Travellers Choice Limited

OFFER INFORMATION STATEMENT

2017

ACN 121 496 900

IMPORTANT INFORMATION

This Offer Information Statement (OIS) has been prepared in accordance with the requirements of the Corporations Act (2001). The document should be read in its entirety and requires your immediate attention.

It is advisable to obtain professional investment advice prior to acting upon information contained within this OIS. This document is not a prospectus and as such, contains a lower level of disclosure than a prospectus.

This OIS is dated 19 December 2017 and it was lodged with the Australian Securities and Investments Commission (ASIC) on this date. ASIC takes no responsibility for the content of this OIS.

CONTENTS

1.0 CORPORATE DIRECTORY

Travellers Choice Limited
ACN 121 496 900

REGISTERED OFFICE:
Ground Floor, 130 Royal Street
East Perth, Western Australia, 6004
Telephone: (08) 9223 6500

WEBSITE:
www.travellerschoice.com.au

DIRECTORS:
Patricia Anne Ridsdale (Chairman)
Trinity Kate Hastwell
Philip Colin Dalley
Mark Francis Brady
Gregory Michael Close
Christian Edward Hunter

COMPANY SECRETARY:
Christian Edward Hunter

AUDITOR:
Anderson, Munro & Wyllie
Unit 8, 210 Winton Road,
Joondalup, Western Australia, 6027

LEGAL ADVISORS:
Hewett & Lovitt
Level 1, 849 Wellington Street
West Perth, Western Australia, 6005

2.0 OFFER FOR THE ISSUE OF SHARES

2.1 IMPORTANT INFORMATION

This OIS contains details of the offer to apply for shares in Travellers Choice Limited. This OIS is intended to raise capital of not more than $500,000.

Potential investors are recommended to:

- Read the contents of this OIS carefully.
- Obtain independent professional advice from your accountant, lawyer, financial advisor or any other party qualified to make judgement on the content of this document.
- Should you wish to proceed with an application for shares in Travellers Choice Limited, please complete the application form contained within this document and forward to Travellers Choice's registered office.

2.2 SUMMARY AND PURPOSE OF THE OFFER

The purpose of this OIS is twofold, namely to:

1) invite existing members of Travellers Choice Limited to subscribe for additional shares in order to raise working capital in the sum of up to $300,000 for the purposes described below; and

2) offer shares in the aggregate sum of up to $200,000 to other independent travel agents who wish to become members of the Company for the mutual benefit of the subscribers and existing members by reason of strengthening the company's capital base and volume of trade.

All shares issued are and will remain of a single class and have the same rights attached. Each share is issued at $5.00, being the same amount that is paid up on all existing issued shares. The minimum number that can be subscribed for by a new shareholder is 200 shares and up to $500,000 of capital can be raised through this OIS.

All shares have the same right to dividend attached. Voting rights are allocated with one vote per shareholder, irrespective of the number of shares held.

Any funds raised will be used to support the ongoing operation of the Company and assist the development of additional marketing and member services in line with formalised strategic plans approved by the Board of the Company.

These plans include, but are not restricted to:

- Increasing industry and consumer awareness of the Travellers Choice brand through targeted content strategies
- Continued development of Travellers Choice's digital platforms such as TC Mail for database marketing and Site Builder member website solution.
- Further development of in-house training tools
- Continued development of business development tools and member mentoring program
- Expansion of member networking and educational program

No securities will be issued on the basis of this OIS later than 13 months after the date of this OIS.

No amounts are payable to third parties in respect of the issue of securities pursuant to this OIS by way of fee, commission or charges.

3.0 BACKGROUND INFORMATION

Travellers Choice commenced operations under the name of Community Co-operative Travel Limited (CCTL) in 1977 as a co-operative company incorporated under the Companies (Co-operatives) Act 1943 (WA). The company originated with six like-minded, independent Western Australian travel agents, who came together for mutual benefit.

The Co-operative expanded and grew into a buying group for independent travel agents comprising of 38 Western Australian agents by 1996.

At this time, the company strategy was to become a travel-marketing group, with a national network of independent travel agents. The group rapidly increased its numbers to the present level of 141 (as at 01 November 2017), with representation in every State.

CCTL's strategy also included the need for a strong travel brand. Travellers Choice was launched in March 2002.

The Co-operative structure served the group well from 1977 to 2006, when shareholders, at an Extraordinary General Meeting approved the conversion of the WA Co-operative Company to an unlisted Australian Public Company registered under the Corporations Act (2001). This structure and accompanying legislation was considered more appropriate for a modern, national organisation. The Company has however been careful to retain core Co-operative principles within its constitution. The transfer of registration was approved by ASIC on 30th August 2006.

Since its formation, the Co-operative has been funded through shareholding issued to every member travel agent. Shares are of a single class and can only be held by members who actively trade through the Company. All shares are issued at $5.00 per share with a minimum holding of 200 shares per member.

4.0 BUSINESS OVERVIEW

Travellers Choice Limited is an Australian Public Unlisted Company, which acts cooperatively. The rationale behind this statement refers to the core cooperative principles that have been maintained in the Company's constitution. These include elements such as the requirement of members to be shareholders, one vote per member (irrespective of the shares held), a Board of Directors consisting of a majority of member travel agents and the culture of returning group income and profits to members on a regular basis. All of these philosophies ensure that members retain control of their company.

4.1 BUYING ARRANGEMENTS

The primary service afforded to Travellers Choice members is the negotiation of contracts with a selection of preferred suppliers. These agreements capitalise on the purchasing power of the combined membership along with additional revenues earned through focussed and directional selling.

Travellers Choice entered into a long-term collective purchasing agreement with the Jetset Travelworld Group (JTG) in 2009. This agreement was extended for a further term, effective 01 July 2013. JTG undertook a corporate re-brand in July 2013 and is now known as Helloworld Limited (HLO).

Under this agreement, Travellers Choice appoints HLO as its agent in the negotiation of key commercial agreements with selected suppliers. This approach has delivered benefits to both parties through the increased leverage of combined sales. Jointly negotiated agreements contain the same elements as individually contracted arrangements. Each agreement has a number of core elements, which traditionally include:

- At-source commission benefits to members;
- Marketing support; and
- Incentive/override commissions (often subject to target achievement)

A small portion of any marketing support and incentive commissions received through the corporate office are retained to cover the operation costs of the Company and contribute towards generated profits. The remainder is returned to shareholders on an annual basis, pro-rata to each member's volume of trade with Travellers Choice's preferred suppliers.

4.0 BUSINESS OVERVIEW (CONTINUED)

4.2 MARKETING SERVICES

Since the launch of Travellers Choice as a brand, the Board and management have placed a considerable focus on building company sales through a national marketing and branding strategy.

Travellers Choice provides member travel agents with a number of co-branding options. These initiatives enable each member to retain its independence, whilst capitalising on the business benefits achieved through association with a nationally recognised brand.

Services presently provided are:

- Agency branding and logo design
- Member websites (Site Builder)
- Digital marketing (SEO and SEM)
- Social media management and support
- Database marketing platform (TC Mail)
- Database marketing services
- National advertising campaigns and competitions
- Agency sales incentives
- Specialist Cruise Club
- Local area marketing support
- In-house graphic design service
- Magazines and point of sale materials
- Phone on-hold messaging

4.3 MEMBER SERVICES

A number of additional services are afforded to members as part of their annual fees. These currently include:

- Annual Conference organisation
- Group membership of the Australian Federation of Travel Agents (AFTA)
- Participation costs associated with the AFTA Travel Accreditation Scheme (ATAS)
- Access to an exclusive member extranet site (TC Hub)
- Access to online human resource document templates (HR Toolkit)
- Access to supplier and tourist board training resources through a central resource (TC EXELL)
- Access to online business planning tools (Business Toolkit)
- Problem solving service (through business relationships developed with suppliers and professional advisors)
- Dedicated Business Development Managers for each State
- Trade media distribution
- Access to an exclusive member Facebook group (TC Connect)
- Access to an exclusive member educational program

4.0 BUSINESS OVERVIEW (CONTINUED)

4.4 AIRLINE TICKETING SERVICES

Full airline consolidation services are provided to all members through a preferred arrangement with Air Tickets.

This arrangement has been in place for several years and continues to deliver a competitive and high quality ticketing service to Travellers Choice members.

4.5 WORLDWIDE INDEPENDENT TRAVEL NETWORK (WIN)

Travellers Choice is the Australian representative in the global independent travel network, WIN. The organisation has been in existence since 1993 and Travellers Choice has been its Australian member since 2003.

WIN comprises of likeminded, major independent travel groups from more than twenty countries, representing more than 6,000 travel agents around the world.

Membership of WIN provides Travellers Choice access to product that would not traditionally be available in the Australian marketplace. It provides greater buying power and economy of scale efficiencies along with excellent intelligence into different global travel markets.

5.0 TRAVELLERS CHOICE - INTO THE FUTURE

Independent travel agents are facing increasing business pressure due to diminishing margins, direct selling by product suppliers and the increasing trend of travel sales via the Internet. However, the Board and management of Travellers Choice believes that this sector of the travel distribution system has a solid future based around a strong travel brand and focused marketing activities.

A key factor in any success will be membership of a strong group. Travellers Choice has positioned itself as the representative and buying agent of a major group of travel agents within the Australian travel industry, currently representing annual member sales of approximately $425 million.

The Board sees Travellers Choice's future positioning as the "champion" of truly independent, quality travel agents. The Board has a commitment to growth and aims to achieve some of the following objectives to further benefit the company and its members:

- Increasing membership numbers
- Increasing group sales to $500 million
- Increasing group preferred supplier sales
- Improving the effectiveness of marketing activities

5.1 TRAVELLERS CHOICE'S PEOPLE

The Board of Directors of Travellers Choice consists of four member travel agent owners along with two non-member directors. Further information relating to individual Board members can be found in the Directors' Report in the financial statements. Collectively, the Board possesses a diverse range of skills and is fully committed to achieving the strategic goals of the Company.

Christian Hunter (Managing Director), was appointed to the role in November 2015 and has been employed by Travellers Choice in various capacities since 2004.

Christian, along with Robyn Mitchell (GM Marketing), Nicola Strudwick (GM Sales) and Justin Michael (GM Finance & Administration), collectively form the Senior Management Group (SMG) and take responsibility for the operations of the company.

A further 17 dedicated staff members make up the remainder of the Travellers Choice team, including five state-based Business Development Managers.

6.0 RISKS INVOLVED WITH INVESTMENT

As with any investment, there are risks involved with an investment in Travellers Choice.

The Directors of Travellers Choice have provided all information to the best of their knowledge in relation to the expected future operations of Travellers Choice having exercised reasonable care, but the Directors disclaim any liability in the event than any opinions or forecasts expressed are not fulfilled.

6.1 MEMBER PARTICIPATION

The income of Travellers Choice is predominantly derived through override/incentive commission and marketing support from preferred suppliers. Receipt of these funds is conditional upon achieving pre-determined performance criteria of the collective group of agents.

In addition, members can variably support preferred suppliers product, impacting on the group's overall performance.

Investors face a risk in this area as income (and subsequently profit) can be significantly affected should the collective performance criteria not be achieved. Future agreements with preferred suppliers could be amended or withdrawn based on collective group performance.

6.2 COMPETITIVE ENVIRONMENT

The travel industry is one of the most dynamic and competitive industries in modern society. Travel agents' access to traditional business streams has been eroded due to the growth of the internet and direct booking facilities along with reduced commissions paid to travel agents by airlines.

These distribution channels may, at times, represent a lower cost of sale to preferred suppliers than use of a travel agent and have an impact on the income earning potential of travel agency groups.

The impact of these elements on the future profitability of Travellers Choice is not measurable. Investors are advised to make their own assessments on the potential risks associated with these competitive issues.

6.3 EXTERNAL FACTORS

A number of global factors, over which travel agents have no control, can have significant impact on the consumers' appetite to travel. In recent years, examples of such occurrences are the global financial crisis, increase of World terrorism, the Ebola, SARS and Bird Flu epidemics along with natural disasters such as volcanic eruptions, tsunamis and earthquakes.

In extreme circumstances, events such as these can result in a reduction in travel and consequently impair the group's ability to achieve sales targets.

6.0 RISKS INVOLVED WITH INVESTMENT

(CONTINUED)

6.4 COMPANY MANAGEMENT

Through its Audit and Risk Committee, the Board and management of Travellers Choice has examined the internal and external environments in which Travellers Choice operates. It has highlighted potential risks that the Company and its investors could be exposed to. Consequently a full risk profile has been developed which forms the basis of the Company's audit and assurance oversight program.

In order to secure the continuity of services from senior management, contracts with staggered termination dates have been implemented.

6.5 SALE OF SHARES

As shares in Travellers Choice are not listed on any stock exchange, there is not a liquid market for the shares.

Shares can be repurchased in accordance with S257 of the Corporations Act 2001 providing approval of the Company is received at General Meeting.

Members have the ability to sell their shares to an existing member. To facilitate this, the Company will maintain a register of the shares that any member wishes to make available for sale, and will inform any prospective purchaser who expresses an interest. However, the Company is legally constrained from soliciting for purchasers on behalf of sellers or otherwise making a market for the shares.

7.0 AUDITED FINANCIAL STATEMENTS

The audited financial statements on the following pages are those as at 30 June 2017.

See Appendix A.

8.0 CONSENTS

Each of the Directors of Travellers Choice Limited has given and has not withdrawn before the date of this OIS their consent to the issue of this OIS and to its lodgement with the Australian Securities and Investments Commission.

The auditor of Travellers Choice Limited has given and has not withdrawn before the date of this OIS his consent to the inclusion in this OIS of his report on the Financial Statements for the year ended 30 June 2017.

The legal advisor to Travellers Choice has given and has not withdrawn its consent to be named in this OIS.

9.0 APPENDIX A

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017	2016
		$	$
Revenue	2	6,177,937	6,383,081
Cost of sales	3	(904,278)	(1,075,627)
Gross profit		5,273,659	5,307,454
Other revenues from ordinary operations		2,393,215	2,211,652
Annual conference		(318,396)	(429,150)
Marketing costs		(1,665,314)	(1,521,916)
Member overrides		(584,292)	(465,573)
Rent	3	(163,957)	(201,375)
Salaries & wages		(1,703,446)	(1,730,874)
Ticketing fee		(581,049)	(528,243)
Other expenses from ordinary activities		(745,224)	(539,286)
Profit before income tax		1,905,196	2,102,689
Income tax expense	4	(211,283)	(87,292)
Profit for the year		**1,693,913**	**2,015,397**
Profit attributable to members of the Company		1,693,913	2,015,397
Other comprehensive income		-	-
Total comprehensive income attributable to members of the Company		1,693,913	2,015,397

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	NOTE	2017	2016
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,147,608	1,710,182
Trade and other receivables	8	420,244	178,401
Other assets	9	2,484,727	1,579,995
TOTAL CURRENT ASSETS		4,052,579	3,468,578
NON-CURRENT ASSETS			
Property, plant and equipment	10	169,270	109,225
Investments		-	141,610
Deferred tax assets	12	159,439	70,662
TOTAL NON-CURRENT ASSETS		328,709	321,497
TOTAL ASSETS		**4,381,288**	**3,790,075**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,119,487	631,856
Interest bearing liabilities		12,995	-
Current tax liabilities	12	-	(12,988)
Deferred tax liabilities	12	715,901	415,841
Provisions	13	189,162	174,497
TOTAL CURRENT LIABILITIES		2,037,545	1,209,206
NON-CURRENT LIABILITIES			
Provisions		34,523	-
TOTAL NON-CURRENT LIABILITIES		34,523	-
TOTAL LIABILITIES		2,072,068	1,209,206
NET ASSETS		**2,309,220**	**2,580,869**
EQUITY			
Issued capital	14	444,255	441,880
Retained earnings		1,864,965	2,138,989
TOTAL EQUITY		**2,309,220**	**2,580,869**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	ISSUED CAPITAL ORDINARY	RETAINED EARNINGS	TOTAL
		$	$	$
Balance at 01 July 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**
Share movements during the year		2,375	–	2,375
Net profit for the year		–	1,693,913	1,693,913
Subtotal		444,255	–	4,504,377
Dividends paid or provided for		–	(1,967,937)	(1,967,937)
Balance at 30 June 2017		**444,255**	**1,864,965**	**2,309,220**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017	2016
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,149,285	8,297,028
Payments to suppliers and employees		(6,207,948)	(6,578,457)
Interest received		14,668	15,712
Income tax paid		12,988	(102,434)
Net cash provided by operating activities	18	968,993	1,631,849
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		–	(65,409)
Purchase of property, plant and equipment		(134,249)	(93,736)
Proceeds from disposal of property, plant and equipment		18,182	–
Refund from overpayment of investments		17,186	–
Proceeds from sale of investments		532,979	–
Net cash generated from/ (used in) investing activities		434,098	(159,145)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on share buy backs		–	(4,465)
Proceeds from issue of shares		2,272	–
Dividends and rebates paid		(1,967,937)	(1,759,126)
Net cash used in financing activities		(1,965,665)	(1,763,591)
Net decrease in cash held		(56,574)	(290,887)
Cash at beginning of financial year		1,710,182	2,001,069
Cash at end of financial year	7	**1,147,608**	**1,710,182**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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.

The financial statements were authorised for issue on 28 August 2017 by the Directors of Travellers Choice Ltd.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board.

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

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. Fair Value of Assets and Liabilities

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

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

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

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

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

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

c. Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis 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 Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Furniture & office equipment	40% prime cost
Website development	25% prime cost
Vehicles	25% diminishing value

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.

d. 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 company 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 company 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.

e. 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.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the directors establish that the carrying amount cannot be recovered by any means, at that point the anticipated loss is charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss event that has occurred is duly considered.

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as financial liabilities at fair value on initial recognition.

The fair value of financial guarantee contracts is assessed using the probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount 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.

f. Impairment of Non-financial Assets

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

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

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

g. Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations due to changes in assumptions for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

h. 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.

i. 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.

j. 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).

k. 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.

l. 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.

m. 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.

n. 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.

(ii) Available-for-sale investments

NIL.

(iii) Employee benefits

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

o. New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

– AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 01 January 2018).

  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The key changes that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

  Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

– AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

  When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

  The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

  - identify the contract(s) with a customer;
  - identify the performance obligations in the contract(s);
  - determine the transaction price;
  - allocate the transaction price to the performance obligations in the contract(s); and
  - recognise revenue when (or as) the performance obligations are satisfied.

  The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the Directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impacts.

– AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

  When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

  The main changes introduced by the new Standard are as follows:

  - recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
  - depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
  - inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
  - application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
  - inclusion of additional disclosure requirements.

  The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

  Although the Directors anticipate that the adoption of AASB 16 will impact the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2 REVENUE AND OTHER INCOME

	NOTE	2017	2016
Revenue		$	$
Sales revenue:			
– Sale of goods		6,177,937	6,383,081
Other revenue:			
– Annual fees		458,579	509,754
– Commission revenue		355,172	417,600
– Conference fees		399,415	481,026
– Interest received	2a	14,668	15,712
– Investment income (WIN)		–	54,910
– Marketing revenue		4,799	680,384
– Profit on sale of investments		408,555	–
– Other income		181,563	52,266
		2,393,215	2,211,652
Total revenue		8,571,152	8,594,733
a. Interest revenue from:			
– Banks		14,668	15,712
Total interest revenue on financial assets not at fair value through profit or loss		14,668	15,712

NOTE 3 PROFIT FOR THE YEAR

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

	NOTE	2017	2016
Expenses		$	$
Cost of sales		(904,278)	(1,075,627)
Depreciation of property, plant and equipment		(56,363)	(24,912)
Bad and doubtful debts:			
– Trade receivables		–	(3,667)
Total bad and doubtful debts		–	(3,667)
Rental expense on operating leases		(163,957)	(201,375)

NOTE 4 INCOME TAX EXPENSE

		NOTE	2017	2016
a.	The components of tax expense comprise:		$	$
	Current tax		-	-
	Deferred tax	12	211,283	(87,292)
			211,283	(87,292)
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% (2016: 30%)		571,559	630,807
	Tax effect of:			
	– Non-deductable income and expenses		741,206	360,629
	– Deductible income and expenses		(1,312,765)	(991,436)
	– Deferred tax asset/liability brought to account		211,283	87,292
	Income tax attributable to Company		211,283	87,292
	The applicable income tax rate is the Australian federal tax rate of 30% (2016: 30%) applicable to Australian resident companies.			
	Weighted average effective tax rates are:		11%	4%

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:

	2017	2016
	$	$
Short-term employee benefits	271,980	260,537
Post-employment benefits	23,053	21,233
	295,033	281,770

Remuneration of Directors and Executives

	CASH SALARY AND FEES		SUPERANNUATION BENEFITS		TOTAL REMUNERATION	
	2017	2016	2017	2016	2017	2016
Director	$	$	$	$	$	$
Trish Ridsdale	28,265	27,500	–	–	28,265	27,500
Sue Holmes	15,262	13,500	1,450	1,283	16,712	14,783
Gary Allomes	–	7,000	–	–	–	7,000
Phil Dalley	16,512	14,000	1,569	1,330	18,081	15,330
Trinity Hastwell	16,262	13,000	1,545	1,235	17,807	14,235
Mark Brady	15,512	13,000	1,474	1,235	16,986	14,235
Christian Hunter	180,167	172,537	17,015	16,150	197,182	188,687
	271,980	260,537	23,053	21,233	295,033	281,770

NOTE 6 AUDITORS' REMUNERATION

	NOTE	2017	2016
		$	$
Remuneration of the auditor:			
– Auditing or reviewing the financial report		14,723	14,600
– Auditing of other information		2,900	2,800
		17,623	17,400

NOTE 7 CASH AND CASH EQUIVALENTS

	NOTE	2017	2016
		$	$
Cash at bank and in hand		1,147,608	1,710,182
The effective interest rate on short-term bank deposits was 2.41% (2016: 2.57%); these deposits have an average maturity of 114 days (2016: 90 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		288,659	360,182
Short-term bank deposits		858,949	1,350,000
	19	1,147,608	1,710,182

NOTE 8 TRADE AND OTHER RECEIVABLES

	NOTE	2017	2016
		$	$
CURRENT			
Travel Centre debtors		11,719	3
Other debtors		408,525	178,398
Provision for impairment		–	–
Total current trade and other receivables		420,244	178,401

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.

NOTE 8 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

2017	GROSS AMOUNT	PAST DUE AND IMPAIRED	PAST DUE BUT NOT IMPAIRED (DAYS OVERDUE)			
			0-30	31-60	61-90	>90
	$	$	$	$	$	$
Trade and term receivables	408,525	–	361,344	35,502	218	11,461
Other receivables	11,719	–	11,719	–	–	–
Total	420,244	–	373,063	35,502	218	11,461

2016	GROSS AMOUNT	PAST DUE AND IMPAIRED	PAST DUE BUT NOT IMPAIRED (DAYS OVERDUE)			
			0-30	31-60	60-90	>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

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

		NOTE	2017	2016
			$	$
a.	**Financial assets classified as loans and receivables**			
	Trade and other receivables:			
	– Total current		420,244	178,401
	Financial assets	19	**420,244**	**178,401**
b.	**Collateral held as security**			
	No collateral is held over trade and other receivables.			

NOTE 9 OTHER ASSETS

	NOTE	2017	2016
		$	$
CURRENT			
Prepayments		100,858	199,662
Accrued income		2,383,869	1,380,333
		2,484,727	**1,579,995**

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

	NOTE	2017	2016
		$	$
PLANT AND EQUIPMENT			
At cost		285,514	194,062
Accumulated depreciation		(116,244)	(84,837)
Total		169,270	109,225
Total property, plant and equipment		**169,270**	**109,225**

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 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**
Additions	134,249	134,249
Disposals	(17,841)	(17,841)
Depreciation expense	(56,363)	(56,363)
Carrying amount at 30 June 2017	**169,270**	**169,270**

NOTE 11 TRADE AND OTHER PAYABLES

	NOTE	2017	2016
		$	$
CURRENT			
Unsecured liabilities:			
Trade payables		238,735	48,811
Accrued expenses		486,945	477,003
Prepaid Income		307,779	61,043
Other creditors		86,028	44,999
	11a	**1,119,487**	**631,856**
Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:			
– Total current		1,119,487	631,856
Financial liabilities as trade and other payables	19	**1,119,487**	**631,856**

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

NOTE 12 TAX

	2017	2016
	$	$
CURRENT		
Income tax (refundable)/ payable	-	(12,988)

	OPENING BALANCE	CHARGED TO INCOME	CHARGED DIRECTLY TO EQUITY	CLOSING BALANCE
	$	$	$	$
NON-CURRENT				
Deferred tax liability				
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**
Accrued income	414,100	301,061	–	715,161
Property, plant and equipment	1,741	(1,001)		740
Balance at 30 June 2017	**415,841**	**300,060**	**–**	**715,901**
Deferred tax assets				
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**
Provisions – employee benefits	52,349	14,756	–	67,105
Prepaid income	18,313	74,021	–	92,334
Balance at 30 June 2017	**70,662**	**88,777**	**–**	**159,439**

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 2016	76,783	97,714	174,497
Movement	24,724	24,464	49,188
Balance at 30 June 2017	**101,507**	**122,178**	**223,685**

Analysis of total provisions	2017	2016
	$	$
Current	189,162	174,497
Non-current	34,523	–
	223,685	174,497

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

	2017	2016
	$	$
88,851 (2016: 88,376) fully paid ordinary shares	444,255	441,880
	444,255	441,880

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

a. **Ordinary shares**	2017	2016
	No.	No.
At the beginning of the reporting period	88,376	88,376
Shares issued during the year	475	–
At the end of the reporting period	88,851	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 2017 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 01 April 2016 for a period of four years, expiring 31 March 2020. Rent payable in the 2016/17 financial year will total $163,957 plus outgoings. Rent will increase annually at CPI plus 1%. The lease may be extended by four 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

	2017	2016
	$	$
Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	1,693,913	2,015,397
Non-cash flows in profit:		
- Gain on sale of investments	(408,555)	–
- Gain on disposal of property, plant & equipment	(341)	–
- Depreciation	56,363	24,912
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(241,843)	5,663
- (increase)/decrease in deferred tax asset	(88,777)	(1,387)
- decrease/(increase) in other assets	(904,732)	(368,763)
- increase/(decrease) in trade and other payables	487,734	(32,705)
- increase/(decrease) in interest bearing liabilities	12,995	–
- increase/(decrease) in income taxes payable	12,988	(102,434)
- increase/(decrease) in deferred tax liabilities	300,060	88,679
- increase/(decrease) in employee entitlements	49,188	2,487
	968,993	**1,631,849**

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	2017	2016
Financial assets		$	$
Cash and cash equivalents	7	1,147,608	1,710,182
Investments		–	141,610
Loans and receivables	8	420,244	178,401
Total financial assets		1,567,852	2,030,193
Financial liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	11	1,119,487	631,856
Total financial liabilities		**1,119,487**	**631,856**

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 2017.

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.

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

	2017	2016
	$	$
Cash and cash equivalents:	1,147,608	1,710,182
AA- rated	1,147,608	1,710,182

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	
	2017	2016	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities due for payment								
Trade and other payables	1,119	632	–	–	–	–	1,119	632
Interest bearing liabilities	13						13	
Total contractual outflows	1,132	632	–	–	–	–	1,132	632
Less bank overdrafts	–	–	–	–	–	–	–	–
Total expected outflows	**1,132**	**632**	**–**	**–**	**–**	**–**	**1,132**	**632**
Financial assets – cash flows realisable								
Cash and cash equivalents	1,148	1,710	–	–	–	–	1,148	1,710
Investments	–	–	–	–	–	142	–	142
Trade, term and loan receivables	420	178	–	–	–	–	420	178
Total anticipated inflows	1,568	1,888	–	–	–	142	1,568	2,030
Net (outflow)/inflow on financial instruments	436	1,256	–	–	–	142	436	1,398

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.

Sensitivity analysis

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

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

	PROFIT	EQUITY
Year ended 30 June 2017	$'000	$'000
+/- 2% in interest rates	24,000	24,000
Year ended 30 June 2016		
+/- 2% in interest rates	34,000	34,000

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

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	2017 NET CARRYING VALUE	2017 NET FAIR VALUE	2016 NET CARRYING VALUE	2016 NET FAIR VALUE
		$	$	$	$
Financial assets					
Cash and cash equivalents	(i)	1,147,608	1,147,608	1,710,182	1,710,182
Investments		–	–	141,610	141,610
Trade and other receivables	(i)	420,244	420,244	178,401	178,401
Total financial assets		**1,567,852**	**1,567,852**	**2,030,193**	**2,030,193**
Financial liabilities					
Trade and other payables		1,119,487	1,119,487	631,856	631,856
Interest bearing liabilities	(i)	12,995	12,995	–	–
Total financial liabilities		**1,132,482**	**1,132,482**	**631,856**	**631,856**

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

   (b) give a true and fair view of the financial position as at 30 June 2017 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 2017

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

Opinion
We have audited the financial report of Travellers Choice Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion:

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

   (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

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

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

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

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

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

Responsibilities of Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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 2017

10.0 APPENDIX B

SHARE APPLICATION FORM

APPLICATION FOR SHARES

To the Directors of Travellers Choice Limited

I / We hereby request that you allot ___________ fully paid shares of $5.00 each in the above named company.
The minimum purchase requirement is 200 shares.

I / We accept the shares, that may be allotted to the entity named on my / our ASIC / ATAS certificate, and authorise you to place that name(s) on the Register of the Company respect of these shares.

I / We agree to be bound by the Constitution of the Company.

Signature of all Directors/Partners required

1. ____ 2 ____

3. ____ 4. ____

Entity to which shares will be issued

Travel agency accredited entity (legal entity as per ASIC / ATAS certificate)

____

Nominated Director / Partner(s) contact for share related communication

Director's / Partner's name ____

Business name ____

Business address

____

Contact numbers

Business ( ) ______________________

Home ( ) ______________________

Other ______________________

Date of Share Application

____

TRAVELLERS CHOICE
A WORLD OF EXPERIENCE

ATAS
travel accredited

TRAVELLERS CHOICE LIMITED

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East Perth WA 6004

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Email: admin@travellerschoice.com.au

ATAS No. A10430