2015	2014
Cash and cash equivalents			
Cash at bank and in hand	19	2,001,069	1,494,630

NOTE 8: TRADE AND OTHER RECEIVABLES

	NOTE	2015	2014
		$	$
CURRENT			
Travel Centre debtors		9,091	26,575
Other debtors		174,973	216,391
Provision for impairment		–	–
Total current trade and other receivables		184,064	242,966

Credit risk

The Company does not have any material credit risk exposure to any single receivable or Company of 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.

2015	GROSS AMOUNT	PAST DUE AND IMPAIRED	PAST DUE BUT NOT IMPAIRED (DAYS OVERDUE)			
			0–30	31–60	61–90	>90
	$	$	$	$	$	$
Trade and term receivables	174,973	–	45,331	40,314	46,880	42,448
Other receivables	9,091	–	9,091	–	–	–
Total	**184,064**	**–**	**54,422**	**40,314**	**46,880**	**42,448**

2014	GROSS AMOUNT	PAST DUE AND IMPAIRED	PAST DUE BUT NOT IMPAIRED (DAYS OVERDUE)			
			0–30	31–60	60–90	>90
	$	$	$	$	$	$
Trade and term receivables	216,391	–	26,787	59,264	17,418	112,922
Other receivables	26,575	–	26,575	–	–	–
Total	**242,966**	**–**	**53,362**	**59,264**	**17,418**	**112,922**

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

		NOTE	2015	2014
			$	$
a.	**Financial assets classified as loans and receivables**			
	Trade and other receivables:			
	– Total current		174,973	216,391
	Financial assets	19	**174,973**	**216,391**
b.	**Collateral held as security**			
	No collateral is held over trade and other receivables.			

NOTE 9: OTHER ASSETS

	NOTE	2015	2014
		$	$
CURRENT			
Prepayments		120,693	53,192
Accrued Income		1,090,539	1,256,008
		1,211,232	**1,309,200**

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	NOTE	2015	2014
		$	$
PLANT AND EQUIPMENT			
At cost		100,326	89,897
Accumulated depreciation		(59,925)	(37,463)
Total		40,401	52,434
Total property, plant and equipment		**40,401**	**52,434**

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.

	PLANT AND EQUIPMENT	TOTAL
	$	$
Balance at 01 July 2013	34,647	34,647
Additions	42,797	42,797
Disposals	–	–
Depreciation expense	(25,010)	(25,010)
Carrying amount at 30 June 2014	**52,434**	**52,434**
Additions	10,429	10,429
Disposals	–	–
Depreciation expense	(22,462)	(22,462)
Carrying amount at 30 June 2015	**40,401**	**40,401**

NOTE 11: TRADE AND OTHER PAYABLES

	NOTE	2015	2014
		$	$
CURRENT			
Unsecured liabilities:			
Trade payables		211,165	97,739
Accrued expenses		341,801	332,688
Prepaid Income		58,905	25,033
Other creditors		57,155	99,324
		669,026	**554,784**
Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:			
– Total current		669,026	554,784
Financial liabilities as trade and other payables	19	669,026	554,784

NOTE 12: TAX

	2015	2014
	$	$
CURRENT		
Income tax	89,446	75,578

	OPENING BALANCE	CHARGED TO INCOME	CHARGED DIRECTLY TO EQUITY	CLOSING BALANCE
	$	$	$	$
Deferred tax liability				
Accrued income	433,701	(56,898)	–	376,802
Balance at 30 June 2014	**433,701**	**(56,898)**	**–**	**376,802**
Accrued income	376,802	(49,640)	–	327,162
Balance at 30 June 2015	**376,802**	**(49,640)**	**–**	**327,162**

	OPENING BALANCE	CHARGED TO INCOME	CHARGED DIRECTLY TO EQUITY	CLOSING BALANCE
	$	$	$	$
Deferred tax assets				
Provision for doubtful debts	1,500	(1,500)	–	–
Provisions – employee benefits	47,505	5,281	–	52,786
Prepaid income	8,810	(1,300)	–	7,510
Balance at 30 June 2014	**57,815**	**2,481**	**–**	**60,296**
Provision for doubtful debts	–	–	–	1,500
Provisions – employee benefits	52,786	(1,183)	–	51,603
Prepaid income	7,510	10,162	–	17,672
Balance at 30 June 2015	**60,296**	**8,979**	**–**	**69,275**

Future income tax benefit comprises the estimated future benefit at the applicable rate of 30 per cent for Australian entities on the above items.

NOTE 13: PROVISIONS

	SHORT-TERM EMPLOYEE BENEFITS	LONG-TERM EMPLOYEE BENEFITS	TOTAL
	$	$	$
Opening balance at 01 July 2014	84,862	91,092	175,954
Movement	1,737	(5,681)	(3,944)
Balance at 30 June 2015	**86,599**	**85,411**	**172,010**

Analysis of total provisions	2015	2014
	$	$
Current	172,010	175,954
	172,010	175,954

Provision for long-term employee benefits

A provision has not been recognised for non-current employee benefits relating to long service leave for employees. A long service leave provision is only recognised when an employee reaches a sufficient length of service which gives them a present entitlement to the benefit and is recognised as a current liability.

NOTE 14: ISSUED CAPITAL

	2015	2014
	$	$
88,376 (2014: 84,901) fully paid ordinary shares	441,880	424,505
	441,880	424,505

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

a. Ordinary shares

	2015	2014
	No.	No.
At the beginning of the reporting period	84,901	92,975
Shares bought back in the year	–	(8,074)
Shares issued during the year	3,475	–
At the end of the reporting period	**88,376**	**84,901**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity 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.

NOTE 15: CAPITAL AND LEASING COMMITMENTS

The Company, Travellers Choice Limited has the following Property Lease agreement in place at 30 June 2015 with Australasian Investments Pty Ltd.

Property Lease Agreement

Travellers Choice has entered into a commercial agreement with Australasian Investments Pty Ltd for the lease of approximately 360 square metres of office space on the ground floor of 130 Royal Street, East Perth, Western Australia, 6004.

The lease commenced 15 January 2014 for a period of three years, expiring 14 January 2017. Rent payable in the 2015/16 financial year will total $150,353 plus outgoings. Rent will increase at a fixed rate of four per cent per annum for the duration of the lease agreement. The lease may be extended by two years at its conclusion.

Purchase of shares

Travellers Choice has entered into an agreement to purchase 18 shares in Worldwide Independent Travel Network (WIN) Limited for a total of £60,000 (GBP) over 3 years. The first 6 shares were acquired during the 2013 year. The second 6 shares were purchased in the 2015 financial year.

NOTE 16: RELATED PARTY TRANSACTIONS

There was no related party transaction during the year.

NOTE 17: EVENTS AFTER THE REPORTING PERIOD

There have been no matters or circumstances that have arisen subsequent to reporting date that have significantly affected, or may significantly affect the entities operations in future financial years, the results of those operations in future financial years and the entities state of affairs in future financial years.

NOTE 18: CASHFLOW INFORMATION

	2015	2014
	$	$
Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	1,294,267	1,606,601
Non-cash flows in profit:		
- Depreciation	22,462	25,010
- Gain on asset disposal	–	(10,790)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(8,599)	(100,061)
- (increase)/decrease in deferred tax asset	(8,979)	(2,481)
- decrease/(increase) in other assets	165,469	202,548
- increase/(decrease) in trade and other payables	134,085	127,013
- increase/(decrease) in income taxes payable	541,757	42,813
- increase/(decrease) in deferred tax liabilities	(49,643)	(56,896)
- increase/(decrease) in employee entitlements	(3,944)	17,604
	2,086,875	**1,851,361**

NOTE 19: 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 as detailed in the accounting policies to these financial statements, are as follows:

	NOTE	2015	2014
Financial assets		$	$
Cash and cash equivalents	7	2,001,069	1,494,630
Investments		76,201	40,245
Loans and receivables	8	184,064	220,214
Total financial assets		**2,261,334**	**1,755,089**
Financial liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	11	669,026	554,784
Total financial liabilities		**669,026**	**554,784**

NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)

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.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The Company does not have any derivative instruments at 30 June 2015.

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.

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.

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.

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 manages this 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.

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.

Financial liability and financial asset maturity analysis

	WITHIN 1 YEAR		1 TO 5 YEARS		OVER 5 YEARS		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities due for payment								
Trade and other payables	669	555	–	–	–	–	669	555
Total contractual outflows	669	555	–	–	–	–	669	555
Less bank overdrafts	–	–	–	–	–	–	–	–
Total expected outflows	**669**	**555**	**–**	**–**	**–**	**–**	**669**	**555**
Financial assets – cash flows realisable								
Cash and cash equivalents	2,001	1,495	–	–	–	–	2,001	1,495
Investments	–	–	–	–	76	40	76	40
Trade, term and loan receivables	175	220	–	–	–	–	175	220
Total anticipated inflows	2,176	1,715	–	–	76	40	2,252	1,755
Net (outflow)/inflow on financial instruments	1,507	1,160	–	–	76	40	1,583	1,200

c. Market risk

i. Interest rate risk

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

ii. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The Company is not exposed to any material commodity price risk.

Net 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 judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment 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.

	FOOTNOTE	2015		2014	
		NET CARRYING VALUE	NET FAIR VALUE	NET CARRYING VALUE	NET FAIR VALUE
		$	$	$	$
Financial assets					
Cash and cash equivalents	(i)	2,001,069	2,001,069	1,494,630	1,494,630
Investments	(ii)	76,201	76,201	40,245	40,245
Trade and other receivables	(i)	174,973	174,973	216,391	216,391
Total financial assets		**2,252,243**	**2,252,243**	**1,751,266**	**1,751,266**
Financial liabilities					
Trade and other payables	(i)	669,024	669,024	554,784	554,784
Total financial liabilities		**669,024**	**669,024**	**554,784**	**554,784**

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts relating to the provision of annual leave which is not considered a financial instrument.

NOTE 20: COMPANY DETAILS

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

Travellers Choice Limited
Ground Floor, 130 Royal Street
East Perth WA 6004

TRAVELLERS CHOICE LIMITED

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The attached financial statements and notes to the financial statements are in accordance with the Corporations Act 2001:

    (a) comply with Accounting Standards and the Corporations Regulations 2001; and

    (b) give a true and fair view of the financial position as at 30th June 2015 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.

Director ....

Dated this 16th day of September 2015

INDEPENDENT

AUDITOR'S REPORT

Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

Street Address:	Postal Address:	By Appointment:
Unit 8 210 Winton Road JOONDALUP WA 6027	PO Box 229 JOONDALUP DC WA 6919	Level 28, AMP Tower 140 St Georges Terrace PERTH WA 6000

T: (08) 9300 0400 E: reception@amwaudit.com.au

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAVELLERS CHOICE LTD ACN 121 496 900

Report on the Financial Report

We have audited the accompanying financial report of Travellers Choice Ltd which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows, a summary of significant accounting policies and other explanatory notes and the Directors' declaration of the Company.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In our opinion:

a. the financial report of Travellers Choice Ltd is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001;

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

ANDERSON MUNRO & WYLLIE

ANDERSON MUNRO & WYLLIE
Chartered Accountants (Auditor registration number 314299)
Unit 8 / 210 Winton Road, Joondalup, Perth WA 6027

BILLY-JOE THOMAS
Director

Dated this 17th day of September 2015