Travellers Choice Limited

OFFER INFORMATION STATEMENT

2016

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 21 December 2016 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)
Susan Holmes
Trinity Kate Hastwell
Philip Colin Dalley
Mark Francis Brady
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 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:

- Further development of cruising business through the Travellers Choice Cruise Club;
- Continued development of the Travellers Choice brand;
- Further development of TC Direct, Travellers Choice's database marketing system;
- Continued co-branding program for member agencies; and
- Further development of Travellers Choice corporate and member websites

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 139 (as at 01 November 2016), 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.

4.2 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:

- Co-branded travel agency signage;
- Co-branded stationery and clothing;
- National advertising campaigns and competitions;
- Magazines and point of sale materials;

4.0 BUSINESS OVERVIEW (CONTINUED)

- Local area marketing support;
- In-house graphic design service;
- Database marketing system (TC Direct);
- Social media management and support;
- Member websites;
- Search engine optimisation; and
- Online marketing.

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;
- Administration support (information available on many issues from HR to Insurance);
- Group membership of the Australian Federation of Travel Agents (AFTA);
- Participation costs associated with the AFTA Travel Accreditation Scheme (ATAS)
- Access to human resource document templates through an online HR Toolkit
- Access to supplier and tourist board training resources through a central resource, TC Exell
- Problem solving service (through business relationships developed with suppliers and professional advisors);
- Dedicated Business Development Managers for each State; and
- Discounted industry publications (Travel Daily, Traveltrade, Travel Weekly).

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 and shareholder in the global independent travel network, WIN. The organisation has been in existence for 22 years 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.

Travellers Choice is one of four equal shareholders in WIN.

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 $430 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; and
- 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 18 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 that 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.

6.4 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.

6.0 RISKS INVOLVED WITH INVESTMENT (CONTINUED)

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 2016.

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 2016.

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 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

		2016	2015
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 & Wylie
CHARTERED ACCOUNTANTS

Street Address:	Postal Address:	By Appointment:
Unit 8		Level 28, AMP Tower
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAVELLERS CHOICE LTD ACN 121 496 900

Report on the Financial Report

We have audited the accompanying financial report of Travellers Choice Ltd which comprises the statement of financial position as at 30 June 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

10.0 APPENDIX B

SHARE APPLICATION FORM

APPLICATION FOR SHARES

To the Directors of Travellers Choice Limited

I 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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ATAS No. A10430