TRAVELLERS CHOICE

ANNUAL REPORT

2016

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

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CHAIRMAN'S STATEMENT

It's easy for the leaders of a retail travel network to publicly extol the virtues of a particular business philosophy or strategy that they believe their members should embrace. But not every organisation practices what it preaches.

That is not the case with Travellers Choice.

Over the past year our Company has repeatedly highlighted the need for members to find ways to deliver an outstanding 'customer experience' if they are to attract and retain business in a hyper-competitive marketplace. We have addressed the issue at our Annual Conference and regularly re-visited the topic through our network's various communication channels.

All the while, our management team, well aware that actions speak louder than words, has been assiduously looking for ways to ensure our Company provides the best experience it can to its own valued customers - our members.

The results of this approach have manifested in a number of ways. We have, for instance, seen the Company respond to feedback by introducing new support services, such as those that assist members optimise online training and tackle Human Resource management issues.

On the marketing front, all activities continue to be ruthlessly evaluated to ensure that every dollar spent achieves maximum return on investment. Our expanding suite of digital marketing services is constantly being reappraised, and the Company's determination to source relevant products is assisting members share in the growth of key sectors, most notably cruise.

Management has also applied the same focus to sales analysis in order to help our members and the Company extract maximum value from preferred agreements and amplify the value we offer our partners. Thanks to our unique ownership structure, this has in turn enhanced the return members receive as the Company's sole shareholders.

There is no doubt that the Company's unwavering desire to craft a heightened customer experience is also helping attract new member shareholders, who invariably contribute positively to our fiscal performance.

All of these factors helped Travellers Choice maintain momentum in 2015/16, with the Company delivering its fourth consecutive record profit.

Our pre-tax operating profit of $2.10 million represents a 13 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.

The Australian economy's remarkably sustained period of growth looks likely to continue in 2016/17, while a steady expansion in airline and cruise ship capacity is expected to help fuel demand for travel.

Meanwhile, Travellers Choice members are reporting promising sales in important areas, including coach tours and cruise holidays, and the Company is confident a refreshed recruitment strategy can help us take advantage of increased opportunities in the current market.

Based on these expectations, the Board is forecasting further growth for 2016/17.

On behalf of the Board and members I would like to thank all of the staff in our corporate office and across the States for their dedication, professionalism and diligence over the 2015/16 year. In particular, I would like to recognise the loyalty and leadership provided by our senior management team of Managing Director Christian Hunter, General Manager Marketing Robyn Mitchell and Sales Development Manager Leith Poad. The composition of this team changed in June following Leith's relocation to regional Western Australia and the appointment of Nicola Strudwick as General Manager Sales.

Our management team has been assiduously looking for ways to ensure our Company provides the best experience it can to its own valued customers - our members.

Trish Ridsdale - Chairman

From my interactions with members across our network, I know the efforts of all Travellers Choice employees do not go unnoticed and are genuinely appreciated.

Thanks are also due to my fellow Directors – Gary Allomes, Mark Brady, Phil Dalley, Trinity Hastwell and Sue Holmes – who have once again fulfilled their duties commendably in 2015/16.

Finally, thank you, our shareholders, for the trust you bestow in your Board, management and staff, and the encouragement you always offer.

P. Ridsdale

Trish Ridsdale
Chairman

MANAGING DIRECTOR'S REPORT

Travellers Choice entered 2015/16 on a high note, with our Company having just been named Best Agency Group at the prestigious 2015 National Travel Industry Awards – an honour that recognised the quality of our network and the value offered by our member support services. Those two elements have continued to provide a solid platform for ongoing success over the past 12 months.

2015/16 IN REVIEW

Broader economic factors remained relatively favourable for travel retailers in 2015/16, with Australia's economy continuing to grow, interest rates remaining low and the Australian Dollar strengthening against key currencies.

Just as importantly, healthy competition on the domestic and international aviation fronts continued to drive consumer demand, while the fast-growing cruise sector once again broke new records in terms of Australian passenger numbers and market penetration.

To ensure members were well positioned to take advantage of these trends, Travellers Choice focused its efforts on developing a series of new initiatives and enhancing its existing suite of support services.

MARKETING SERVICES

Travellers Choice continued to refine its approach to targeted national marketing campaigns in 2015/16 in order to drive business to members and optimise the Company's return on investment. At the same time, the marketing team helped members plan and execute a wide range of effective and creative promotional activities aimed at local markets.

The year was also marked by continued investment in the Company's successful Digital Marketing Strategy, most notably Site Builder, the website solution that allows members to create customised Internet sites featuring their own content alongside centrally-loaded products.

Almost all members using Site Builder have now upgraded to the latest version of the technology – Site Builder 3.0 – which delivers a modern look, superior integration of social media channels and a mobile-friendly design that allows pages to automatically adjust to suit the device customers are using. We have also seen a significant number of members adopting the technology for the first time.

In addition, Travellers Choice introduced a new service that allows members to outsource the management of their digital marketing activities. Digital Managed Services provides support in areas such as website content management, search engine optimisation (SEO), online advertising, social media activities and database marketing.

By handing over management of activities that are designed to attract web traffic, a growing number of members have been able to instead focus more time and resources on converting digitally-generated leads into sales.

TRAVELLERS CHOICE CRUISE CLUB

The impressive growth of Australia's cruise industry over the past decade is showing no signs of slowing, with passenger numbers up by almost 15% in 2015 — the second highest recorded by an international cruise region last year.

Australia once again led the global cruise industry in terms of market penetration, with the equivalent of 4.5 per cent of the Australian population taking a cruise last year.

One of the key reasons cruise holidays continue to attract Australian passengers is the ever-expanding array of options when it comes to ships, destinations and itineraries, both domestically and around the globe.

Travellers Choice once again worked closely with Cruise Club members to cultivate customer databases, execute effective marketing campaigns and develop customised cruise packages.

To help Cruise Club members continue to hone their cruise skills and knowledge, the Company also held its second Cruise Forum in November 2015 onboard P&O Cruises' *Pacific Eden*. The event featured a range of guest speakers, as well as presentations from key preferred suppliers and some of the group's top selling cruise members.

In addition, an increasing number of members took part in cruise training events over the past 12 months, including the Cruise360 Australasia conference in Sydney, where local and global cruise industry executives offered insights into where the cruise sector is heading.

Ongoing education also remained a priority, with 19 consultants within the group gaining a new level of CLIA accreditation.

These efforts will ensure our network has the expertise and experience required to continue to capitalise on cruising's growth.

NEW SERVICES

Knowledge is at the core of every outstanding customer experience. Agents must know how to deliver memorable service, be attuned to their clients' needs and have a deep understanding of product.

While there is an abundance of travel agent training programs available online, members told us that finding and accessing the information was often complicated and time-consuming. To assist them in staying up to speed, in late 2015 Travellers Choice unveiled its Extranet eLearning Library (TC EXELL), an online portal collating relevant and up-to-date training materials from a range of preferred partners.

Also introduced in response to member feedback was the Travellers Choice HR Toolkit. Developed in partnership with Australian Business Consulting & Solutions and available to all members at no additional cost, the Toolkit helps members meet their obligations as employers by providing a selection of important HR document templates, including employment contracts, samples of letters, and best-practice policies and procedures.

Members can now use whatever elements of the Toolkit they feel are relevant to their business, with all content checked by lawyers to ensure legal compliance.

RECORD FINANCIAL PERFORMANCE

Travellers Choice delivered a fourth consecutive record financial result in 2015/16, with pre-tax operating profit rising 13 per cent on the previous financial year to $2.10 million.

Once again the result was underpinned by members' commitment to maximising the value of preferred agreements, as well as the Company's ongoing investment in effective marketing support services and disciplined approach to cost containment.

During the fiscal year the Company also benefited from the first full-year impact of a number of high-calibre recruits.

I am pleased to report that 95 per cent of profits have now been returned directly to member shareholders through a combination of trading rebates based upon sales support and a 25-cents-per-share, unfranked dividend.

MEMBERSHIP

Travellers Choice offers members an appealing value proposition incorporating low-fees, extensive member support services, the option of co-branding, and a unique ownership structure. For that reason the Company consistently fields enquiries from a broad array of potential recruits.

Nevertheless, we have always taken a highly-selective approach to recruitment, with entry to the network restricted to well-established enterprises that are commercially successful and likely to enrich the Company's culture.

The benefits of this approach were never more evident than during the last 12 months when a number of high-quality recruits integrated seamlessly into the network and made an important contribution to the Company's financial performance.

To ensure the Company continues to attract high-calibre applicants, newly-appointed General Manager Sales

MANAGING DIRECTOR REPORT
(CONTINUED)

Nicola Strudwick is working with our state-based Business Development Managers to identify and engage with suitable candidates.

MANAGEMENT AND STAFF

Despite offering an ever-expanding collection of support services, Travellers Choice continues to operate a remarkably lean and responsive corporate office.

This is only made possible by the dedication and resourcefulness of our staff — led by General Manager Marketing Robyn Mitchell, and General Manager Sales Nicola Strudwick — who seek always to deliver an exceptional customer experience.

As always, our Business Development Managers continue to play a vital role in nurturing and cultivating the Travellers Choice network in their respective states. I know how much you appreciate the efforts our experienced team, which includes Andrea Moore, Melissa Robertson, Graham Smith, Jane Southee and Kim Tomlinson.

I would also like to take this opportunity to thank, on behalf of all members, Leith Poad, who recently stepped down from the role of Sales Development Manager. Leith joined the senior management team in 2011, but her association with Travellers Choice goes back to the early 1990s and included a period as Business Development Manager, Western Australia.

I am delighted to say that Leith continues to work for Travellers Choice in a part-time capacity, using her insights and experience to help analyse the group's performance against key preferred supplier sales targets.

STRATEGIES FOR THE FUTURE

Travellers Choice must continue to critically assess every initiative we undertake in order to ensure we offer our members an unrivalled customer experience.

That means continually improving and refining our marketing activities to maximise returns, optimising sales opportunities for key products such as cruise, and crafting new services such as our HR Toolkit and TC EXELL.

This process will give member shareholders the tools they need to generate ongoing sales growth and stand apart from their competitors through the delivery of their own exceptional customer experience.

It will also help our Company attract new members who can contribute fresh ideas and energy, and help establish new benchmarks for success.

I would like to end by thanking you all once again for the support and friendship you continue to provide me. It is a privilege to steer the travel industry's leading independent retail travel network, and I look forward to working with you all as we achieve ongoing success.

Christian Hunter
Managing Director

Robyn Mitchell
General Manager Marketing

Nicola Strudwick
General Manager Sales

DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30 June 2016.

DIRECTORS

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

- Trish Ridsdale
- Gary Allomes (retired 21 November 2015)
- Sue Holmes
- Phil Dalley
- Trinity Hastwell
- Mark Brady
- Christian Hunter (appointed 21 November 2015)

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 a non-member 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 Chairman of the RME Group of Companies and board member of the Curtin Graduate Business School Advisory Board. She has previously been a Commissioner on the Board of Tourism WA, and board member of the Art Gallery of WA and the Brightspark Foundation.

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

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 25 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 retired from the Board at the Annual General Meeting held 21 November 2015.

TRINITY HASTWELL

Trinity joined the travel industry in 2005 while completing her final year of a Business Management Degree at the University of South Australia, graduating 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 over 22 years, with locations in Frewville and McLaren Vale in South Australia.

Trinity is a Graduate member of the Australian Institute of Company Directors and is a Committee member of Skal International Adelaide Club, previously holding positions of Secretary and Vice President. She chairs the Strategic Issues Committee.

PHIL DALLEY

Phil Dalley was elected to the board in 2014 and has 28 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, Travel Makers, which he established in 1998.

Phil was also the ACT chairman of AFTA for period during the 1990s and is presently Deputy Chairman of the Travellers Choice Board and Chairman of the Audit & Risk Committee.

MARK BRADY

Mark has more than 30 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 now for seven years, today he owns three Travellers Choice member agencies: Ballina Cruise & Travel (NSW), Byron Cruise & Travel (NSW) and Tweed Coast Cruise & Travel (QLD).

CHRISTIAN HUNTER

Christian has worked in the UK and Australian travel industries for more than 25 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 from Curtin University and is a graduate member of the Australian Institute of Company Directors. He is presently a Director and Vice Chairman of the Australian Federation of Travel Agents (AFTA) and Chairman of the Worldwide Independent Travel Network (WIN).

DIRECTORS' MEETINGS

Directors' meetings attended during the year:

	Number of Meetings	
	Eligible to attend	Attended
Trish Ridsdale	6	6
Gary Allomes	2	2
Sue Holmes	6	6
Phil Dalley	6	6
Trinity Hastwell	6	5
Mark Brady	6	5
Christian Hunter	4	4

DIRECTORS' INTERESTS

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

	Ordinary Shares
Sue Holmes	915
Phil Dalley	200
Trinity Hastwell	2,000
Mark Brady	4,310
Trish Ridsdale	-
Gary Allomes	-
Christian Hunter	-

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 $2,102,689. After providing for income tax a profit was produced, amounting to $2,015,397 (2015: $1,822,156).

REVIEW OF OPERATIONS

The financial period commenced on 01 July 2015.

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 $1,127,406
- A distribution based on member support of all strategic suppliers amounting to $850,500
- 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 $4,720 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 $1,127,406 and $850,500 have been declared since 30 June 2015. During the year dividends of $22,094 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 20th day of September 2016

AUDITOR'S
INDEPENDENCE DECLARATION

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
W: www.amwaudit.com.au ABN 59 125 425 274
Liability limited by a scheme approved under Professional Standards Legislation

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)

MARTIN SHONE
Principal

Perth, WA

Dated this 20th day of September 2016

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016	2015
		$	**$**
Revenue	2	6,383,081	5,069,508
Cost of sales	3	(1,075,627)	(1,079,329)
Gross profit		5,307,454	3,990,179
Other revenues from ordinary operations		2,211,652	2,223,589
Annual conference		(429,150)	(356,488)
Marketing costs		(1,521,916)	(1,122,671)
Member overrides		(465,573)	(398,255)
Rent	3	(201,375)	(211,332)
Salaries & Wages		(1,730,874)	(1,536,524)
Ticketing fee		(528,243)	(340,137)
Other expenses from ordinary activities		(539,286)	(388,726)
Profit before income tax		2,102,689	1,859,635
Income tax expense	4	(87,292)	(37,479)
Profit for the year		**2,015,397**	**1,822,156**
Profit attributable to members of the entity		2,015,397	1,822,156
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		2,015,397	1,822,156

The accompanying notes form part of these financial statements.

STATEMENT OF
FINANCIAL POSITION

AS AT 30 JUNE 2016

	NOTE	2016	2015
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,710,182	2,001,069
Trade and other receivables	8	178,401	184,064
Other assets	9	1,579,995	1,211,232
TOTAL CURRENT ASSETS		3,468,578	3,396,365
NON-CURRENT ASSETS			
Property, plant and equipment	10	109,225	40,401
Investments		141,610	76,201
Deferred tax assets	12	70,662	69,275
TOTAL NON-CURRENT ASSETS		321,497	185,877
TOTAL ASSETS		**3,790,075**	**3,582,242**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	631,856	669,026
Current tax liabilities	12	(12,988)	89,446
Deferred tax liabilities	12	415,841	327,162
Short-term provisions	13	174,497	172,010
TOTAL CURRENT LIABILITIES		1,209,206	1,257,644
TOTAL LIABILITIES		1,209,206	1,257,644
NET ASSETS		**2,580,869**	**2,324,598**
EQUITY			
Issued capital	14	441,880	441,880
Retained earnings		2,138,989	1,882,718
TOTAL EQUITY		**2,580,869**	**2,324,598**

The accompanying notes form part of these financial statements.

STATEMENT OF

CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	ISSUED CAPITAL ORDINARY	RETAINED EARNINGS	TOTAL
		$	$	$
Balance at 01 July 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**
Share movements during the year		–	–	–
Net profit for the year		–	2,015,397	2,015,397
Subtotal		–	2,015,397	2,015,397
Dividends paid or provided for		–	(1,759,126)	(1,759,126)
Balance at 30 June 2016		**441,880**	**2,138,989**	**2,580,869**

The accompanying notes form part of these financial statements.

STATEMENT OF
CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016	2015
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,297,028	7,535,349
Payments to suppliers and employees		(6,578,457)	(5,382,232)
Interest received		15,712	15,991
Income tax paid		(102,434)	(82,233)
Net cash provided by operating activities	18	1,631,849	2,086,875
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(65,409)	(35,956)
Purchase of property, plant and equipment		(93,736)	(10,429)
Net cash used in investing activities		(159,145)	(46,385)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on share buy backs		(4,465)	(2,465)
Dividends and rebates paid		(1,759,126)	(1,531,586)
Net cash used in financing activities		(1,763,591)	(1,534,051)
Net (decrease)/ increase in cash held		(290,887)	506,439
Cash at beginning of financial year		2,001,069	1,494,630
Cash at end of financial year	7	**1,710,182**	**2,001,069**

The accompanying notes form part of these financial statements.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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 2016

NOTE 2: REVENUE AND OTHER INCOME

	NOTE	2016	2015
Revenue		$	$
Sales revenue:			
– Sale of goods		6,383,081	5,069,508
Other revenue:			
– Annual fees		509,754	432,556
– Commission revenue		417,600	358,222
– Conference fees		481,026	409,339
– Interest received	2a	15,712	15,991
– Investment income (WIN)		54,910	-
– Marketing revenue		680,384	443,002
– Other income		52,266	564,479
		2,211,652	2,223,589
Total revenue		8,594,733	7,293,097
a. Interest revenue from:			
– Banks		15,712	15,991
Total interest revenue on financial assets not at fair value through profit or loss		15,712	15,991

NOTE 3: PROFIT FOR THE YEAR

	NOTE	2016	2015
Expenses		$	$
Cost of sales		(1,075,627)	(1,079,329)
Bad and doubtful debts:			
– Trade receivables		3,667	–
Total bad and doubtful debts		3,667	–
Rental expense on operating leases		(201,375)	(211,332)

NOTE 4: INCOME TAX EXPENSE

		NOTE	2016	2015
a.	The components of tax expense comprise:		$	$
	Current tax		-	(96,098)
	Deferred tax	12	(87,292)	58,619
			(87,292)	(37,479)
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% (2015: 30%)		630,807	557,891
	Tax effect of:			
	– Non-deductable income and expenses		360,629	377,491
	– Deductible income and expenses		(991,436)	(839,284)
	– Deferred tax asset/liability brought to account		87,292	(58,619)
	Income tax attributable to entity		87,292	37,479

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:

	2016	2015
	$	$
Short-term employee benefits	260,537	264,992
Post-employment benefits	21,233	21,186
	281,770	286,178

Remuneration of Directors and Executives

	CASH SALARY AND FEES		SUPERANNUATION BENEFITS		TOTAL REMUNERATION	
	2016	2015	2016	2015	2016	2015
Director	$	$	$	$	$	$
Trish Ridsdale	27,500	27,000	–	–	27,500	27,000
Anni Baillieu	–	7,000	–	665	–	7,665
Sue Holmes	13,500	13,500	1,283	1,283	14,783	14,783
Gary Allomes	7,000	14,000	–	–	7,000	14,000
Phil Dalley	14,000	13,500	1,330	1,283	15,330	14,783
Trinity Hastwell	13,000	13,000	1,235	1,235	14,235	14,235
Mark Brady	13,000	6,500	1,235	618	14,235	7,118
Christian Hunter	172,537	170,492	16,150	16,102	188,687	186,594
	260,537	264,992	21,233	21,186	281,770	286,178

NOTE 6: AUDITORS' REMUNERATION

	NOTE	2016	2015
		$	$
Remuneration of the auditor:			
– Auditing or reviewing the financial report		14,600	13,900
– Auditing of other information		2,800	2,800
– Taxation services		–	–
		17,400	16,700

NOTE 7: CASH AND CASH EQUIVALENTS

	NOTE	2016	2015
		$	$
Cash at bank and in hand		1,710,182	2,001,069
The effective interest rate on short-term bank deposits was 2.57% (2015: 2.67%); these deposits have an average maturity of 90 days (2015: 227 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:			
Cash and cash equivalents		360,182	1,886,902
Short-term bank deposits		1,350,000	114,167
	19	1,710,182	2,001,069

NOTE 8: TRADE AND OTHER RECEIVABLES

	NOTE	2016	2015
		$	$
CURRENT			
Travel Centre debtors		3	9,091
Other debtors		178,398	174,973
Provision for impairment		–	–
Total current trade and other receivables		178,401	184,064

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.

2016	GROSS AMOUNT	PAST DUE AND IMPAIRED	PAST DUE BUT NOT IMPAIRED (DAYS OVERDUE)			
			0–30	31–60	61–90	>90
	$	$	$	$	$	$
Trade and term receivables	178,398	–	85,955	37,365	26,320	28,758
Other receivables	3	–	3	–	–	–
Total	**178,401**	**–**	**85,958**	**37,365**	**26,320**	**28,758**

2015	GROSS AMOUNT	PAST DUE AND IMPAIRED	PAST DUE BUT NOT IMPAIRED (DAYS OVERDUE)			
			0–30	31–60	60–90	>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**

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

	NOTE	2016	2015
		$	$
a. Financial assets classified as loans and receivables			
Trade and other receivables:			
– Total current		178,401	184,064
Financial assets	19	**178,401**	**184,064**
b. Collateral held as security			
No collateral is held over trade and other receivables.			

NOTE 9: OTHER ASSETS

	NOTE	2016	2015
		$	$
CURRENT			
Prepayments		199,662	120,693
Accrued Income		1,380,333	1,090,539
		1,579,995	**1,211,232**

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	NOTE	2016	2015
		$	$
PLANT AND EQUIPMENT			
At cost		194,062	100,326
Accumulated depreciation		(84,837)	(59,925)
Total		109,225	40,401
Total property, plant and equipment		**109,225**	**40,401**

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 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**
Additions	93,736	93,736
Disposals	–	–
Depreciation expense	(24,912)	(24,912)
Carrying amount at 30 June 2016	**109,225**	**109,225**

NOTE 11: TRADE AND OTHER PAYABLES

	NOTE	2016	2015
		$	$
CURRENT			
Unsecured liabilities:			
Trade payables		48,811	211,165
Accrued expenses		477,003	341,801
Prepaid Income		61,043	58,905
Other creditors		44,999	57,155
	11a	**631,856**	**669,026**
Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:			
– Total current		631,856	669,026
Financial liabilities as trade and other payables	19	631,856	669,026

NOTE 12: TAX

	2016	2015
	$	$
CURRENT		
Income tax (refundable)/ payable	(12,988)	89,446

	OPENING BALANCE	CHARGED TO INCOME	CHARGED DIRECTLY TO EQUITY	CLOSING BALANCE
	$	$	$	$
NON-CURRENT				
Deferred tax liability				
Accrued income	376,802	(49,640)	–	327,162
Balance at 30 June 2015	**376,802**	**(49,640)**	**–**	**327,162**
Accrued income	327,162	86,938	–	414,100
Property, plant and equipment	–	1,741		1,741
Balance at 30 June 2016	**327,162**	**88,679**	**–**	**415,841**

	OPENING BALANCE	CHARGED TO INCOME	CHARGED DIRECTLY TO EQUITY	CLOSING BALANCE
	$	$	$	$
Deferred tax assets				
Provision for doubtful debts	–	–	–	–
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**
Provision for doubtful debts	–	–	–	–
Provisions – employee benefits	51,603	746	–	52,349
Prepaid income	17,672	641	–	18,313
Balance at 30 June 2016	**69,275**	**1,387**	**–**	**70,662**

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

NOTE 13: PROVISIONS

	SHORT-TERM EMPLOYEE BENEFITS	LONG-TERM EMPLOYEE BENEFITS	TOTAL
	$	$	$
Opening balance at 01 July 2015	86,599	85,411	172,010
Movement	(9,816)	12,303	2,487
Balance at 30 June 2016	**76,783**	**97,714**	**174,497**

Analysis of total provisions	2016	2015
	$	$
Current	174,497	172,010
	174,497	172,010

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

	2016	2015
	$	$
88,376 (2015: 88,376) fully paid ordinary shares	441,880	441,880
	441,880	441,880

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

a. **Ordinary shares**

	2016	2015
	No.	**No.**
At the beginning of the reporting period	88,376	84,901
Shares bought back in the year	–	–
Shares issued during the year	–	3,475
At the end of the reporting period	**88,376**	**88,376**

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 2016 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 2016/17 financial year will total $156,367 plus outgoings. Rent will increase at a fixed rate of four percent per annum for the duration of the lease agreement. The lease may be extended by two years at its conclusion.

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

	2016	2015
	$	$
Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	2,015,397	1,294,267
Non-cash flows in profit:		
- Depreciation	24,912	22,462
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	5,663	(8,599)
- (increase)/decrease in deferred tax asset	(1,387)	(8,979)
- decrease/(increase) in other assets	(368,763)	165,469
- increase/(decrease) in trade and other payables	(32,705)	134,085
- increase/(decrease) in income taxes payable	(102,434)	541,757
- increase/(decrease) in deferred tax liabilities	88,679	(49,643)
- increase/(decrease) in employee entitlements	2,487	(3,944)
	1,631,849	**2,086,875**

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	2016	2015
Financial assets		$	$
Cash and cash equivalents	7	1,710,182	2,001,069
Investments		141,610	76,201
Loans and receivables	8	178,401	184,064
Total financial assets		**2,030,193**	**2,261,334**
Financial liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	11	631,856	669,026
Total financial liabilities		**631,856**	**669,026**

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 2016.

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	
	2016	2015	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities due for payment								
Trade and other payables	632	669	–	–	–	–	632	669
Total contractual outflows	632	669	–	–	–	–	632	669
Less bank overdrafts	–	–	–	–	–	–	–	–
Total expected outflows	**632**	**669**	**–**	**–**	**–**	**–**	**632**	**669**
Financial assets – cash flows realisable								
Cash and cash equivalents	1,710	2,001	–	–	–	–	1,710	2,001
Investments	–	–	–	–	142	76	142	76
Trade, term and loan receivables	178	175	–	–	–	–	178	175
Total anticipated inflows	1,888	2,176	–	–	142	76	2,030	2,252
Net (outflow)/inflow on financial instruments	1,256	1,507	–	–	142	76	1,398	1,583

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 (i.e. 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	2016		2015	
		NET CARRYING VALUE	NET FAIR VALUE	NET CARRYING VALUE	NET FAIR VALUE
		$	$	$	$
Financial assets					
Cash and cash equivalents	(i)	1,710,182	1,710,182	2,001,069	2,001,069
Investments		141,610	141,610	76,201	76,201
Trade and other receivables	(i)	178,401	178,401	174,973	174,973
Total financial assets		**2,030,193**	**2,030,193**	**2,252,243**	**2,252,243**
Financial liabilities					
Trade and other payables	(i)	631,856	631,856	669,024	669,024
Total financial liabilities		**631,856**	**631,856**	**669,024**	**669,024**

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 30 June 2016 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 P. Ridsdale ....

Dated this 20th day of September 2016

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
W: www.amwaudit.com.au ABN 59 125 425 274
Liability limited by a scheme approved under Professional Standards Legislation

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 2016, 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 2016 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

MARTIN SHONE

Principal

Dated this 20th day of September 2016

TRAVELLERS CHOICE LIMITED

Ground Floor, 130 Royal Street
East Perth WA 6004

Tel: +61 08 9223 6500
Fax: +61 08 9223 6501
Email: admin@travellerschoice.com.au

ATAS No. A10430