



28 August 2023

The Manager
Markets Announcement Office
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

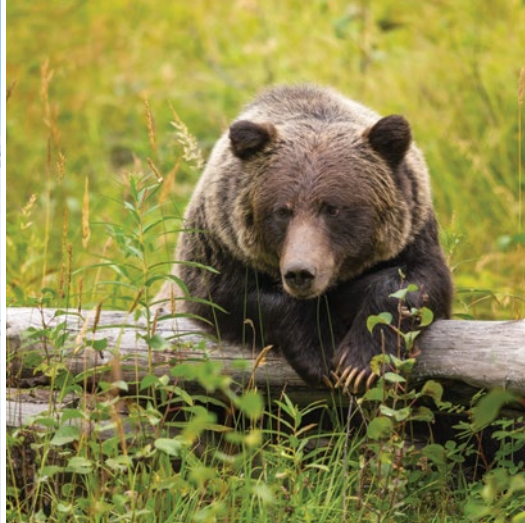
Please find attached the Helloworld Travel Limited 2023 Annual Report, incorporating the Corporate Governance Statement.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Sylvie Moser".

Sylvie Moser
Group Company Secretary
Helloworld Travel Limited
Ph: +61 3 9867 9600

Authorised for release by Helloworld Travel Limited's Board of Directors.



helloworld
TRAVEL LIMITED

ANNUAL REPORT 2023

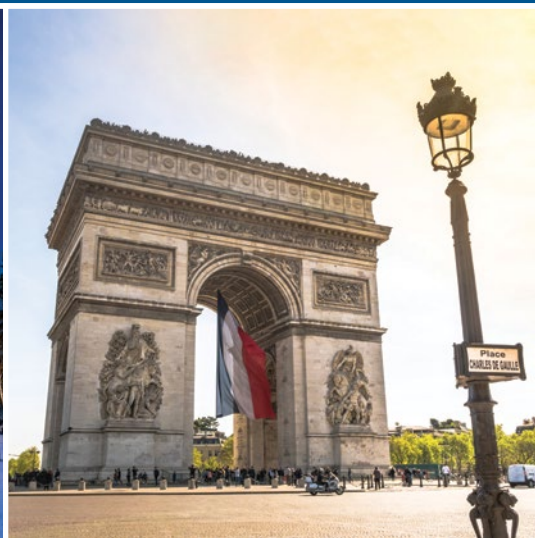
Helloworld Travel Limited and Controlled Entities
Annual Report for the year ended 30 June 2023



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Kalbarri National Park, WA

DIRECTORS

Garry Hounsell (Chairman)
Andrew Burnes, AO (Chief Executive Officer
and Managing Director)
Cinzia Burnes
Rob Dalton
Hon. Martin Pakula
Leanne Coddington

GROUP COMPANY SECRETARY

Sylvie Moser

REGISTERED AND PRINCIPAL OFFICE

179 Normanby Road
South Melbourne VIC 3205
Telephone: +61 3 9867 9600

AUDITOR

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Melbourne VIC 3000

SOLICITORS

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Melbourne, VIC 3000

STOCK EXCHANGE

Australian Securities Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

ASX CODE

ASX code: HLO

SHARE REGISTRY

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Abbotsford, VIC 3067

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+61 3 9415 4000 (outside Australia)

WEBSITE

www.helloworldlimited.com.au

ANNUAL REPORT 2023 GLOSSARY

The following terms have been used through this Annual Report:

AGM	Annual General Meeting
AOT	AOT Group Pty Limited and its controlled entities
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COMPANY	The parent entity, Helloworld Travel Limited
DMC	Destination Management Company
EBITDA	Earnings before interest expense, tax, depreciation and amortisation
ETG	Express Travel Group Pty Ltd
EPS	Earnings per share
FAR	Fixed Annual Remuneration
FIT	Flexible Independent Travel
FY22	Financial Year ended 30 June 2022
FY23	Financial Year ended 30 June 2023
FY24	Financial Year ended 30 June 2024
GROUP	The Helloworld Travel Group, comprising Helloworld Travel Limited and its controlled entities
HELLOWORLD TRAVEL	Helloworld Travel Limited
HLO	Helloworld Travel Limited
KMP	Key Management Personnel
LTIP	Long Term Incentive Plan
MTA	Mobile Travel Holdings Pty Limited and its controlled entities
PCP	Prior Comparative Period
STIP	Short Term Incentive Plan
TTV	Total Transaction Value
VFR	Visiting Friends and Relatives

RETAIL



Travel agencies who adopt full Helloworld Travel branding on their agencies and collateral material. Operates in both Australia and New Zealand.



Travel agencies who carry the "Member of Helloworld Travel" brand and value proposition while maintaining their own brand presence in market.



Australia's largest network of premium independently owned corporate travel agents and travel management companies.



One of the largest independent travel agency networks in Australia and New Zealand.



Australian based network with loyal high-end clients managing their own brand and marketing while leveraging off the HLO brand and the buying strengths of the Helloworld Travel Group.



Australia's leading group of mobile travel agents for leisure and corporate travel; utilising bespoke technologies designed for home based agents whilst utilising the HLO Group buying power.



Part of ETG. One of the leading buying groups in Australia. 'We Speak Your Language' is the key identifier for this group, made up of agents predominantly focused on Asian markets.



Australia's largest Independent buying network affiliated to Helloworld Group, able to leverage the strength of HLO's supplier relationships and maintain their independence.



Part of ETG. Operates across Australia using the ITT brand plus their own specific branding.



The Travel Brokers is one of New Zealand's leading home based travel specialists.



A branded franchise buying group with over 30 members operating in New Zealand.



One of the premier travel agency brands in South Australia. Phil Hoffmann Travel operates leisure, business and curated group travel services.



Independent Travel Group has over 190 independently owned and operated travel businesses in Australia. A partnership model allows members to tailor a business based on their needs.



ETG's buying group comprising premium and independent travel management companies that operate in the high-end leisure and corporate travel space.



New Zealand's leading independent travel alliance, providing members with market efficiencies to enhance customer experience in retail, corporate & wholesale travel.

WHOLESALE



One of the largest wholesale brands in Australia, offering an extensive range of products covering most destinations throughout the world.



New Zealand's longest serving travel wholesaler offering its travel agency distribution a diverse and extensive range of travel products around the globe.



ReadyRooms offers travel agents the ability to search, compare and book an extensive range of worldwide accommodation and activities online.



A new brand for discerning clients focusing on high-end, small group touring in Australia and international destinations.



Founded in 1967 by former All Blacks fullback, Mick Williment, Williment Travel is New Zealand's sports and events travel specialists.



Provides travel agents with everything they need to plan and book their clients' next cruise holiday, combining an unbeatable mix of service, support and value.



Cruiseco is a specialist cruise package wholesaler that provides access to cruise line products and creates exclusive fly/cruise products and specialised charters to help members grow their cruise business.

DMC — AUSTRALIA - NEW ZEALAND - FIJI AND THE COOK ISLANDS



Established in 1989, AOT Inbound is one of Australia's longest established inbound tour operator in Australia, offering an excellent booking platform and staff to service the FIT and Group markets from UK, Europe, USA and other long-haul Western markets



A leading inbound tour operator with offices in Australia, NZ and Fiji, providing specialty inbound services in all three destinations for FIT and Group markets from UK, Europe, USA and other long-haul Western markets.



Established in 1987 – ETA is a leading Inbound Tour Operator (Asian Specialist) - working across 16 Countries throughout Asia.



New Zealand's largest inbound tour operator offering an excellent booking platform and staff to service both the FIT and Group markets from UK, Europe, USA and other long-haul Western markets.



Australiareiser is the largest wholesaler from Scandinavia to Australia and the South Pacific, operating from Norway, Sweden and Denmark.

TECHNOLOGY



Mango is a B2B booking engine used by Australia/ New Zealand travel agents to search and book accommodation, transfers, car hire and tours. Mango supports Viva Holidays, Go Holidays, AOT Online, ETA Online and ATS Pacific.



ResWorld is HLO's bespoke Retail Mid-Office Solution with optimised booking management workflows able to import bookings from multiple GDS systems. Agents can automate payments to suppliers and generate documentation.



World class technology providing travel agents with a ticket processing system subject to rigorous real-time validation and a queuing system the envy of global consolidators.



SmartNDC is integrated with IATA's "New Distribution Capabilities – NDC" and uses the latest APIs and airline technologies. With the ability to shop, book, ticket, cancel, re-shop, exchange and refund NDC airline tickets via SmartFares and SmartTickets solutions.



SmartFares® is a web based shopping tool sourcing the latest airline fares for our travel agent customers. Locating flight options for every airline in the world, in real time 24/7.

CONSOLIDATION



Air Tickets is the travel industry's major airfare distribution and ticketing service consolidator, with a 24/7 web-based portal to real-time airfares allowing agents to shop, book and ticket in one system.



Express Tickets is a service focused consolidation division backed by an advanced fares & ticketing technology platform. A market-leading consolidator providing travel agencies, tour operators and OTA's with an efficient, easy-to-use airfare and airline ticketing solution.



Tourist Transport Fiji operates a fleet of 40 vehicles providing transfer services throughout Fiji with sightseeing tours and adventure packages under the Great Sights and Feejee Experience brands.



Entertainment Logistix is Australia's largest freight operator providing specialised and dedicated purpose built equipment for local and international touring artists and other entertainment options operating a fleet of over 130 vehicles and trailers and extensive warehousing facilities.

2022/23

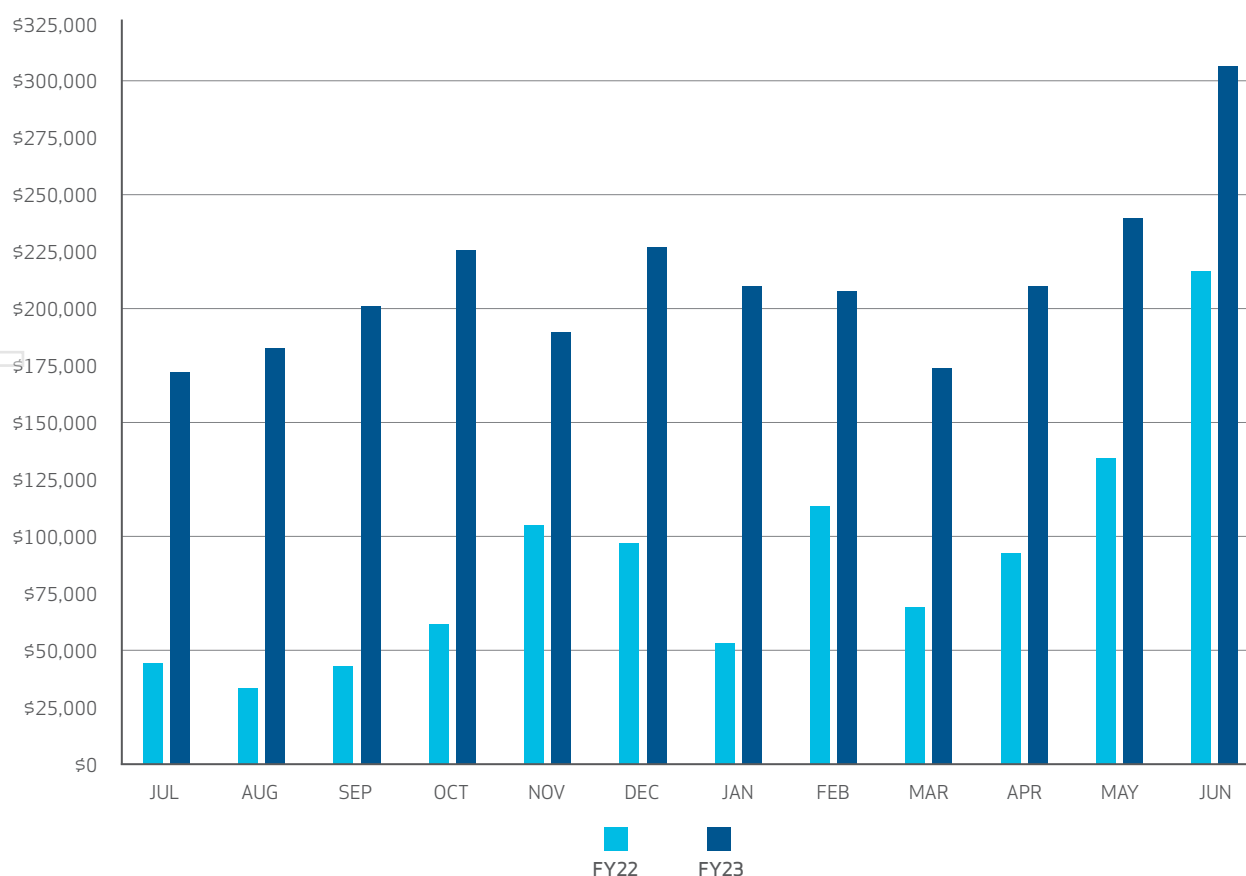


The global travel industry has always been extraordinarily resilient and this rang true throughout FY23.

The last half of FY22 saw the beginnings of the much anticipated rebound in global travel, with capacity, demand and prices all soaring compared to the previous two years. This continued throughout FY23 with the end result being a 138% growth in TTV for the year to \$2.57 billion and an underlying EBITDA of \$44.1 million compared to a loss of \$10.6 million for the previous year.

The financial year just finished was, like the previous year, a story of four quite different quarters. Each quarter reflected significant growth on the prior year as supply came back on-line and confidence improved.

TOTAL TRANSACTION VALUE (TTV) FOR CONTINUING OPERATIONS (\$'000'S)



The June Quarter

From the beginning of FY23, TTV, which HLO recognises on a travelled basis, was maintained at the level reached only in the last month of FY22 and after some consistency over the period July 22 to May 23, June saw TTV of \$310 million, our highest level since 2019 on a like-for-like basis.

Our travel agency networks showed extraordinary courage and tenacity handling this rapid rise in demand from travellers on both sides of the Tasman. Customers, both existing and new, now understand more than ever the exceptional benefits that using a professional travel agent brings to their travel experiences.

I want to take this opportunity to thank my Board colleagues for their efforts across the financial year as the business grappled with more than doubling of demand and the many challenges that brought with it.

Can I also thank our industry partners, all the personnel at Helloworld Travel, and every single travel agency and broker that are part of our networks. It is inspiring to see all of our businesses emerging from the pandemic and we look forward to continuing our journey in the years ahead.



Garry Hounsell

Chairman
Helloworld Travel Limited
Melbourne, 28 August 2023



TRAVEL AGENTS... THE ESSENTIAL INGREDIENT



Over the last two decades leisure travel has emerged as a non-discretionary item in the household budget. People want to go on holidays, they want to explore, and they want to experience new things, cultures, environments, food and people.

And people want an essential ingredient to help plan and manage the process... their travel agent.

From the dark days of March 2020, when we were forced to rapidly reduce our workforce and shut down much of our business, we are now seeing travel returning to previous levels and we expect that by FY25 TTV and revenues will return to pre-COVID-19 levels.

It has been heart-warming to see how the agents and brokers in our networks, our supplier partners, our international wholesale partners and our amazing team at Helloworld Travel have been able to rebuild their businesses over the last 18 months.

June 2022 saw record levels of departures and the highest TTV since 2019 for HLO. This continued throughout FY23 with June 2023 reaching \$310 million for the month and 138% growth year on year.

By the end of the financial year all our operating segments had returned to profitability.

This was despite the continued rise in interest rates and significant cost of living increases throughout the year and confirms our long held view that for many, leisure travel is and remains a non-discretionary component of the household budget.

And the fact that customers continued to purchase premium fares at record levels also confirms our view that as the huge amount of inter-generational wealth transfer continues to rise, many people will utilise the wealth of the baby-boomer generation to travel as often and as far and wide as they can.

As travel has gained traction throughout FY23 our agents have reported record booking volumes and we stand by the comment that there has never been a better time to be a travel agent. **Agent's services are more highly valued than ever and in our view this will remain so for many years to come.**

FY23 saw a number of acquisitions for the business following on from the sale of Helloworld's Corporate and Entertainment Travel businesses to Corporate Travel Management Limited (ASX: CTD). Consideration for the sale in FY22 totalled \$184.8 million.

In the second half of FY23 we announced three acquisitions. The first, announced on 21 March 2023, was the purchase of a 34% stake in Oslo based Austriareiser, a Scandinavian travel retailer and the launch customer for our mid-office system, ResWorld, in Europe.

On 2 May 2023, we announced the acquisition of a 40% stake in South Australian based travel retailer Phil Hoffmann Travel.

And on 22 June 2023 we announced the acquisition of Express Travel Group (ETG) in Australia and New Zealand.

The above transactions are now complete.

Throughout FY23 we continued to invest in our proprietary systems, most particularly our wholesale and inbound systems ("Mango" and "ReadyRooms"),

our Air Tickets booking engine ("Smart Tickets") and our retail agency mid-office platform ("ResWorld").

These systems allow us to distribute products and services to our 2460+ travel agents and travel brokers throughout Australia and New Zealand with enhancements designed to render our mutual businesses more productive and with a broader range of content.

We are very grateful for the ongoing support of our supplier partners, the State Tourism Authorities, and National Tourism Organisations supporting our sales and marketing activities. They are very important to our retail and wholesale operations and allow us to put a wide range of product options in front of customers throughout Australia and New Zealand.

In FY22, on a continuing operations basis (ie: excluding the Corporate and Entertainment Travel businesses), TTV was \$1.08 billion with revenue and other income of \$69.3 million.

In FY23 TTV was \$2.57 billion and revenues were \$165.9 million, significant improvements on the previous year.

Capital management and dividends

When the pandemic struck, Helloworld had circa \$100 million of external bank debt. We emerged from the pandemic with no external bank debt and significant cash reserves. Our three acquisitions in FY23 have been completed with the cash components covered from existing resources and we continue to maintain approximately \$50 million in available cash and considerable borrowing capacity if needed.

In FY23, we saw a reduction in our interest expense to zero and an increase in our interest income, with prudent cash management of our surplus cash to take advantage of the increase in cash rates over the last 18 months. In addition to this, Helloworld's shareholding in CTM (ASX: CTD) remains a significant asset.

We are pleased to announce a fully franked dividend of 6 cents per share, payable on 22 September 2023. This takes the total dividends paid out since September 2022 to 18 cents per share, fully franked.

Industry and staff resilience

Helloworld has now emerged from the toughest period in its history thanks to the incredible efforts of all our key stakeholders.

The effort from agents and from our own transactional businesses has been massive as TTV grew 138% over the last 12 months and as at 30 June 2023 our personnel numbers stood at 620.

A return to profitability in FY23 and FY24 guidance

HLO released initial guidance for FY23 of an underlying EBITDA of \$22 million to \$26 million. As trading improved on the back of increased supply, including the resumption of cruise, this was upgraded in February to \$28 million to \$32 million and again in April to \$38 million to \$42 million.

On the back of very strong trading in the June quarter, underlying EBITDA was upgraded in August to \$42 million to \$45 million and has come in at \$44.1 million for the full year.

Having reviewed our latest results, and considering forward bookings for FY24 and contributions from our recent acquisitions, Helloworld is releasing FY24 guidance to achieve an underlying EBITDA in the range of \$64 million to \$72 million.



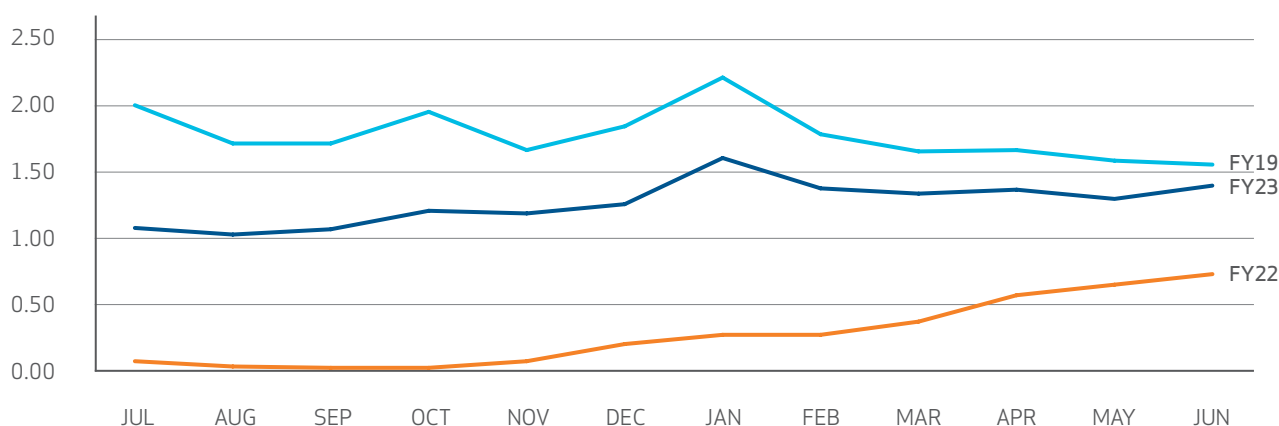
Andrew Burnes, AO

Chief Executive Officer and Managing Director
Helloworld Travel Limited
Melbourne, 28 August 2023

TRAVEL - A STORY OF RESILIENCE

The global travel industry shut down in February 2020 and over three years later it is still recovering from the effects of the pandemic.

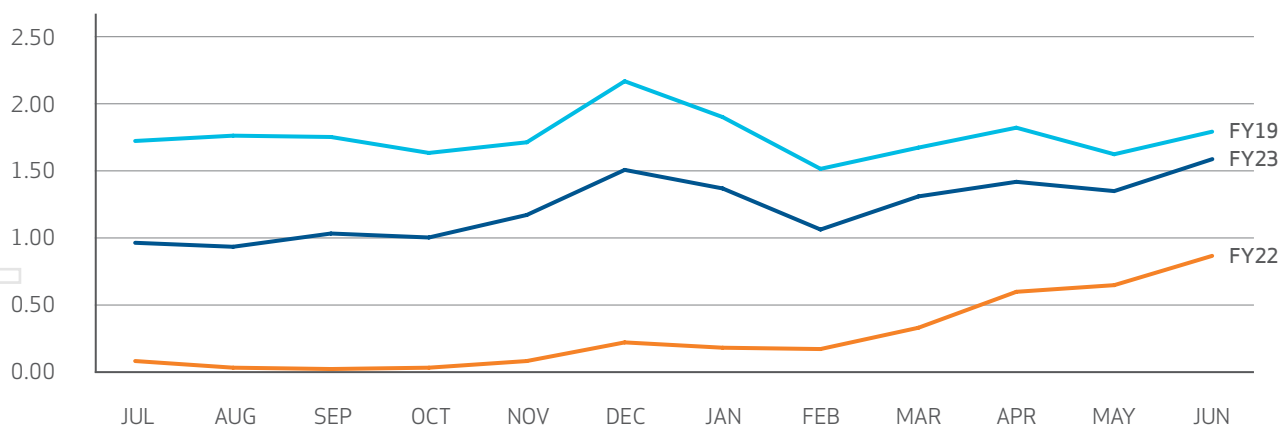
TOTAL OVERSEAS ARRIVALS (MILLION)



Source: ABS (June 2023 data)

The above graph shows the ABS data on total overseas arrivals into Australia and although there has been significant recovery, the numbers are not back to where they were in FY19 as yet. Total arrivals are tracking at 85% of FY19 levels.

TOTAL OVERSEAS DEPARTURES (MILLION)



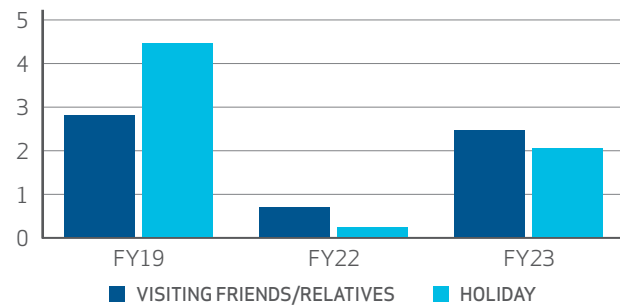
Source: ABS (June 2023 data)

This graph shows total overseas departures by month for FY19, FY22 and FY23 and while July 2022 showed a difference of 700,000 this gap narrowed throughout FY23, and by end June 2023 numbers were just over 85% of FY19 levels. We expect this improvement to continue in FY24 as capacity continues to grow and airfares come down.

Our inbound businesses are totally reliant on international leisure visitors and the recovery in inbound has been slower than outbound as reflected in the graph to the right. The majority of arrivals are for VFR rather than leisure.

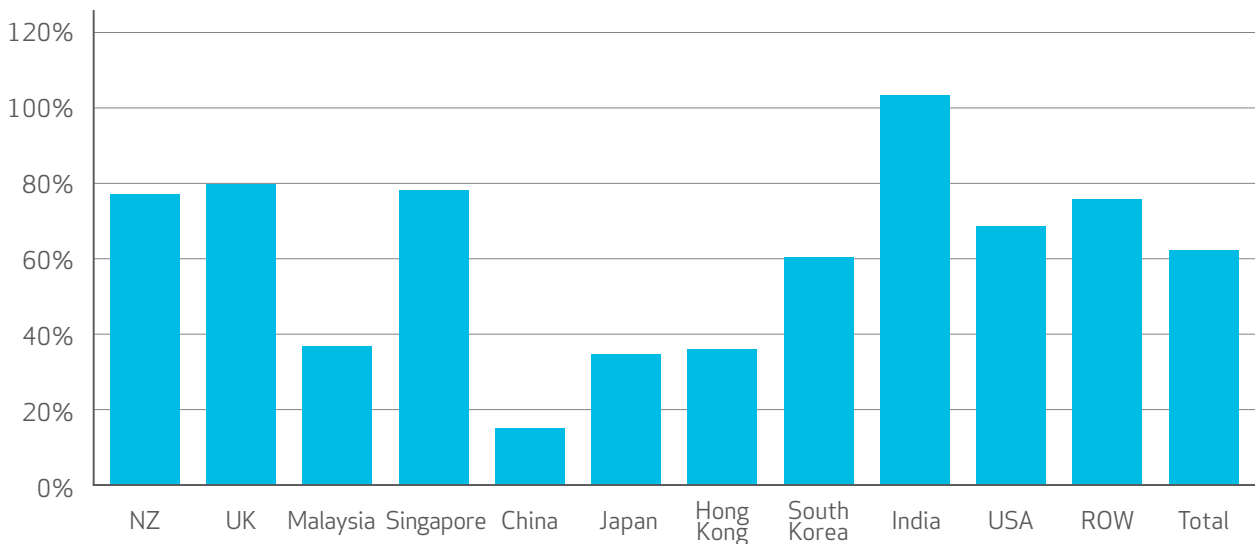
While recovery has been strong from UK/Europe, growth in leisure arrivals from North America is slow and, with the exception of India, growth out of Asia, including Japan and China has been very slow as the graph below illustrates.

SHORT TERM VISITOR ARRIVALS - VFR & HOLIDAY (MILLION)



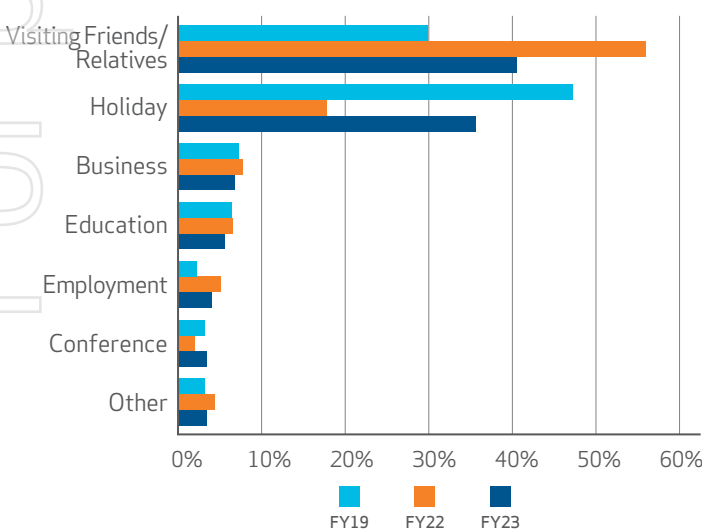
Source: ABS (June 2023 data)

SOURCE COUNTRY OF FY23 SHORT TERM VISITOR ARRIVALS (% OF FY19) (INCLUDING HOLIDAY AND VFR)



Source: ABS (June 2023 data)

SHORT TERM VISITOR ARRIVALS AUSTRALIA - REASON FOR JOURNEY



Source: ABS (June 2023 data)

In FY19, over 45% of visitor arrivals stated the main purpose of their visit was for a holiday, compared to 35% for FY23. VFR travel as a percentage of total visitor arrivals was 40% in FY23 compared to 30% in FY19. Similar trends in outbound travel also saw a major shift towards VFR and away from holiday travel in the first half of FY23. We expect these percentages to return to their long-term trends in FY24 and FY25.

The data indicates that recovery will continue throughout the year ahead and we expect FY25 to return to FY19 levels, or even greater, on the condition there is increased airline capacity from / to Australia.

HLO has undertaken extensive product development throughout FY23 and we now have in place a growing selection of content and collateral material to promote our key destinations, both within Australia and New Zealand, and around the world. While the selection is still quite a way from where it was in

FY19, we anticipate that by FY25 we will have all major destinations and categories covered from a content perspective.

Campaign activity with a wide range of destination and product partners has been well received in FY23 with an expanded range of activities and destinations planned for FY24 and beyond, together with strategic brand campaigns in both Australia and New Zealand. The trend for luxury travel and experiences remains high as does demand for Premium Economy, Business Class and First Class for long haul international flights. In Q4 FY24, we will be launching our new luxury offering including an expanded Ultimate Journeys range and an exclusive range of premium hotels with tailored special offerings for our key networks.

Our FY22 annual report stated: *"The demand for domestic cruises is strong, however, customers are looking to cruise further afield with international cruises to Europe and the United States now bouncing back."*

This turned out to be something of an understatement. As cruise capacity returned throughout the year, HLO's cruise wholesale and retail booking volumes grew very significantly albeit from a low base. By the end of FY23 cruise was getting back to pre-Covid levels with most major cruise lines at or nearing pre-COVID-19 capacity and a range of Australian and New Zealand based ships are offering a greatly expanded number of departures for FY24 and beyond, many of which were sold out by the end of FY23.



Cunard's Queen Elizabeth which is based in Australia from 27 Nov 23 - 10 Mar 24 offering a range of 3, 7, 14, 21 and 28 day itineraries in Australia and New Zealand.



HELLOWORLD RETAIL NETWORKS

Helloworld Travel emerged from the pandemic with most of its retail network business intact.

With the acquisition of Express Travel Group, HLO has approximately 2,460 agencies and brokers throughout Australia and New Zealand in our agency and broker networks.

Throughout FY23 virtually all of the agents in our networks and buying groups, on both sides of the Tasman, reported the demand for their services was extremely strong and this is continuing into FY24.

In order to help grow personnel numbers in the retail sector we launched the Helloworld Travel Academy in Australia in May 2022 and at the end of FY23 over 325 trainees have enrolled and are actively pursuing their Certificate III in Travel through the academy. We have already successfully graduated our first participants, with a consistent flow of course completions anticipated throughout 2023.

In addition, the Helloworld Travel Academy was launched in March 2023 in New Zealand.

The purpose of the Helloworld Travel Academy is to resource, train and retain employees with the initial focus to attract and train new employees into the industry and to set them up for success in their career with Helloworld Travel. Additionally, we are offering other training programs both virtually and face to face, to cater for the ongoing learning and development of our owners, managers and consultants in the Helloworld networks.

We were very pleased to re-sign our Commercial Purchasing Agreement for a further five years with Travellers Choice, a network of 115 agencies in Australia and with the acquisition of ETG our network footprint will expand further in FY24 on both sides of the Tasman.

WHOLESALE & INBOUND

Our Wholesale and Inbound divisions were both dramatically impacted by COVID-19 with our domestic wholesale being the only viable operation remaining for over 2 1/2 years.

With the opening of international borders, and the resumption of cruise in mid-2022, we saw our wholesale numbers to major destinations start to increase throughout FY23; including demand for long haul destinations including North America, Europe and the UK.

At the same time, sales from our Inbound division and our wholesale partners around the world, have also increased and are now back at over 60% of 2019 levels with forward bookings in Australia and New Zealand continuing to improve.

We now have inbound customers back in 48 countries around the world, we have re-signed with our major wholesale partners, and we have also signed up a number of new partners over the last six months.

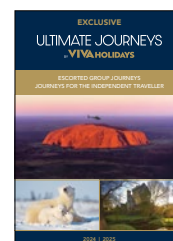


2024-2025 BROCHURE RANGE

AUSTRALIA



ULTIMATE JOURNEYS



INTERNATIONAL



helloworld

TRAVEL LIMITED

EXECUTIVE MANAGEMENT TEAM 2023



Andrew Burnes AO



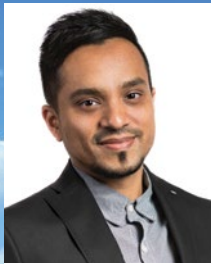
Cinzia Burnes



Peter Crinis



Mike Smith



Yusuf Ahmed



Rohan Moss



Renee Nightingale



Jason Strong



Chris Hunter



Tom Manwaring

HELLOWORLD TRAVEL LIMITED - BRAND PORTFOLIO





FIJI

Helloworld's Fijian operations, comprising our inbound businesses and our Tourism Transport Fiji business, were moth-balled throughout the COVID-19 pandemic.

Since the re-opening of the borders into Fiji with the rest of the world, numbers have steadily increased for both of our businesses in Fiji. We have also expanded our Shared Services operations in Nadi,

opening a new office for up to 160 personnel, together with the 100+ personnel we employ in our TTF business at our depot adjacent to Nadi airport.

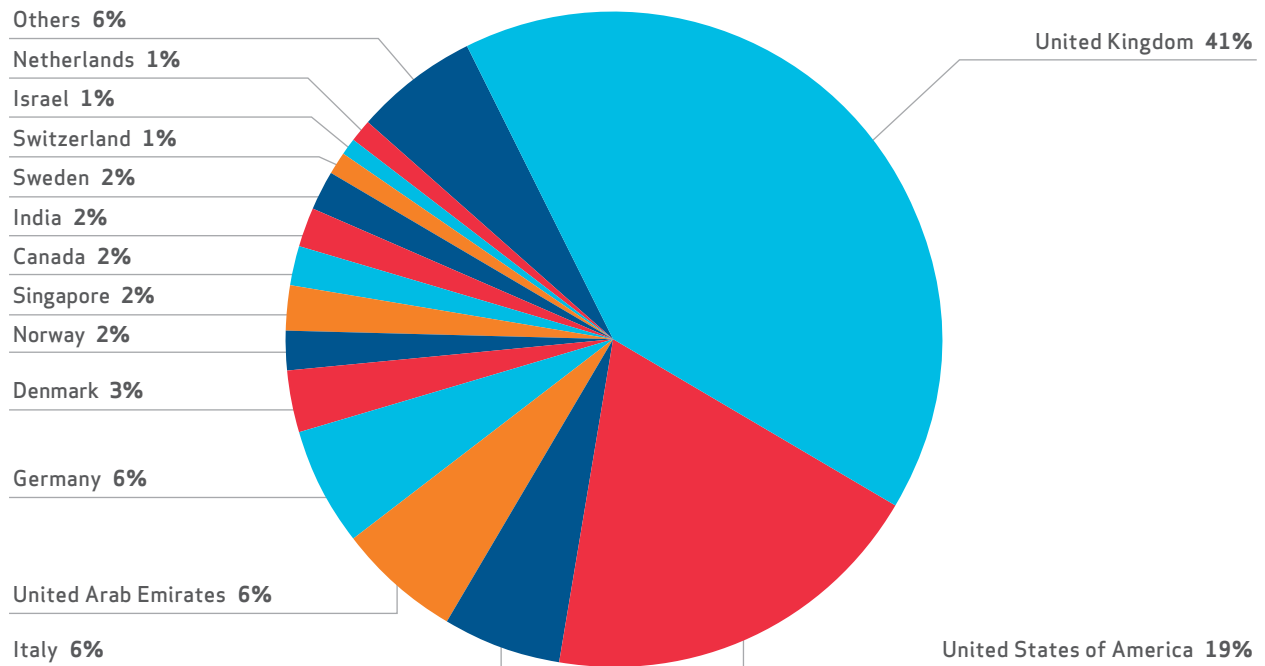
Much of the previous shared services operations located in our Mumbai office have now relocated to Nadi and the quality of staff we have attracted to the business has been extremely good.



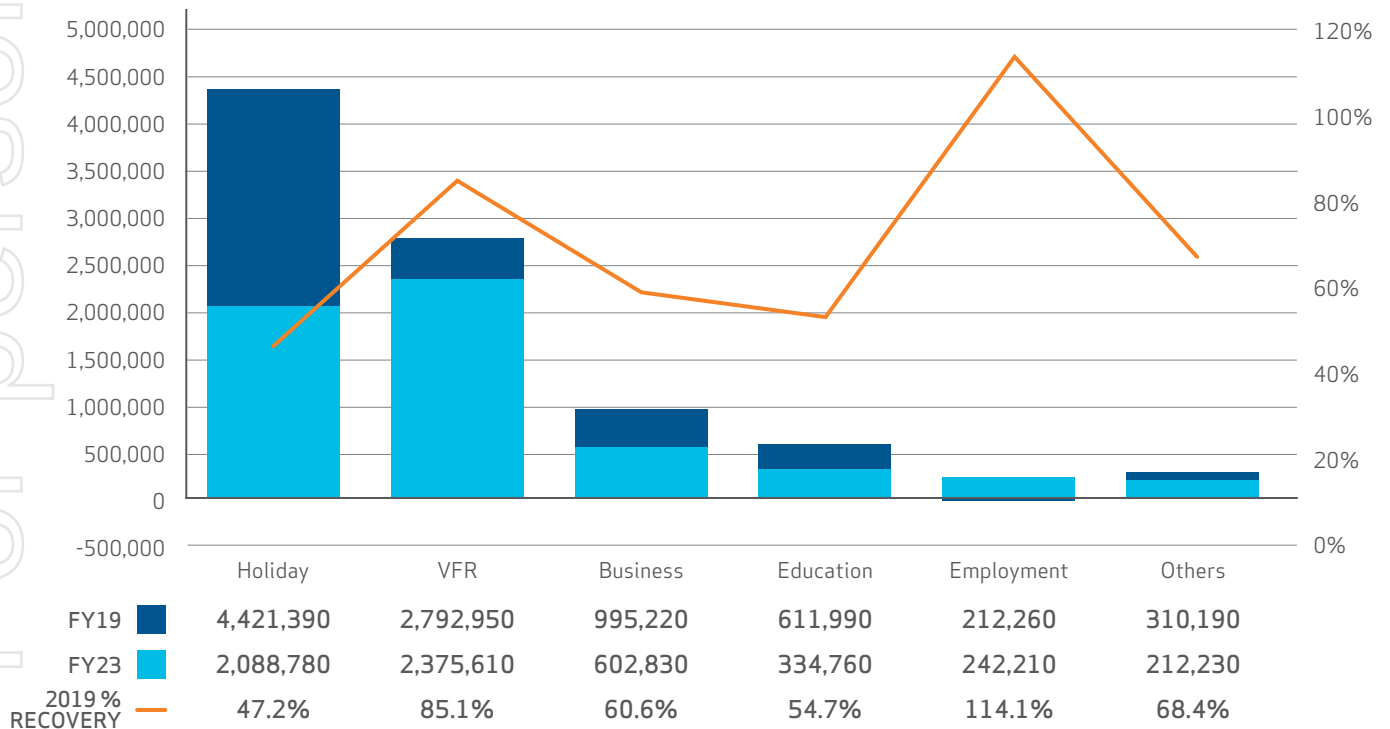
Nadi office.



HELLOWORLD'S INBOUND DIVISION TOP 15 COUNTRIES TRAVELLED IN FY23



PURPOSE OF VISITATION IN FY23



Source: ABS (June 2023 data)

The latest ABS statistics on international arrivals for the 12 months to June 2023 show Holidays at 47.2% of 2019 level. The inbound division of Helloworld has been consistently recording bookings intakes of above 52% for the last few months, outperforming the market as a whole. This is mostly due to the low reliance on business from China we have had in the past and the very timely bounce back of our traditional markets of UK, USA and Europe.

OUR TECHNOLOGY

Helloworld's technologies are an extremely important part of our business and we continue to invest in these technologies to deliver world class outcomes for our agents, wholesale and inbound customers and for travellers to improve service delivery and product offerings.

Helloworld has a suite of sophisticated in-house technologies and systems including ResWorld, our agency mid-office system, Smart Tickets, our Air Tickets booking system, ReadyRooms, our agency accommodation platform and Mango our booking system for Viva Holidays and Go Holidays domestic and international products.

Key developments in the current year include further upgrades and roll-outs of our retail ResWorld mid-office system, with further enhancements slated throughout the year ahead. ResWorld is now deployed in over 140 agencies across Australia and New Zealand with over 600 registered users and we expect this to be more than double over the next 12-18 months.

In March 2023, we announced that we had acquired a stake in Oslo based travel business Australiareiser that has become our launch customer for the ResWorld mid-office system in Europe. This is testament to the investment we have made in this system over the last five years and is now at the point where we can deploy it in other countries. We look forward to rolling it out across Europe and other regions over the coming years.

We have continued to upgrade our Air Tickets booking system, Smart Tickets with many further enhancements. Smart NDC has joined the suite of products within Smart Tickets. Our systems provide a single shopping solution to search and compare the best air offers into one single shopping page as part of the New Distribution Capability being launched by airlines.

At the end of June 2023, we announced the acquisition of the Express Travel Group and in early July 2023 we implemented and rolled-out the Air Tickets ticketing solution in an efficient, seamless, and timely manner to support the on-going ticket requirements of that group's agencies. Our ability to continue to develop bespoke solutions and white-label solutions of the Air Tickets system will continue in the year ahead.

In the Wholesale space we have now rolled out our newly developed Mango system; which is our own front end portal operating off Tourplan NX. This now significantly provides a single system to our networks and creates efficiencies for retail agents in Australia and New Zealand with much greater functionality and a wider array of products. From an operational perspective, having a single system in the wholesale business provides many efficiencies and cost savings to our business, and it enables us to focus on rolling out more enhancements in a timely manner.

Our new ReadyRooms, which is Helloworld's own global accommodation platform, is now fully deployed and has been very well received by our agency networks as we continue to see increased usage. Our dedicated Athens based development team continues to provide enhanced and tailored user functionality, specifically for the agent's needs and requirements.

All of these technologies form a very important part of our future offerings and they will stand the company in a great position to capture opportunities in 2024 and beyond.

Mango

RESWORLD
Powered by **helloworld TRAVEL**

smart tickets
POWERED BY TICKETING WIZARD

ReadyRooms



EXPRESS TRAVEL GROUP



Express Travel Group (ETG) is one of the largest independent travel groups in Australia, originally founded by Thomas Ou as Orient Express Travel Group in 1983. The current CEO, Tom Manwaring, joined in 2000 and took full ownership of the business in 2003. In 2014, the word "Orient" was dropped from the name. The Express Travel Group transaction was completed on 11 August 2023.

The company employs over 100 personnel and its brands include ETG, Express Tickets, Select Travel Group, Independent Travel Group, Independent Travel Advisors, Alatus and i-Talk Travel and Cruise as well as the Creative Cruising cruise wholesale business. In New Zealand, ETG owns and operates the First Travel Group, comprising a franchise network of 51 retail travel agencies and the You Travel brand located throughout New Zealand including the wholesale business Lifestyle Holidays.

The Express Travel Group will continue to service their customers and network members with the existing leadership team, while benefitting from Helloworld's best in market 'Smart Tickets' solution. As the business grows together with Helloworld it is expected that the overall group will deliver stronger commercial outcomes for stakeholders.



PHIL HOFFMANN TRAVEL



Phil Hoffmann Travel is one of the most recognised travel brands in South Australia and has built a reputation of excellence in service since being founded by Phil Hoffmann in 1990. Phil Hoffmann Travel operates from nine locations across South Australia, with over 150 personnel and has experienced strong and consistent growth in its 33 years.

Phil Hoffmann Travel has won the National Tourism Industry award for Best Retail Travel Agency 12 times, first winning in 1994. The existing

management team of Phil Hoffmann and CEO Peter Williams, who has been with Phil Hoffmann Travel for 30 years, are continuing to operate the business and service its customers. Phil Hoffmann Travel operates retail leisure agencies, corporate travel and curated travel groups.

Phil Hoffmann Travel has been an associate member of the Helloworld Group since 2014, with Helloworld acquiring a 40% stake in August 2023.

AUSTRALIAREISER



Australiareiser is the largest specialist wholesaler from Scandinavia to Australia and the South Pacific, headquartered in Oslo with offices in Copenhagen and Stockholm. Australiareiser was founded by CEO Rolf Kjeseth in 2005 and includes brands such as Fijireiser, Private Travel Lab, Gruppe Rundreisder and Workations.

The company is a B2C business employing approximately 20 people and has a strong reputation for delivery of outstanding travel experiences and

service excellence. The company has worked with the existing Helloworld team since 2014 and is a strong partner of the ATS Pacific inbound destination management business.

Helloworld acquired a 34% stake in Australiareiser in April 2023, expanding Helloworld's presence in Europe and enabling Australiareiser to act as the European launch customer of the Helloworld inhouse built mid-office system, ResWorld.

Oslo, Norway



FREIGHT - ENTERTAINMENT LOGISTIX



Our Entertainment Logistix business continued to grow throughout the year and the company now operates over 130 vehicles and trailers specialising in live Entertainment, Theatre, Television and Film Production, and other related fields. Having purchased a further 15% of the business in FY23, Helloworld now owns 85% of the business and the remaining 15% is owned by our partner, David Fox. HLO has invested into the business to acquire new equipment and earlier in FY23 we moved into our new headquarters in Revesby, Western Sydney.

This is a growing and significant part of our business and we are excited by the opportunities this business brings.



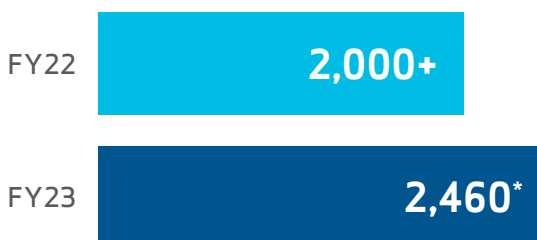
EMPLOYEE NUMBERS (HEADCOUNT)



SUPPLIERS IN OUR WHOLESALE DATABASE



TRAVEL AGENTS AND TRAVEL BROKERS IN THE HELLOWORLD NETWORKS

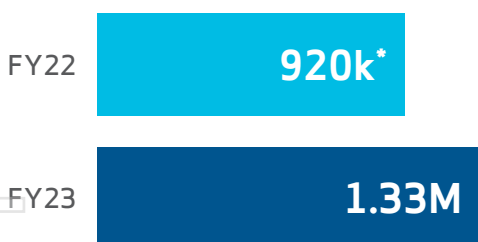


*inc. ETG.

DMC AND INBOUND CUSTOMERS IN -



AIR TICKETS SOLD



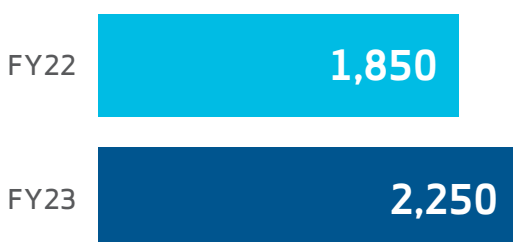
*excl. corporate.

REVENUE & OTHER INCOME



*continuing operations only.

AGENCIES SERVICED BY WHOLESALE AND TRAVEL BROKERS DIVISION



READYROOMS HOTEL SUPPLIERS (RE-LAUNCHED IN FY23)





DIRECTORS' REPORT

The Directors of Helloworld Travel Limited (Helloworld Travel), present their Report together with the Financial Statements of the Consolidated Entity (Group) being Helloworld Travel Limited and the entities that it controlled at the end of, or during, the year ended 30 June 2023 and the Independent Auditor's Report.

The Directors of the Company in office at any time during or since the end of the financial year are as follows:



Garry Hounsell

B Bus, FAICD, FCA

Non-Executive Director and Chairman

Appointment

Garry Hounsell was appointed to the Board and as Chairman from 4 October 2016.

Experience and expertise

Garry has extensive Director experience on a wide range of highly successful Boards. Garry was formerly Senior Partner of Ernst & Young, Chief Executive Officer and Country Managing Partner of Arthur Andersen, a Board member of Freehills (now Herbert Smith Freehills) as well as Deputy Chairman of the Board of Mitchell Communication Group Limited.

Garry was formally a Non-Executive Director of Qantas Airways Limited, Orica Limited and Dulux Group Limited.

Garry is a Fellow of the Australian Institute of Company Directors and a Fellow of Chartered Accountants in Australia and New Zealand.

Other current directorships of listed entities:

- Treasury Wine Estates Limited (since 2012).
- Hiro Brands Limited (formerly Wellness and Beauty Solutions Limited), Chairman (since December 2021).

- Electro Optic Systems Holdings Ltd, Chairman (since November 2022).

Former directorships of listed entities in the last 3 years:

- Myer Holdings Limited (2017 to 2020), Chairman (2017 to 2020).

Other current directorships:

- Commonwealth Superannuation Corporation Limited, Director since 2016 and Chairman from July 2021.
- Findex Group Limited (since January 2020).

Special responsibilities:

- Chairman of the Board.
- Chairman of the Remuneration Committee and Nominations & Governance Committee.
- Member of the Audit & Risk Committee.

Interests in shares:

- A legal and beneficial interest in 153,890 fully paid ordinary shares.



Andrew Burnes, AO

LLB, B Comm. (Melb)

Chief Executive Officer and Managing Director

Appointment

Andrew Burnes was appointed Chief Executive Officer and Managing Director of Helloworld Travel Limited on 1 February 2016.

Experience and expertise

Upon completing degrees in both Law and Commerce at Melbourne University in 1984, Andrew was employed by Blake Dawson Waldron where he completed his articles and worked as a solicitor.

On 1 November 1987, Andrew founded The Australian Outback Travel Company, which later became The AOT Group. After the merger of The AOT Group and Helloworld Travel in January 2016, he was appointed Chief Executive Officer of Helloworld Travel Limited on 1 February 2016.

Andrew was Honorary Federal Treasurer of the Liberal Party of Australia from July 2015 to June 2019.

Andrew was appointed a Director and subsequently Deputy Chairman of Tourism Australia in July

2004 until 2009. He was a Trustee of the Travel Compensation Fund from 2005 to 2009 and a Board member of the Australian Tourism Export Council ('ATEC') from 1998 and National Chairman from 1999 to 2003.

Andrew was made an Officer of the Order of Australia (AO) in the June 2020 Queen's Birthday honours for his distinguished services to business, particularly through a range of travel industries, to professional tourism organisations, and to the community.

Special responsibilities:

- Chief Executive Officer and Managing Director.

Interests in shares:

- A legal and beneficial interest in 10,495,531 fully paid ordinary shares.
- In conjunction with Cinzia Burnes a further beneficial interest in 20,358,287 fully paid ordinary shares.



Cinzia Burnes

Chief Operating Officer and Executive Director

Appointment

Cinzia Burnes, Chief Operating Officer and Executive Director was appointed to the Helloworld Travel Limited Board on 1 February 2016.

Experience and expertise

Cinzia brings extensive sector and management experience to the Board.

In 1982, Cinzia commenced her career in travel and after working as a travel wholesaler in Italy for 9 years she has played a pivotal role over 26 years in growing AOT from a regional safari operator into one of Australasia's leading travel distribution businesses. The AOT Group was privately owned by Andrew and Cinzia Burnes until its merger with Helloworld Travel Limited in February 2016.

Cinzia was a Director of Tourism Victoria from 2013 to 2015. She has also served as a Board member of Health Services Australia from 2005 to 2007 and the Australian Tourist Commission from 2001 to 2004. Cinzia was appointed a Director of Australian Federation of Travel Agents (AFTA) on 14 December 2022.

Special responsibilities:

- Chief Operating Officer and Executive Director.

Interests in shares:

- A legal and beneficial interest in 10,138,014 fully paid ordinary shares.
- In conjunction with Andrew Burnes a further beneficial interest in 20,358,287 fully paid ordinary shares.



Rob Dalton

B Bus, FCA, GAICD

Non-Executive Director

Appointment

Rob Dalton was appointed to the Board on 9 November 2021.

Experience and expertise

Rob's career has spanned over 35 years where he was a Partner at Arthur Andersen from 1995 – 2002 and Senior Partner at Ernst & Young from 2002 – 2019 where he undertook many complex engagements on large Corporations in Australia and overseas, as well as engagements involving transformational change.

Rob provided advice and assurance on mergers, acquisitions and divestments as well as the implementation of Governance frameworks within the Manufacturing, Infrastructure, Consumer Products and Service Organisations.

From January 2020 to April 2022, Rob was the Acting Chief Executive of Sports Australia and the Australian Sports Commission based in

Canberra, where he oversaw 110 National Sporting Organisations providing funding to sports and activity providers to grow participation.

Rob also held the role of Finance Director for Richmond Football Club from 2004 – 2019.

Current directorships of listed entities:

- K&S Corporation Limited (since August 2021), a member of the Audit committee.

Other current directorships:

- Blue Cross Community Care Services Pty Ltd (since 7 June 2022).
- A.G. Thompson Pty Ltd trading as Kookaburra Sport, Chair (appointed 1 January 2022).

Special responsibilities:

- Chairman of the Audit & Risk Committee.
- Member of the Remuneration Committee and Nominations & Governance Committee.



Hon. Martin Pakula

B Economics (Monash University), LLB (Hons) (Monash University), GAICD

Non-Executive Director

Appointment

Hon. Martin Pakula was appointed to the Board on 30 November 2022.

Experience and expertise

Martin served as a Member of the Victorian Parliament for 16 years, from 2006 to 2022. In that time he held a range of ministerial portfolios including Minister for Industry, Minister for Trade, Minister for Industrial Relations, Minister for Public Transport, Attorney General, Minister for Racing, Minister for Innovation, Minister for Jobs, Minister for Business Precincts and Minister for Tourism, Sport and Major Events.

Prior to entering Parliament Martin worked as a solicitor and as a senior trade union official.

Special responsibilities:

- Member of the Audit & Risk Committee, Remuneration Committee and Nominations & Governance Committee.



Leanne Coddington

B Bus, GAICD, FAIM

Non-Executive Director

Appointment

Leanne Coddington was appointed to the Board on 1 February 2023.

Experience and expertise

Leanne has a deep level of experience in the tourism, events and hospitality sectors spanning more than 30 years. As CEO of Tourism and Events Queensland for nine years from 2013 to 2022, Leanne led the strategic positioning of Queensland's tourism and events industry including marketing, global trade distribution, industry and aviation partnerships, event acquisition and experience development. Leanne guided the State's tourism and events industry through the COVID-19 pandemic ensuring it was well positioned as state and international borders reopened. Prior to that, she held Senior

Executive roles with Tourism Queensland including in Destination Partnerships, Strategy and Research and Human Resources. Her early career in hospitality management included Senior Executive roles with the Hyatt Hotel Group. Leanne is also an Adjunct Professor of the University of Queensland Business School.

Special responsibilities:

- Member of the Audit & Risk Committee, Remuneration Committee and Nominations & Governance Committee.

Other current directorships:

- Museum of Brisbane (since February 2020).
- Netball Queensland (since 12 February 2023), Chair (appointed 25 March 2023).



Sylvie Moser

BComm, CPA, FGIA, MBA, LLB, GAICD, LLM

Group Company Secretary

Sylvie joined Helloworld Travel Limited in January 2021 and has more than 30 years finance, commercial, management and corporate experience across a number of industries. Sylvie held roles of Group Financial Controller and Company Secretary with a number of unlisted companies where she led the finance, corporate governance and risk areas.

Prior to joining Helloworld, Sylvie was most recently CFO/Company Secretary and Legal Counsel of a dual listed mining exploration company, providing strategic and commercial leadership in finance, governance compliance and risk management.

Sylvie is an experienced governance professional, Chartered Secretary, a Solicitor and a Certified Practising Accountant.



Andrew Finch

Non-Executive Director

Appointed 1 January 2017, resigned 9 November 2022.

DIRECTORS' MEETINGS

During the year, 11 meetings of the Board, five meetings of the Audit & Risk Committee, four meetings of the Remuneration Committee and two meetings of the Nominations & Governance Committee were held.

Attendance at Board and Board Committee meetings during FY23 is set out in the table below:

DIRECTOR	Board		Audit & Risk Committee		Remuneration Committee		Nominations & Governance Committee	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
Garry Hounsell	11	11	5	5	4	4	2	2
Andrew Burnes, AO	11	11	5	5	4	4	2	2
Cinzia Burnes	11	11	5	5	4	4	2	2
Rob Dalton	11	10	5	4	4	4	2	2
Hon. Martin Pakula – (appointed 30 November 2022)	8	8	3	3	3	3	2	2
Leanne Coddington – (appointed 1 February 2023)	6	5	2	1	3	3	1	-
Andrew Finch (resigned 9 November 2022)	3	3	2	2	3	3	-	-

Held: Indicates the number of scheduled and ad-hoc meetings held during the period the Director was a member of the Board and/or Committee or was invited to attend.

Attended: Indicates the number of scheduled and ad-hoc meetings attended by the Director during the period the Director was a member of the Board and/or Committee or attended by invitation.

COMMITTEE MEMBERSHIP

At the date of this report, the Company has an Audit & Risk Committee, a Remuneration Committee and a Nominations & Governance Committee of the Board.

During the year, the members of the Committees were:

AUDIT & RISK COMMITTEE

Rob Dalton (Chairman)

Garry Hounsell

Hon. Martin Pakula, appointed 30 November 2022

Leanne Coddington, appointed 1 February 2023

Andrew Finch, resigned effective 9 November 2022

REMUNERATION COMMITTEE

Garry Hounsell (Chairman)

Rob Dalton

Hon. Martin Pakula, appointed 30 November 2022

Leanne Coddington, appointed 1 February 2023

Andrew Finch, resigned effective 9 November 2022

NOMINATIONS & GOVERNANCE COMMITTEE

Garry Hounsell (Chairman)

Andrew Burnes, AO

Cinzia Burnes

Rob Dalton

Hon. Martin Pakula, appointed 30 November 2022

Leanne Coddington, appointed 1 February 2023

Andrew Finch, resigned effective 9 November 2022

RETIREMENT IN OFFICE OF DIRECTORS

In accordance with the Company's Constitution and the ASX Listing Rules, Garry Hounsell, being the longest serving Director will retire by rotation and, being eligible, offers himself for re-election at the 2023 Annual General Meeting. The Hon. Martin Pakula and Leanne Coddington both having been appointed to the Board since the 2022 Annual General Meeting, stand for election at the 2023 Annual General Meeting.

DIVIDEND

The Board declared that the Company will pay a fully franked final dividend of 6 cents per share, with a planned payment date of 22 September 2023.

EARNINGS PER SHARE

On a continuing operations basis, basic earnings per share and diluted earnings per share was 12.4 cents and in the prior year an 18.1 cents loss.

PRINCIPAL ACTIVITIES

The principal activities during the year of the entities in the Group were the selling of international and domestic travel products and services, the operation of retail distribution networks of travel agents and specialised freight operations.

Helloworld Travel is a leading Australian and New Zealand travel distribution company comprising retail distribution travel networks, destination management services (for inbound into Australia, New Zealand and South Pacific travel), air ticket consolidation, wholesale leisure services (domestic and international), accommodation management operations and online operations, and freight and coach operations.

Helloworld's retail distribution operations include Helloworld Travel, Australia and New Zealand's largest network of branded and co-branded franchised travel agents, Magellan Travel, Helloworld Business Travel, My Travel Group, NZ Travel Brokers and our 50% investment in MTA (Mobile Travel Agents).

Helloworld's wholesale travel businesses in Australia include Viva Holidays, Ultimate Journeys, ReadyRooms, and in New Zealand includes Go Holidays and Williment Travel.

Helloworld's inbound operations in Australia, New Zealand and Fiji include AOT, ATS Pacific and ETA while our freight and coach operations businesses include TTF Fiji and Entertainment Logistix.

Helloworld Travel's main business operations are located in Australia, New Zealand and Fiji.

HELLOWORLD RETAIL NETWORKS

Helloworld Travel Group has emerged from the COVID-19 pandemic with most of its business intact, although smaller. On 11 August 2023, Helloworld announced completion of the acquisition of Express Travel Group; this taking our total agency and broker networks to over 2,460, throughout Australia and New Zealand.

Golden Gate Bridge, San Francisco, USA



OPERATING AND FINANCIAL REVIEW

SUMMARY OF RESULTS

	For the year ended 30 June 2023 \$'000's	For the year ended 30 June 2022 \$'000's	Change \$'000's	Change %
Total Transaction Value (TTV)	2,568,866	1,077,289	1,491,577	138.5%
Revenue and other income	165,914	69,270	96,644	139.5%
Expenses	(128,112)	(79,828)	(48,284)	60.5%
Equity accounted profit/(loss)	1,981	(73)	2,054	-
Underlying EBITDA profit/(loss)	44,119	(10,631)	54,750	-
Underlying EBITDA margin %	26.6%	(15.3%)	-	-
EBITDA profit/(loss)	39,783	(10,631)	50,414	-
EBITDA margin %	24.0%	(15.3%)	-	-
Depreciation and amortisation	(18,023)	(22,747)	4,724	-20.8%
Interest expense	(703)	(2,721)	2,018	-74.2%
Profit/(loss) before income tax from continuing operations	21,057	(36,099)	57,156	-
Income tax benefit/(expense)	(1,872)	7,314	(9,186)	-
Profit/(loss) after income tax from continuing operations	19,185	(28,785)	47,970	-
Total profit/(loss) after tax from discontinued operations	(1,822)	118,631	(120,453)	-
Profit/(loss) after tax for the year	17,363	89,846	(72,483)	-80.7%
Profit/(loss) attributable to the owners of Helloworld Travel Limited	17,375	90,527	(73,152)	-80.8%
	For the year ended 30 June 2023 Cents	For the year ended 30 June 2022 Cents	Change Cents	Change %
Basic earnings/(loss) per share				
Continuing operations	12.4	(18.1)	30.5	-
Discontinuing operations	(1.2)	76.5	(77.7)	-
Diluted earnings/(loss) per share				
Continuing operations	12.4	(18.1)	30.5	-
Discontinuing operations	(1.2)	76.5	(77.7)	-
Interim dividend per share	2.0	-	2.0	-
Final dividend per share	6.0	10.0	(4.0)	-

Total Transaction Value (TTV) does not represent revenue in accordance with Australian Accounting Standards and is not subject to audit. TTV represents the price at which travel products and services have been sold across the Group, as agents for various airlines and other service providers, plus revenue from other sources. The Group's revenue is, therefore, derived from TTV. TTV does not represent the Group cash inflows as some transactions are settled directly between the customer and the supplier.

Earnings Before Interest Expense, Taxation, Depreciation and Amortisation (EBITDA) is a financial measure which is not prescribed by Australian Accounting Standards and is not subject to audit.

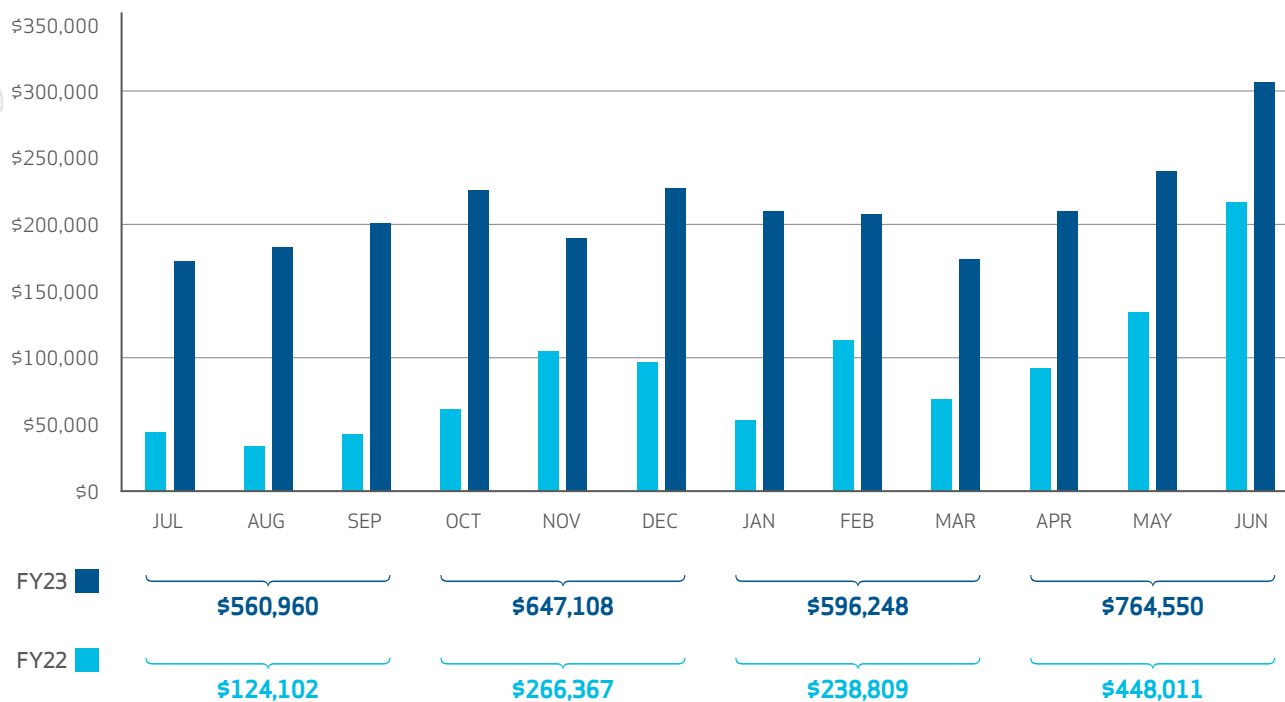
Underlying EBITDA represents EBITDA excluding significant items. Underlying EBITDA is a financial measure which is not prescribed by Australian Accounting Standards but is the measure used by the Chief Executive Officer (CEO) and the Board to assess the financial performance of the Group and operating segments and is not subject to audit.

A reconciliation of Underlying EBITDA to profit/(loss) before income tax expense is provided in note 2.3: Segment Information.

Underlying EBITDA margin has been calculated as Underlying EBITDA as a percentage of total revenue.

EBITDA margin has been calculated as EBITDA as a percentage of total revenue.

TOTAL TRANSACTION VALUE (TTV) FOR CONTINUING OPERATIONS (\$'000'S)



Venice, Italy





London, England

YEAR IN REVIEW

OVERVIEW OF RESULTS

Helloworld Travel's financial results for the year ended 30 June 2023 reflect a continuing post-pandemic recovery with significant year-on-year growth and all business units returning to profitability. Strong demand from travellers, the removal of border restrictions and increasing supply and capacity; along with our resilient retail network, expanding product portfolio and leading proprietary systems, underpinned the Company's strong result for the 12 months.

Helloworld's key financial results for the year ended 30 June 2023 (FY23) compared with the prior year ended 30 June 2022 (FY22) on a continuing operations basis are:

- Total Transaction Value (TTV) for the full year was \$2.569 billion, compared to \$1.077 billion in FY22. This represents a \$1.492 billion, or 138.5% increase on the prior year.
- Revenue and other income increased to \$165.9 million up from \$69.3 million, an improvement of 139.5% on the prior year.
- Ongoing cost control, whilst continuing to invest for future growth, remained a critical focus for management. Employee costs grew 16.1% year-on-year compared to total revenue growth of 139.5%.
- Share of profits of equity accounted investments for FY23 was \$2.0 million on the back of a solid recovery by MTA. This result compares to a \$0.1 million loss in the prior year.
- Continued investment in the development and enhancement of our proprietary mid-office system for retail agency networks (ResWorld) and our other B2B technology solutions (Mango, ReadyRooms and Smart Tickets).

- Underlying EBITDA for FY23 was \$44.1 million, a significant improvement from the prior year, which saw an underlying EBITDA loss of \$10.6 million. The underlying EBITDA margin for FY23 was 26.6%.
- Profit before income tax of \$21.1 million, representing a \$57.2 million improvement on the prior year.
- Profit after tax of \$19.2 million, compared to an FY22 loss of \$28.8 million.

SHAREHOLDER RETURNS

The Board declared that the Company will pay a final dividend of 6 cents, fully franked, with a planned payment date of 22 September 2023. This follows a 2 cent interim dividend that was paid on 23 March 2023.

Helloworld's basic and diluted earnings per share on a continuing operations basis for FY23 was 12.4 cents, compared to a loss per share of 18.1 cents in FY22 on a continuing operations basis.

LIQUIDITY AND FUNDING

As at 30 June 2023, the Group held total cash of \$160.9 million compared with \$122.5 million at 30 June 2022.

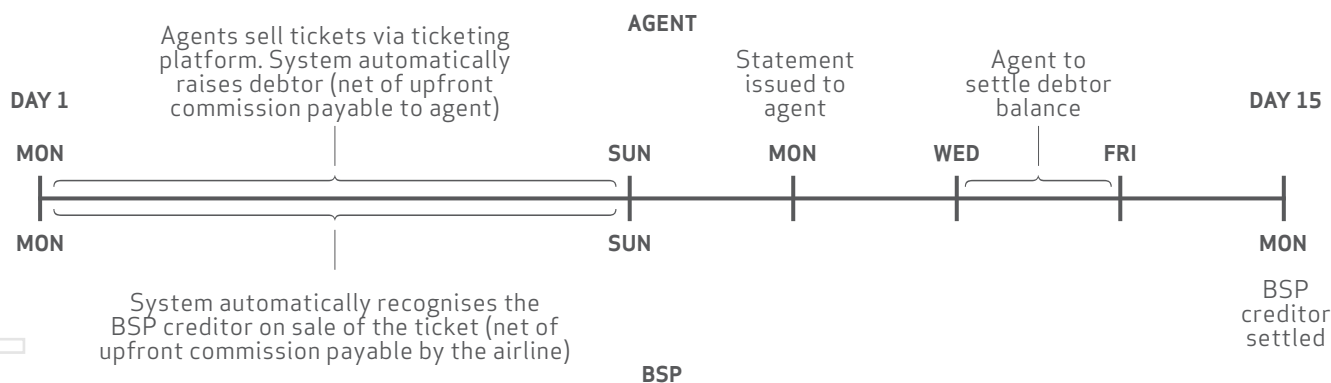
The Company continues to hold shares in ASX listed Corporate Travel Management (ASX: CTD) valued at \$32.9 million at 30 June 2023. Helloworld received CTD shares as part of the consideration upon divestment of the corporate travel management business in FY22.

Further, Helloworld has no external bank debt at balance date.

OUTLOOK & ECONOMIC SUSTAINABILITY

Helloworld continues to be exposed to a range of business, social sustainability and economic risks to which it seeks to alleviate any significant exposure to its operations through a variety of measures implemented in line with its risk management framework.

ILLUSTRATIVE EXAMPLE OF THE BSP CYCLE



The timeline above presents the weekly IATA Billing and Settlement Plan ("BSP") payment cycle associated with the sale and purchase of airline tickets, a major part of Helloworld's operations. Helloworld's accounting system automatically recognises a receivable due from agents and a payable owing to the airlines when a ticket is sold. Agents typically settle ticket sales for the prior Monday to Sunday on a Wednesday. Helloworld is required to settle the IATA BSP account on the Monday following receipt of those funds. The month end and year end net BSP cash balance varies considerably depending on the day of the week on which the month end / year end falls.

BUSINESS RISKS

Helloworld is not exempt from exposure to business risks, however, there are structures and procedures in place to manage and mitigate these risks. The Audit & Risk Committee has responsibility for reviewing material risks faced by the Company.

The Executive Management Team (EMT) meets regularly to review the significant risks faced by Helloworld. Every effort is made to identify and manage these material risks; however, risks not currently known or listed may also adversely affect future performance of the Group.

Economic risk

Helloworld understands that travel is impacted by the affects of key economic risks, such as recession, currency movements, interest rates, and consumer confidence. In this economic environment these remain a challenge.

Changes in employment levels and labour costs, affect the cost structure of the Group. Despite these risks, the Company looks to an improving long term growth trend resulting from continued willingness to travel more freely. Helloworld offers a range of global travel destinations and related products which allows for quick response to changes in demand based on changing economic conditions.

Further details as to how the Company is managing its key environmental, social and governance risks which may impact on the business are set out in the Company's Corporate Social Responsibility page on the Company's website (www.helloworldlimited.com.au/company-overview).

Supplier risk

Helloworld's supply chain comprises many travel providers and intermediaries. Credit risk in this supply chain increases in uncertain economic environments. Any interruption in the Group's relationship with suppliers or the failure of a supplier to honour contractual obligations could result in adverse reputational impacts on Helloworld Travel, and potentially affect operations and financial performance of Helloworld.

Customer risk

Any disruption in international and domestic travel will aggravate customer travel plans.

Human resources risk

The Group relies on the experience of its Directors, Senior Management and employees. The loss of key personnel or an increase in staff turnover could affect the performance of the Group's business and compromise its growth forecast.

Cost management and the ongoing shortage of candidates could impact the operations and the Group's ability to retain quality employees, operate the business in the ordinary course, manage operational risks and optimise on the rebound in the travel sector.

While the Group has processes in place to ensure compliance with applicable labour laws, the overlap of workplace agreements, awards and industrial relations rules can give rise to risks of breaches in the countries in which the Group operates.

Growth strategy execution and business model disruption

The state of the Australian and global economies may impact Helloworld's ability to drive growth.

Regulatory risk

Regulatory action against the Group under legislation and government policy may have a detrimental impact. For instance; the Group, as a retailer of travel and travel-related products, engages in large promotional and advertising campaigns and processes employees' and customers' personal information. Any regulatory scrutiny, media attention or any action taken against the Group in any location where it operates, could be harmful to the reputation of the Group including its operating and financial performance.

Legislative changes could immediately affect consumer demand and attitude towards international or domestic travel.

Climate change and social sustainability

Transitioning to a lower-carbon economy will require policy, legal, technology and market changes to address these. Physical risks resulting from climate change could be event driven with longer-term shifts in global climate patterns creating financial implications for Helloworld Travel.

Helloworld Travel recognises the potential environmental and social impact that tourists have on destinations in Australia and internationally, we

are committed to a range of initiatives integrating sustainability in the business. In each region that we operate, we aim to reduce our environmental footprint across every aspect of our business.

We are aware that the activities of our value chain also have an impact on the environment. Our approach is to ensure our long-term sustainability drives innovation in travel solutions to assist our clients and networks to achieve their own sustainability goals.

By combining innovative thinking with long-term planning and collaboration, we will strive to balance economic drivers with environmental, social and governance sustainability initiatives for the benefit of all our stakeholders.

Helloworld continues to work towards improving oversight and management of sustainability issues and risks over the long term.

Business systems risk

Helloworld Travel relies on the performance, reliability and availability of its information technology, communication and other business systems. Any damage or failure to Helloworld's key systems could result in disruptions to its business (especially its online services). Any failures of, or malicious attacks on Helloworld Travel's business systems or compromise to the security of data (including personal information) held by the company may similarly impact Helloworld Travel's business and its reputation. The financial penalties attached to data breaches are generally sizable and could have an adverse effect on the reputation and the financial performance of the Group.



Financial risk

Access to capital is a fundamental requirement to achieve the Group's business objectives and to meet its financial obligations.

The difficulty in maintaining a strong balance sheet or securing new capital or credit facilities (from time to time) at competitive market rates could affect the Group's operational and financial performance and cause difficulty in meeting its ongoing liquidity requirements.

Developments in global financial markets due to the continued impact and the uncertainty created by Russia's war with Ukraine may adversely affect the liquidity of global credit markets and the Group's ability to access those markets, which could impact Helloworld's future financial performance and position.

Agent network closure

Helloworld Travel's agency networks are a vital part of the business and a reduction in its agency network may adversely impact Helloworld Travel's brand and ability to generate sales and increase sales in its retail division.

This risk is managed by the size of the agent network, the geographic spread and the continued focus on the management, mentoring and engagement with our franchise and buying group members.

PEOPLE

At 30 June 2023, Helloworld Travel has 620 employees (2022: 522), comprising 598 full-time equivalent employees. Of the total number of employees across the Group at year end 60% (2022: 51.8%) are female.

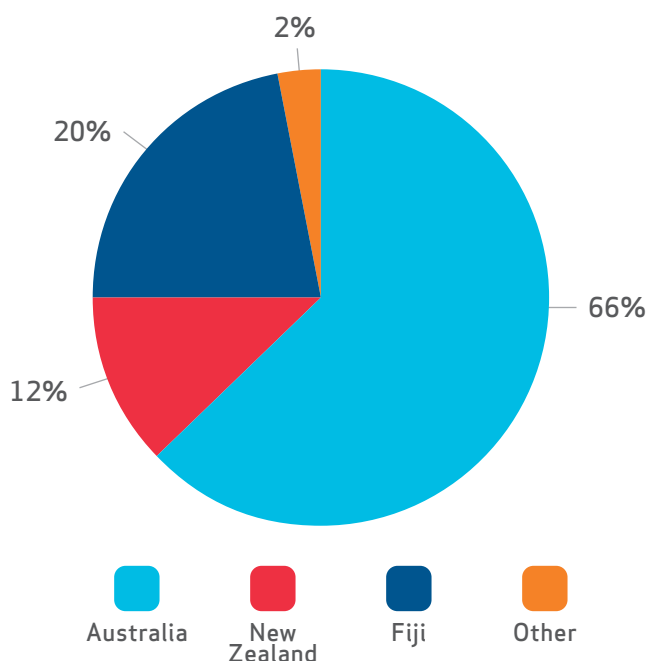


Jungfrau, Switzerland

Employee expenditure for the year ended 30 June 2023 was \$53.0 million up \$7.4 million or 16.1% on the prior year. This growth reflects Helloworld's recovery post-pandemic.

The majority of the Group's employees are based in Australia, however, the Group has employees in other countries.

The FTE breakdown by country as at 30 June 2023 is below:



CAPITAL STRUCTURE

At 30 June 2023, Helloworld Travel had 155,027,845 shares on issue of which the Executive Directors, Andrew Burnes and Cinzia Burnes, along with their direct related entities, own 26.44%. Sintack Pty Limited and its associates hold 13.31% and FIL Limited holds 9.34% with the remaining 50.91% being held by other shareholders including management.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 26 July 2023, Helloworld shareholders approved the acquisition of Express Travel Group (ETG), one of the largest groups of independent travel agencies in Australia and New Zealand. Completion of the acquisition occurred on 11 August 2023.

On 2 May 2023, Helloworld announced it had agreed to acquire a 40% stake in Adelaide based travel agency business Phil Hoffmann Travel (PHT). Completion of the transaction occurred on 25 August 2023.

During the year ended 30 June 2019, the Group entered into a commercial agreement with Gilpin Travel for the distribution of travel products. As part of the agreement, Helloworld granted the shareholders of Gilpin Travel a put option to sell 100% of the business (excluding that part of the Gilpin Travel business which operates under the CWT licence). The contracted purchase price is a set multiple of the EBITDA for the financial year immediately preceding the exercise of the put option. The put option notice period is 1 January 2021 to 31 December 2025. The put option was priced at fair value and accordingly no put option derivatives has been recognised. On 17 July 2023, the put option was exercised by the shareholders of Gilpin Travel. The transaction has not yet settled and therefore the Group do not control Gilpin Travel at the date of this financial report.

Directors declared a 6 cent per share fully franked dividend to be paid on 22 September 2023.

With these exceptions, the Directors are not aware of any further matter or circumstance that has arisen since 30 June 2023 and the date of signing of this report that has significantly, or may significantly, affect the operations of the Group, the results of the operations of the Group or the state of the Group's affairs in future financial years.

LIKELY DEVELOPMENTS

In the opinion of the Directors, it would prejudice the interests of the Group to provide additional information, except as described in this report, relating to likely developments in the operations of the Group in subsequent financial years.

REGULATION

The Group's operations are not subject to any significant environmental regulations under Commonwealth or State legislation.

Helloworld Travel is an accredited member of the International Air Transport Association (IATA). Ongoing accreditation allows the company to sell international and/or domestic airline tickets on behalf of IATA member airlines. It also allows access to IATA's Billing and Settlement Plan (BSP), which is an efficient interface for invoicing and payment between the travel agent and airlines.

INDEMNIFICATION AND DIRECTORS AND OFFICERS INSURANCE

Indemnification

The Company has agreed to indemnify the Directors and Executive Officers (or former Directors or Executive Officers) of the Company against

- (a) any liability (other than for legal costs) incurred by the Director or executive officer;
- (b) any legal costs reasonably incurred by the Director or Executive Officer in connection with;
 - (i) any claim brought against or by the Director or Executive Officer of the Company; or
 - (ii) any investigative proceeding, including (without limitation) in obtaining legal advice for the purposes of responding to, preparing for or defending any of the above; and
- (c) any legal costs reasonably incurred by the Director or Executive Officer in or in connection with the discharge of the Director or Executive Officer's duties as an Officer of the Company, provided that the advice is obtained in accordance with the Board Charter which requires approval from the Chairman who will facilitate the obtaining of the advice and, where appropriate, disseminate the advice to all Directors.

In accordance with its Constitution the Company, to the maximum extent permitted by law, indemnifies each Director and Group Company Secretary of Helloworld against any liability incurred by that person as an officer of the Company. Liabilities covered include legal costs that may be incurred in defending civil or criminal proceeding that may be brought against the officers in their capacity as officers of the Company or its controlled entities.

Directors and Officers Insurance

During the year, Helloworld paid a premium for Directors' and Officers' liability insurance policies, which cover all Directors and Officers of Helloworld. Details of the amount of premium paid in respect of the Directors' and Officers' liability insurance has not been disclosed as, in accordance with normal commercial practice, such disclosure is prohibited under the terms of the contract.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

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LETTER FROM THE REMUNERATION COMMITTEE CHAIRMAN

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to submit the Remuneration Report for the financial year ended 30 June 2023 for Helloworld Travel Limited (the Group).

GROUP PERFORMANCE AND REMUNERATION OUTCOMES IN 2023

As is evident from the Group's financial results, FY23 shows a marked improvement in travel after nearly three years of disruption that resulted from the COVID-19 pandemic. Since the lifting of the exceptional travel restrictions that were implemented to control the COVID-19 pandemic, there has been a rebound in the demand for travel. Our team continue to work tirelessly to meet the demands of customers in the post-pandemic world.

In the context of Helloworld's KMP remuneration, while the total remuneration has increased in FY23, shareholders should note the improvement in the Group's total transaction value (TTV), revenues and profits; which are the key drivers for shareholder returns, these materially surpass the growth in KMP remuneration.

Following a comprehensive review and given the need to retain key executive talent in a competitive global travel market, the CEO/Managing Director and the Chief Operating Officer/Executive Directors' salaries were reviewed and increased to their pre COVID-19 levels. Reflective of the Group's strong financial and non-financial performance the CEO/Managing Director and the Chief Operating Officer/Executive Director, were awarded short-term incentive payments (STI) for their continued leadership and superior performance in the completion of the CTM transaction. There were no LTIP shares allocated to executive KMP in FY23. The Board will continue to review the remuneration of key executives to ensure that it remains aligned to our strategy and markets in which we compete for talent. Non-Executive Director fees were returned to pre COVID-19 levels in FY23.

The Board was pleased to welcome the Hon. Martin Pakula (30 Nov 2022) and Leanne Coddington (1 Feb 2023) as new independent Non-Executive Directors. We will seek shareholder approval for their appointment at the 2023 Annual General Meeting.

The Board was pleased to welcome Peter Crinis (3 July 2023) in the position of Chief Commercial Officer.

The Board thanks you for your continued support of the remuneration policies and practices adopted by the Company and recommends the Remuneration Report to you and asks that you vote in favour of this Report at our 2023 Annual General Meeting.

Yours faithfully,



Garry Hounsell

Chairman of the Remuneration Committee
Chairman of Helloworld Travel Limited
28 August 2023

REMUNERATION REPORT (AUDITED)

This 2023 Remuneration Report outlines the remuneration arrangements for the KMP of the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

The report contains the following sections:

1 REMUNERATION GOVERNANCE & FRAMEWORK

- 1.1 Persons to whom this report relates
- 1.2 Remuneration governance
- 1.3 Executive KMP remuneration framework
- 1.4 Executive remuneration mix

2 EXECUTIVE REMUNERATION

- 2.1 Group performance and remuneration outcomes for 2023
- 2.2 Executive remuneration
- 2.3 Long Term Incentive Plan (LTIP)
- 2.4 Executive shareholdings
- 2.5 Executive service agreements
- 2.6 Transactions with Key Management Personnel

3 NON-EXECUTIVE DIRECTOR REMUNERATION

- 3.1 Non-Executive Director remuneration governance
- 3.2 Non-Executive Director remuneration structure
- 3.3 Non-Executive Director remuneration
- 3.4 Non-Executive Director shareholdings

1 REMUNERATION GOVERNANCE & FRAMEWORK

1.1 PERSONS TO WHOM THIS REPORT RELATES

This report covers the remuneration arrangements for the KMP of the Group. KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise). For the purposes of this report, the term 'executive' encompasses the Executive Directors and the Executive KMP.

Directors and Executive KMP disclosed in this report are:

NAME	POSITION
NON-EXECUTIVE DIRECTORS	
Garry Hounsell	Chairman and Non-Executive Director
Rob Dalton	Non-Executive Director
Hon. Martin Pakula (<i>appointed effective 30 November 2022</i>)	Non-Executive Director
Leanne Coddington (<i>appointed effective 1 February 2023</i>)	Non-Executive Director
Andrew Finch (<i>resigned effective 9 November 2022</i>)	Non-Executive Director
EXECUTIVE DIRECTORS	
Andrew Burnes, AO	Chief Executive Officer and Managing Director
Cinzia Burnes	Chief Operating Officer and Executive Director
EXECUTIVE KMP	
Michael Smith	Chief Financial Officer
Chris Hunter	General Manager – New Zealand
Nic Cola (<i>resigned 31 March 2023</i>)	Group General Manager – Retail & Digital Transformation
Peter Crinis (<i>appointed effective 3 July 2023</i>)	Chief Commercial Officer

1.2 REMUNERATION GOVERNANCE

The Remuneration Committee of the Board is responsible for reviewing and assessing the remuneration policies and making recommendations to the Board in respect of Director and Executive KMP remuneration in line with current market conditions. The overall objective is to ensure maximum stakeholder benefit whilst retaining high performing Directors and Executive KMP. Garry Hounsell (Chairman), Rob Dalton, and Hon. Martin Pakula and Leanne Coddington, from their appointment, were the members of the Remuneration Committee during the year.

Under the terms of the Remuneration Committee Charter, the majority of the Committee members must be independent Directors and the Chair of the Committee must be an independent Director. All members of the Committee are Non-Executive Directors.

To ensure the Committee is fully informed when making decisions on remuneration, it may seek external remuneration advice. No external consultants were engaged in FY23.

1.3 EXECUTIVE KMP REMUNERATION FRAMEWORK

The Group aims to reward Executive KMP with a level and mix of remuneration commensurate with their position and responsibilities within the Group and to reflect their level of experience and performance.

The remuneration framework for Executive KMP embodies the following principles:

- provide competitive rewards to attract and retain high calibre executives;
- have a portion of executive remuneration 'at risk,' dependent upon meeting pre-determined performance benchmarks;
- directly linking executive rewards to shareholder value; and
- establish appropriate, demanding performance hurdles in relation to variable executive remuneration.

To achieve these principles, the remuneration arrangements of the CEO and Executive KMP's are made up of one or more of the following elements:

Fixed Annual Remuneration (FAR)

Set to attract, retain and motivate the right talent to deliver on the Group's strategy, the Board takes into account individual performance, skills, expertise and experience as well as external benchmarking to determine executives' fixed remuneration.

Executives may receive their FAR in a variety of forms including cash and fringe benefits. It is intended that the manner in which FAR is paid will be optimal for the recipient without creating extra cost for the Group.

Short Term Incentive (STI) ('at risk' remuneration)

Short term 'at risk' components are linked to achievement of individual and the Group's KPI's.

During the 2023 financial year, the CEO/Managing Director and Chief Operating Officer/Executive Director received an STI payment for their continued leadership and superior performance in the completion of the CTM transaction.

Long Term Incentive (LTIP) ('at risk' remuneration)

No new LTIP programs have been implemented in FY23 for KMP.

1.4 EXECUTIVE REMUNERATION MIX

The Board aims for balance between the components that make up remuneration to attract and motivate talented individuals while linking pay to performance, thereby enticing executives to achieve results beyond the standard expected in the normal course of ongoing employment, thereby contributing to and delivering on the Group's strategy.

Sanur, Bali

2 EXECUTIVE REMUNERATION

2.1 GROUP PERFORMANCE AND REMUNERATION OUTCOMES FOR 2023

The table below provides relevant Group performance information for the key financial measures over the last three years:

	2023 \$'000	2022 \$'000	2021 \$'000
Profit/(loss) after income tax from continuing operations	19,185	(28,785)	(39,552)
Profit/(loss) attributable to the owners of Helloworld Travel Limited	17,375	90,527	(35,496)

	2023	2022
Basic earnings/(loss) per share (EPS cents) ⁽ⁱ⁾	12.4	(18.1)
Total dividends declared (cents per share)	8.0	10.0
Opening share price at 1 July (\$)	1.69	1.67
Closing share price at 30 June (\$)	2.71	1.69
Total shareholder return ⁽ⁱⁱ⁾ (%)	65.09	7.19

(i) Based on continuing operations only.

(ii) TSR factors in capital growth and dividends, being closing share price less opening share price plus dividend divided by opening share price.



2.2 EXECUTIVE REMUNERATION

	Short term benefits			Long term benefits	Post-employment benefits	Total (\$)
	Salary (\$)	Other ¹ (\$)	Annual Leave ² (\$)	Long Service Leave ² (\$)	Superannuation (\$)	
A Burnes (CEO and Managing Director)						
2023	848,462	500,000 ¹	32,632 ⁴	35,581 ⁴	25,292	1,441,967
2022	580,769	-	93,528 ⁴	20,368 ⁴	23,568	718,233
C Burnes (Chief Operating Officer and Executive Director)						
2023	759,284	500,000 ¹	109,195 ⁴	28,651 ⁴	25,292	1,422,422
2022	524,039	-	110,219 ⁴	20,374 ⁴	23,568	678,200
M Smith (CFO)						
2023	475,000	2,060 ¹	23,316 ²	8,196 ²	25,292	533,864
2022	73,077	1,049 ¹	4,209 ²	1,000 ²	5,892	85,227
C Hunter (General Manager - New Zealand) A\$ equivalent ³						
2023	228,924	-	14,607	-	6,589	250,120
2022	175,037	-	8,708	-	9,352	193,097
FORMER KMP (Not considered KMP for FY23)						
D Hall (CFO and Group Company Secretary)						
2022	255,769	254,722	(1,000) ²	4,725	18,699	532,915
N Cola (Group General Manager - Retail and Digital Transformation) (Resigned 31 March 2023)						
2023 (1 Jul 22 - 31 Mar 23)	311,279	-	9,741	(4,898)	20,262	336,384
2022	258,462	4,748	7,574	4,641	22,906	298,331
R Moss (General Manager - Government Services) (Role transferred to CTM post sale of Corporate business effective 31 March 2022)						
2022	216,538	505,359	3,063	9,548	19,707	754,215
2023 TOTAL	2,622,949	1,002,060	189,491	67,530	102,727	3,984,757
2022 TOTAL	2,083,691	765,878	226,301	60,656	123,692	3,260,218

1. Other represents car parking grossed up for FBT and two STI payments. The STI payments to A Burnes and C Burnes for their continued leadership and superior performance in the completion of the CTM transaction.
2. Annual leave and long service leave represents the movement in provision balances. The accounting value may be negative, for example, where a KMP leave balance decreases as a result of taking more leave than the leave entitlement accrued during the year. Annual leave and long service leave includes movements in and the revaluation of the total entitlement reflecting salary increments during the period.
3. Payments made to C Hunter are in New Zealand dollars and are converted into Australian dollars at the annual average exchange rate.
4. Annual leave and long service leave provision movements for A Burnes and C Burnes include the uplift arising from remuneration increments.

2.3 LONG TERM INCENTIVE PLAN (LTIP)

A loan based LTIP was established during 2017. The overall objectives of the LTIP was to lock in key employees for an extended period, whilst at the same time, incentivising them to generate superior long term returns to our shareholders.

No shares have been issued or allocated to KMP under this loan based LTIP during the current 2023 financial year (2022: nil).

2.4 EXECUTIVE SHAREHOLDINGS

The number of shares in the Company held during the financial year by Executive Directors of the Group, including their personally related parties, is set out below:

EXECUTIVE	Number of shares at 30 June 2023	Number of shares at 30 June 2022
Andrew Burnes	10,495,531	10,495,531
Cinzia Burnes	10,138,014	10,138,014
The Burnes Group Pty Limited as trustee for The Burnes Group Service Trust	20,348,287	20,348,287
Longbush Nominees Pty Ltd as trustee for the Burnes Superannuation Fund	10,000	10,000
TOTAL	40,991,832	40,991,832

Andrew Burnes and Cinzia Burnes each have a beneficial interest in The Burnes Group Pty Limited which acts as the Trustee of The Burnes Group Service Trust. They also have an interest in Longbush Nominees Pty Ltd which acts as the Trustee of the Burnes Superannuation Fund of which they are both members.

2.5 EXECUTIVE SERVICE AGREEMENTS

Remuneration and other terms of employment for KMP are formalised in continuing contracts of employment. These contracts specify the components of remuneration, benefits and notice periods. All contracts may be terminated by either party subject to notice periods and subject to termination payments or benefits as detailed in the table below:

EXECUTIVE		Notice period to be given by KMP	Notice period to be given by the Company	Termination payments or benefits payable if termination is by the Company
Andrew Burnes	CEO and Managing Director	6 months	6 months	In accordance with normal statutory entitlements
Cinzia Burnes	Chief Operating Officer and Executive Director	6 months	6 months	In accordance with normal statutory entitlements
Michael Smith	Chief Financial Officer	6 months	6 months	In accordance with normal statutory entitlements
Chris Hunter	General Manager - New Zealand	3 months	3 months	In accordance with normal statutory entitlements

2.6 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Group entered into a lease arrangement with Normanby Road Holdings Pty Ltd, a company owned by Andrew Burnes and Cinzia Burnes, on 1 October 2021. The lease terminates on 1 July 2027. Lease payments of \$1,716,661 (2022: \$1,237,977) were made during the year.

The terms and conditions of all related party transactions were no more favourable than those available in similar transactions.

3 NON-EXECUTIVE DIRECTOR REMUNERATION

3.1 NON-EXECUTIVE DIRECTOR REMUNERATION GOVERNANCE

The Remuneration Committee is responsible for reviewing and recommending remuneration arrangements to the Board of Directors. The Board seeks to set aggregated remuneration levels for Directors, providing the Group the threshold to attract and retain Directors in line with shareholders' expectations.

In compliance with best practice corporate governance, Non-Executive Director remuneration is structured separately and is distinct from executive remuneration; as detailed below.

3.2 NON-EXECUTIVE DIRECTOR REMUNERATION STRUCTURE

The aggregate remuneration of Non-Executive Directors is determined and voted on at a general meeting.

At the 2010 Annual General Meeting shareholders approved an aggregate remuneration of \$1,500,000 per year. The amount of aggregate remuneration to be approved by shareholders, together with the fee structure, is reviewed annually. From time-to-time the Board considers external advice from consultants for fees paid to Non-Executive Directors for comparable companies. The Board is not proposing any change to the aggregate level of remuneration. A breakdown of Director fees is below.

ROLE	GROSS FEE	SUMMARY
Chairperson	\$200,000	From August 2022 the Chairman's fee was increased to the pre-COVID-19 level, this is in recognition of consistent additional time and commitment provided to the Company and is inclusive of Committee fees.
Non-Executive Director	\$100,000	From August 2022, Non-Executive Directors' fees were increased to the pre-COVID-19 levels.
Committee Fee – Chairperson Audit & Risk Committee	\$25,000	From August 2022, Committee fees were increased to the pre-COVID-19 level. The additional fee paid to the Chairperson of the Audit & Risk Committee.

The process for review of Non-Executive Directors' performance is explained in the Corporate Governance Statement.

3.3 NON-EXECUTIVE DIRECTOR REMUNERATION

NON-EXECUTIVE DIRECTOR	Short-term benefits Cash salary (\$)	Post-employment benefits Superannuation (\$)	Total (\$)
Garry Hounsell (Chairman)			
2023	192,308	20,192	212,500
2022	157,692	15,769	173,461
Rob Dalton			
2023	120,192	12,620	132,812
2022	57,692	5,769	63,461
Hon. Martin Pakula (commenced effective 30 November 2022)			
2023	57,692	6,058	63,750
Leanne Coddington (commenced effective 1 February 2023)			
2023	42,308	4,442	46,750
Andrew Finch (resigned effective 9 November 2022)			
2023	-	-	-
2022	-	-	-
Mike Ferraro (resigned effective 26 October 2021)			
2022	35,096	3,510	38,606
2023 TOTAL	412,500	43,312	455,812
2022 TOTAL	250,480	25,048	275,528

Andrew Finch did not receive Director fees during his Directorship, as prescribed by Qantas that no fees are paid to Qantas Airways Limited for his Directorship.

3.4 NON-EXECUTIVE DIRECTOR SHAREHOLDINGS

NON-EXECUTIVE DIRECTOR	Number of shares at 30 June 2023	Number of shares at 30 June 2022
Garry Hounsell (Chairman)	153,890	153,890
Rob Dalton	-	-
Hon. Martin Pakula (commenced effective 30 November 2022)	-	-
Leanne Coddington (commenced effective 1 February 2023)	-	-
Andrew Finch (resigned effective 9 November 2022)	-	-
TOTAL	153,890	153,890



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AUDITOR INDEPENDENCE

The Directors received the declaration of independence on page 51 from Ernst & Young, the auditor of Helloworld Travel. This declaration confirms the auditor's independence and forms part of the Directors' Report.

NON-AUDIT SERVICES

During the year the Company's auditors performed no other services in addition to their statutory duties. All non-audit services are subject to the corporate governance procedures adopted by the Company and reviewed by the Audit & Risk Committee to ensure no impact on the integrity and objectivity of the auditor. The lead auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 51 and forms part of the Directors' Report for the financial year ended 30 June 2023. Details of the amounts paid to Ernst & Young for audit services are set out in note 8.6 of the Financial Statements on page 120 of the Financial Report.

ROUNDING

The amounts contained in this Directors' Report and in the Financial Report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under Australian Securities & Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Made in accordance with a resolution of the Directors.



Garry Hounsell

Chairman of Helloworld Travel Limited
Melbourne, 28 August 2023

Mykonos, Greece





**Building a better
working world**

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Auditor's Independence Declaration to the Directors of Helloworld Travel Limited

As lead auditor for the audit of the financial report of Helloworld Travel Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Helloworld Travel Limited and the entities it controlled during the financial year.

Ernst & Young

Brett Croft
Partner

Melbourne
28 August 2023

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Board of Helloworld Travel Limited (the Company) is responsible for the corporate governance of the Company and its controlled entities (Group) on behalf of its shareholders with the prime objective of protecting and enhancing shareholder value. The Board is committed to the highest standards of ethics and integrity and ensures that senior management run the Group in accordance with these standards. The governance practices are designed to support the business and its growth by facilitating effective Board and management decision making, providing clear lines of responsibility and accountability and a commitment to transparent communications with shareholders and other stakeholders.

This statement has been approved by the Board and outlines the main corporate governance framework employed by the Company. The Company endorses the ASX Corporate Governance Principles and Recommendations 4th Edition (ASX CGP) and the governance standards and risk management practices implemented by companies of a similar size to Helloworld. Where the Company has not adopted a recommendation, a detailed explanation is provided.

This statement is current at 28 August 2023.

1 LAYING SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The relationship between the Board and senior management is critical to the Company's long-term success. The Board is responsible for the performance of the Company in the short and long term and seeks to balance competing objectives in the best interests of the Group. The Board is responsible for setting the strategic direction and risk appetite of the Company and for leading the culture, values and behaviours of its people.

The role and responsibilities of the Board, the Chairman and individual Directors are set out in the Company's Board Charter. A copy of the Board Charter is available from the Corporate Governance section of the Company's website at www.helloworldlimited.com.au.

Matters expressly reserved to the Board are set out in the Board Charter and include:

- Setting the strategic direction of the Company and monitoring the implementation of that strategy by management;
- Oversight of the Company, including its control and accountability systems;
- Appointing and removing the CEO, CFO and Company Secretary;
- Board and Executive Management development and succession planning;
- Approving the annual operating budget;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions/divestitures;
- Monitoring compliance with legal, tax and regulatory obligations;
- Reviewing and ratifying systems of risk management, governance, internal compliance and controls, code of ethics and conduct, continuous disclosure, legal compliance and other significant corporate policies;
- Approving and monitoring financial and other reporting to the market; and
- Appointment, reappointment or replacement of the external auditor.

Day-to-day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the CEO, the CFO and other senior executives, under the Delegations of Authority Policy which are subject to certain specified value thresholds.

These matters include:

- Incurring budgeted and unbudgeted operating expenditure;
- Incurring budgeted and unbudgeted capital expenditure;
- Write-downs, bad debts, asset or equity disposals and acquisitions; and
- Approval of entry into contracts.

Prior to a Director's appointment, the Board ensures that appropriate checks including background and reference checks are conducted, which may be conducted by external consultants and by other Directors of the Company. Candidates also meet with each existing Director prior to the Board's decision to appoint them.

To ensure that Directors clearly understand the requirements of the role, formal letters of appointment are issued that contains the terms on which the Non-Executive Directors are appointed.

Senior executive performance

With the assistance of the Remuneration Committee, the Chairman undertakes an annual review of the performance of the CEO against set key performance indicators.

The CEO reviews the performance of his direct reports against their agreed key performance indicators and advises the Remuneration Committee.

2 STRUCTURE OF THE BOARD

Board composition

The Directors determine the composition and size of the Board in accordance with the Company's Constitution. The Constitution permits the Board to set upper and lower limits with the number of Directors not to be less than three. There are currently six Directors appointed to the Board.

Under the Board Charter, the appointment and removal of the Group Company Secretary is the responsibility of the Board. The Group Company Secretary is responsible for supporting the Board and its Committees in matters to do with the effective functioning and governance of the Company with its financial reporting and disclosure obligations to the Australian Securities Exchange (ASX), Australian Securities and Investment Commission (ASIC) and other regulatory bodies.

The Company uses a Board Skills Matrix to ensure that its membership includes an appropriate mix of skills, experience and expertise and to assist in identifying the skills most desired in potential candidates for Board appointment. The matrix is also a tool for identifying professional development opportunities for existing Directors to refine and maintain the skills and knowledge necessary to effectively perform their role as Directors.

Board Skills Matrix	Number out of 6 Directors
Travel Industry Experience - Australia	4
Travel Industry Experience - International	4
Franchise Operations	1
Technology & Digital Economy	5
Brand Development, Marketing	5
Governance & Compliance	6
Listed Company Experience	3
Relationships/Stakeholder Management	6
Remuneration, Human Resources	5
Legal	2
Wide Industry Experience	6
Financial Experience	4
Strategic Planning & Risk	6
Health & Safety	6

Further detail regarding the Directors' qualifications, special responsibilities, skills, experience and expertise (including the period of office held by each Director) is set out in the Directors' Report on pages 24 to 27.

Director Independence

As at 30 June 2023, based on the factors relevant to assessing the independence of Directors included in the ASX CGP, four Directors, Garry Hounsell, Rob Dalton, the Hon. Martin Pakula and Leanne Coddington are deemed as independent.

The remainder of the Board is not independent for the following reasons:

- Andrew Burnes is the Company's Chief Executive Officer and Managing Director, and a substantial shareholder of the Company; and
- Cinzia Burnes is the Company's Chief Operating Officer and Executive Director, and a substantial shareholder of the Company.

The length of each Directors' tenure as a Director is set out in the Directors' Report on pages 24 to 27.

Independent Decision Making

During the reporting period, the role of Chairman was held by Garry Hounsell. Garry Hounsell is an independent Non-Executive Director of the Company.

For the whole of the year Rob Dalton was the Chairman of the Audit and Risk Committee. Rob Dalton is an independent Non-Executive Director. The Hon. Martin Pakula was appointed to the Board effective 30 November 2022. The Hon. Martin Pakula is an independent Non-Executive Director. Leanne Coddington was appointed to the Board effective 1 February 2023. Leanne Coddington is an independent Non-Executive Director.

Andrew Finch, resigned effective 9 November 2022, at which time he was the nominated member to the Board by QH Tours Ltd.

As Executive Directors, Andrew Burnes in his role as CEO and Managing Director and Cinzia Burnes in her role as Chief Operating Officer, are not considered by the Board to be Independent Directors.

However, all Directors bring independent judgement to their decisions.

The materiality thresholds used to assess Director independence are set out in the Board Charter. The Board believes that the interests of the shareholders are best served by:

- the current composition of the Board which is regarded as balanced with a complementary range of skills, diversity and experience as detailed in the Directors' Report; and
- the Independent Directors providing an element of balance as well as making a considerable contribution in their fields of expertise.

The following processes are in place to ensure decision making of the Board is subject to independent judgement:

- a standing item on each Board Meeting agenda requires Directors to focus on and declare any conflicts of interest in addition to those already declared;
- Directors are permitted to seek the advice of independent experts at the Company's expense, subject to the approval of the Chairman; and
- all Directors must act in the best interests of the Company.

These measures ensure that the interests of shareholders are not jeopardised by a lack of independence.

Majority of the Board are independent in compliance with the requirements of Recommendation 2.4 of ASX CGP.

Nominations and Governance Committee

The Company has a Nominations & Governance Committee. Its key responsibilities are the nomination, appointment and re-election of Directors and are set out in the Nominations & Governance Committee's charter, which is available on the Corporate Governance section of the Company's website.

The following Directors were members of the Nominations and Governance Committee:

- Garry Hounsell (Chairman)
- Andrew Burnes, AO
- Cinzia Burnes
- Rob Dalton
- Hon. Martin Pakula, *appointed 30 November 2022*
- Leanne Coddington, *appointed 1 February 2023*
- Andrew Finch, *resigned effective 9 November 2022.*

Details of these Directors' qualifications, their attendance at Nominations & Governance Committee meetings, and the number of meetings held during FY23 are set out in the Directors' Report on pages 24 to 28.

The terms of reference, role and responsibility of the Nominations & Governance Committee are consistent with ASX CGP 2.1.

The Board seeks to ensure that its membership represents an appropriate balance between Directors with experience and knowledge of the Company and Directors with an external or fresh perspective. It reviews the range of expertise of its members on a regular basis and seeks to ensure that it has operational and technical expertise relevant to the operations of the Company. Directors are nominated, appointed and re-elected to the Board in accordance with the Board's policy as set out in the Charter, the Company's Constitution and the ASX Listing Rules. In considering appointments to the Board, the skills and experience of potential candidates need to complement those of the existing Directors along with an assessment of experience, expertise, diversity and other attributes which benefit the Board in fulfilling its responsibilities.

Remuneration Committee

During the year, the following Non-Executive Directors were members of the Remuneration Committee:

- Garry Hounsell (Chairman)
- Rob Dalton
- Hon. Martin Pakula, *appointed 30 November 2022*
- Leanne Coddington, *appointed 1 February 2023.*

Details of these Directors' qualifications, their attendance at Remuneration Committee meetings, and the number of meetings held during FY23 are set out in the Directors' Report on pages 24 to 28.

More information regarding the Committee is set out on page 59 in this Corporate Governance Statement under the heading 'Remunerating fairly and responsibly'.

Board performance

The Board completes an annual self-assessment of its performance and that of its committees, by way of questionnaires. The results are collated and presented to the Board for discussion at a Board meeting with agreed action plans and individual performance goals documented for the coming year.

The results from the Board and Committee performance reviews were:

- The mix of skills and experience of the Board is appropriate for the size of the Company, all Directors make effective contributions;
- That the Board has open communication between management and the Board; and

- The Board understands the key drivers of the Company's businesses and promote a willingness to understand and commit to the highest standards of governance.

An assessment of individual Director's performance was conducted during the financial year. This consisted of a self-assessment questionnaire completed by each Director and an individual discussion with the Board Chairman. The assessment of the Chairman's performance was undertaken by each Director individually.

Access to information

Directors can access all relevant information necessary to discharge their duties in addition to that provided in Board papers and that of presentations from executive management on business performance and issues of note. With the approval of the Chairman, Directors may seek independent professional advice, as required, at the Company's expense.



3 ETHICAL AND RESPONSIBLE DECISION MAKING

The Company has a Code of Ethics and Conduct ('Code') in place that promotes ethical and responsible practices and expectations for Directors, Employees and Consultants of the Company in the discharge of their roles. The Code reinforces the Company's values and is signed by each employee prior to commencing work. Helloworld is committed to operating to the highest standards of ethical behaviour and honesty and with full regard for the health and safety of its employees, customers and the wider community. The Company is also focused on ensuring a safe and respectful place of work for its employees. A copy of the Code of Ethics and Conduct is available to all employees and is also available in the Corporate Governance section of the Company's website.

Diversity

The Board has established a Diversity Policy which recognises and promotes diversity in the workplace and provides a framework for new and existing diversity related initiatives, strategies and programs within the business. A copy of the policy is available in the Corporate Governance section of the Company's website and the terms are consistent with ASX CGP4.

In accordance with this policy, the Board has established the following measurable objectives for gender diversity:

- The Board encourages suitable applicants from women for Board vacancies;
- The proportion of females on the Board should not fall below current levels unless a transparent process fails to succeed in attracting a suitable female candidate; and
- The proportion of females reporting to the CEO should not fall below the current level unless the engagement process fails in attracting suitable women candidates.

During the current year, two Directors were appointed to the Board, each with skills complementary to the travel industry. The percentage of female personnel reporting directly to the CEO was 30% at 30 June 2023 and 29% at 30 June 2022.

During the year the Company:

- Revised the process of attracting talent in the recruitment of people from diverse backgrounds;
- Encouraged our employees to be active and to maintain a healthy lifestyle.

- Promote awareness of mental health services available to our employees and immediate family members. Continued support for those experiencing mental, financial or legal duress.

Proportion of women in the organisation

There are 372 female employees in the Group representing 60% of the workforce. There are two females on the Board which represents 33% of the Board.

Share trading

The Company's Share Trading Policy sets out the guidelines designed to protect Directors and employees from intentionally or unintentionally breaching the law. The Share Trading Policy prohibits employees from dealing in the securities of the Company while in possession of material non-public information.

In addition, employees and Non-Executive Directors are:

- Prohibited from dealing in Helloworld securities during defined closed periods; and
- Are required to observe the 'request to deal' procedures before dealing in Helloworld securities outside of the defined closed periods.

The policy is available in the Corporate Governance section of the Company's website.

Protected disclosures

The Group's Whistle-blower Policy encourages Directors, employees and contractors to report any allegations of misconduct by any team member, with regard to illegal, unethical or improper conduct in circumstances where they may be apprehensive about raising their concern because of fear of possible repercussions. The Whistle-blower Policy is available in the Corporate Governance section of the Company's website.

4 INTEGRITY OF FINANCIAL REPORTING

The Board has an Audit & Risk Committee to assist it in the discharge of its responsibilities.

During the reporting period, the following Non-Executive Directors were members of the Audit & Risk Committee:

- Rob Dalton (Chairman)
- Garry Hounsell
- Hon. Martin Pakula, *appointed 30 November 2022*
- Leanne Coddington, *appointed 1 February 2023*
- Andrew Finch, *resigned 9 November 2022.*

The Audit & Risk Committee Charter is available in the Corporate Governance section of the Company's website with the composition, operation and responsibilities of the Committee being consistent with the requirements of ASX CGP 4.1.

Details of the member Directors' qualifications and attendance at Audit & Risk Committee meetings are set out in the Directors' Report on pages 24 to 28.

Both the Board and Audit & Risk Committee closely monitor the independence of the external auditors, including the rotation of the external audit engagement partner every five years.

The lead audit partner is responsible for the Group's external audit and is required to attend each Annual General Meeting and must be available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

5 TIMELY AND BALANCED DISCLOSURE

To uphold the effective dissemination of information and to ensure that Directors and employees are aware of their obligations, the Company has adopted a Continuous Disclosure Policy that outlines:

- The roles and responsibilities of the Board, Managing Director and Group Company Secretary in ensuring the Company complies with its disclosure obligations;
- The procedures adopted by the Company in meeting its disclosure requirements; and
- The standards adopted for ensuring effective communication with shareholders and market participants.

All employees play an important role in enabling the Company to comply with all necessary steps in the disclosure process and to ensure that information that needs to be disclosed is reported in a timely manner.

All material ASX announcements are cleared with the Board prior to release and a copy of the market announcement are made available to each Director promptly after release.

Copies of investor or analyst presentations are released to the ASX Market Announcement Platform ahead of the presentation.

A copy of the Continuous Disclosure Policy is available in the Corporate Governance section of the Company's website.

6 RIGHTS OF SHAREHOLDERS

The Helloworld Travel Limited Shareholder Communications Policy promotes effective engagement and communication with the Company's shareholders. The Annual General Meeting (AGM) is an important occasion for updating shareholders on the Company's performance. The Company encourages shareholder participation at the AGM to ensure a high level of accountability and understanding of the Company's strategy and goals.

The AGM offers shareholders the chance to ask questions of and to hear from the Board. Shareholders may also submit written questions to the Company in advance of the AGM, thereby allowing the Board to respond to feedback.

The Annual Report is available in the Corporate Governance section of the Company's website. Company announcements to the ASX can be accessed through the Company's website.

Copies of Charters and policies associated with the governance of the Company are available on the Company's website.

The Company ensures that the explanatory notes accompanying its 'Notice of Annual General Meeting' provide shareholders with all required information in the Company's possession relevant to a decision on whether or not to elect or re-elect a Director at the AGM, including a recommendation from the Board. These notices are available under Investor and ASX Releases on the Company's website.

The CEO and CFO will endeavour to answer questions from shareholders and analysts, providing the information requested is not price sensitive.

Shareholders have the option to receive and send communications to the Company and its Share Registry electronically if they wish to do so. Online voting on resolutions to be put at the Company's AGM is available to shareholders.

7 RECOGNISING AND MANAGING RISK

The Company has a policy in place for the oversight and management of its material business risks. The Group takes a proactive approach to risk management. The Board and Audit & Risk Committee reviews and considers the Group's risk profile on a regular basis to ensure it supports the achievement of the Company's strategy, including determining the nature and extent of risks the Board is prepared to take in the pursuit of the Company's objectives. The Board is also responsible for reviewing, endorsing and overseeing the Company's risk management framework for managing financial and non-financial risks at least annually, and satisfy itself that it continues to be sound, deals adequately with contemporary and emerging risks such as risk culture, digital disruption, conduct risk, cyber-security, privacy and data breaches and that the Company is operating within the risk tolerance levels determined by the Board.

Helloworld is subjected to a range of business, economic and social sustainability risks and seeks to limit material exposures to its operations through measures that align with its risk management framework.

Under the Risk Management Policy, the Board is responsible for:

- Overseeing and approving the Company's risk management, internal controls and compliance systems;
- Reviewing the effectiveness of the Company's risk management, internal control and compliance systems at least annually, and satisfying itself that management is adhering to the requirements of the policy; and
- Approving the delegations of authority for day-to-day management of the Company's operations.

Under the Risk Management Policy, the Audit & Risk Committee is responsible for assisting the Board in fulfilling its corporate governance responsibilities regarding:

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

Every effort is made to identify and manage material risks, however the risks that are not currently known or listed may also adversely impact the future performance of the Company.

The Company's Executive Management Team (EMT) also plays a role in identifying, assessing, monitoring and managing risks. The EMT, assists the Audit & Risk Committee to ensure that robust risk management exists within the business. The EMT ensure that sufficient levels of risk analysis are applied to critical decisions, giving assurance to the Audit & Risk Committee that risk processes are effective and compliant with the Company's Risk Management Policy. A copy of the Risk Management Policy is available in the Corporate Governance section of the Company's website.

The Board has received a report from Management as to the effectiveness of the Company's management of its material business risks during the year. The Board has also received from the CEO and CFO a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Information in relation to the economic, environmental and social sustainability risks facing the Company and management of these is in the Operating and Financial Review on pages 30 to 38 of the Annual Report.

Internal Audit

The Company does not have an in-house internal audit function. From time to time the company engages an external service provider to perform internal audit services. The provider reports to the Audit & Risk Committee. Internal control and risk management are managed within each business unit and are the responsibility of the EMT member. The EMT member reviews and signs off on the risk questionnaires which include key metrics and detailed controlled risk issues for review by the Managing Director and oversight by the Board.

Management of material exposure to environmental or social risks

Helloworld understands that, doing business in Australia and internationally, its shareholders, customers, the community and employees anticipate that it will do so in an environmentally responsible and socially sustainable manner. The Audit & Risk Committee assist the Board in overseeing the management of the Company's exposure to social and environmental risks.

8 REMUNERATING FAIRLY AND RESPONSIBLY

Helloworld Travel's remuneration objectives, philosophy and arrangements are detailed in the Remuneration Report, which forms part of the Directors' Report.

Directors

The total annual fees paid to Non-Executive Directors is set by the Company's shareholders and allocated as Directors' Fees and Committee Fees by the Board based on the roles undertaken by the Directors. Details of Directors' remuneration are in the Remuneration Report. Retirement benefits are not paid, and Non-Executive Directors do not participate in equity-based remuneration schemes.

Details of the remuneration arrangements for the Company's Executive Directors are set out in the Remuneration Report.

Remuneration

The Non-Executive Directors who were members of the Remuneration Committee during the financial year are set out in the Remuneration Committee section of this Corporate Governance Statement.

The role of the Remuneration Committee is to assist the Board to discharge its duties relating to remuneration and oversee:

- The remuneration policy and framework (including short and long-term incentive plans);

- The determination of levels of reward for the CEO and general overview of the levels of reward for the CEO's direct reports; and
- The annual evaluation of the performance of the CEO.

The Remuneration Committee Charter is available in the Corporate Governance section of the Company's website. The composition and operation of this Committee is consistent with ASX CGP 8.1. Details of the Directors' qualifications and attendance at Remuneration Committee meetings are set out in the Directors' Report on pages 24 to 28.

Executive management

Remuneration for executive management is deemed competitive, to retain and attract appropriately skilled and qualified executives to the Company. Their remuneration comprises of a fixed cash element and variable incentive component. The variable component (if any) is subject to the Company's financial performance and the executive's personal performance.

The Company's Share Trading Policy prohibits executives participating in the equity-based remuneration scheme from entering any arrangement that operate, or are intended to operate, to limit their exposure to risk in relation to these shares.

A copy of the Share Trading Policy is available in the Corporate Governance section of the Company's website.

Disney Cruise Line



CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
Revenue	2.1	160,884	63,534
Other income	2.1	1,837	5,178
Interest income	2.2	3,193	558
TOTAL REVENUE AND OTHER INCOME		165,914	69,270
Employee benefit expenses		(53,044)	(45,683)
Advertising and marketing expenses		(8,561)	(2,526)
Selling expenses		(28,083)	(8,383)
Communication and technology expenses		(7,803)	(6,883)
Occupancy expenses		(1,803)	(2,147)
Operating expenses		(28,818)	(14,206)
Depreciation and amortisation expense		(18,023)	(22,747)
Interest expense	2.2	(703)	(2,721)
Share of profit/(loss) of equity accounted investments	6.1	1,981	(73)
PROFIT/(LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS		21,057	(36,099)
Income tax (expense)/benefit	2.4	(1,872)	7,314
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS		19,185	(28,785)
DISCONTINUED OPERATIONS			
Profit/(loss) from discontinued operations after income tax	1.5	(1,822)	118,631
PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCONTINUED OPERATIONS		17,363	89,846
Loss attributable to non-controlling interests		(12)	(681)
Profit attributable to Helloworld Travel Limited shareholders		17,375	90,527
		17,363	89,846
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO HELLOWORLD TRAVEL LIMITED SHAREHOLDERS RELATES TO:			
Profit/(loss) from continuing operations		19,197	(28,104)
Profit/(loss) from discontinued operations		(1,822)	118,631
		17,375	90,527
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS		Cents	Cents
Basic earnings per share	2.5	11.2	58.4
Diluted earnings per share	2.5	11.2	58.4
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS FROM CONTINUING OPERATIONS			
Basic earnings/(loss) from continuing operations per share	2.5	12.4	(18.1)
Diluted earnings/(loss) from continuing operations per share	2.5	12.4	(18.1)

The accompanying notes form part of this Financial Report

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
PROFIT AFTER TAX FROM CONTINUING AND DISCONTINUED OPERATIONS		17,363	89,846
OTHER COMPREHENSIVE INCOME/(LOSS)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	5.5	878	(3,048)
Total items that may be reclassified subsequently to the income statement		878	(3,048)
<i>Items that will not be reclassified subsequently to the income statement:</i>			
Gain/(loss) on revaluation of investment in CTM		3,123	(18,679)
Tax on revaluation of investment in CTM		(1,922)	5,604
Total items that will not be reclassified subsequently to the income statement	5.5	1,201	(13,075)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		2,079	(16,123)
TOTAL COMPREHENSIVE INCOME		19,442	73,723
Loss attributable to non-controlling interests		(12)	(681)
Profit attributable to Helloworld Travel Limited shareholders		19,454	74,404
		19,442	73,723



Three Sisters, Blue Mountains, NSW

The accompanying notes form part of this Financial Report

CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
CURRENT ASSETS			
Cash and cash equivalents	5.1	146,888	116,524
Cash deposits	5.1	14,000	6,000
Trade and other receivables	3.1	42,744	41,278
Prepayments		6,653	5,053
Accrued revenue	3.2	29,311	11,461
Inventories		250	499
TOTAL CURRENT ASSETS		239,846	180,815
NON-CURRENT ASSETS			
Trade and other receivables	3.1	263	2,799
Equity accounted investments	6.1	18,793	15,292
Other investments	6.2	34,329	67,474
Property, plant and equipment	4.1	7,563	8,606
Right of use assets	4.2	20,211	18,360
Intangible assets	4.3	223,898	233,616
TOTAL NON-CURRENT ASSETS		305,057	346,147
TOTAL ASSETS		544,903	526,962
CURRENT LIABILITIES			
Trade and other payables	3.3	153,978	133,125
Lease liabilities	5.3	5,266	4,551
Provisions	3.6	11,304	14,946
Deferred revenue	3.4	6,374	8,208
Other liabilities	3.5	383	-
Income tax payable		225	83
TOTAL CURRENT LIABILITIES		177,530	160,913
NON-CURRENT LIABILITIES			
Lease liabilities	5.3	16,878	16,525
Deferred tax liabilities	2.4	46,065	42,434
Provisions	3.6	1,265	1,156
Other liabilities	3.5	140	669
TOTAL NON-CURRENT LIABILITIES		64,348	60,784
TOTAL LIABILITIES		241,878	221,697
NET ASSETS		303,025	305,265
EQUITY			
Issued capital	5.4	471,231	468,199
Reserves	5.5	(7,097)	(17,625)
Accumulated losses		(161,564)	(146,609)
EQUITY ATTRIBUTABLE TO HELLOWORLD TRAVEL LIMITED SHAREHOLDERS		302,570	303,965
Non-controlling interest		455	1,300
TOTAL EQUITY		303,025	305,265

The accompanying notes form part of this Financial Report

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Non-controlling interests \$'000	Total equity \$'000
BALANCE AT 1 JULY 2021	468,199	(1,554)	(237,136)	981	230,490
Profit/(loss) after tax	-	-	90,527	(681)	89,846
Employee share based expense	-	52	-	-	52
Other comprehensive loss	-	(16,123)	-	-	(16,123)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	-	(16,071)	90,527	(681)	73,775
<i>Transactions with owners:</i>					
Additional investment by non-controlling interest	-	-	-	1,000	1,000
BALANCE AT 30 JUNE 2022	468,199	(17,625)	(146,609)	1,300	305,265

	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Non-controlling interests \$'000	Total equity \$'000
BALANCE AT 1 JULY 2022	468,199	(17,625)	(146,609)	1,300	305,265
Profit/(loss) after tax	-	-	17,375	(12)	17,363
Other comprehensive income	-	2,079	-	-	2,079
Transfer of redemption reserve to accumulated losses	-	7,200	(7,200)	-	-
Transfer of realised loss from investment revaluation reserve to accumulated losses (Refer note 6.2)	-	4,323	(4,323)	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	-	13,602	5,852	(12)	19,442
<i>Transactions with owners:</i>					
Acquisition of non-controlling interest	-	-	(2,366)	(833)	(3,199)
Dividends paid (Refer note 5.6)	-	-	(18,483)	-	(18,483)
Franchise loyalty scheme shares lapsed in prior years	-	(42)	42	-	-
Franchise loyalty scheme and Omnibus share plan shares exercised in prior years	3,032	(3,032)	-	-	-
BALANCE AT 30 JUNE 2023	471,231	(7,097)	(161,564)	455	303,025

The accompanying notes form part of this Financial Report

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
OPERATING ACTIVITIES			
Receipts from customers ⁽ⁱ⁾⁽ⁱⁱ⁾		1,287,946	509,229
Payments to suppliers and employees ⁽ⁱ⁾		(1,263,693)	(509,045)
Interest received		3,193	402
Interest paid		(703)	(2,721)
Income tax refund received		135	7,658
NET OPERATING CASH FLOWS FROM CONTINUING OPERATIONS		26,878	5,523
Net operating cash flows from discontinued operations		-	3,897
NET OPERATING CASH FLOWS	5.1	26,878	9,420
INVESTING ACTIVITIES			
Transfer into term deposits		(8,000)	(6,000)
Purchases of intangibles	4.3	(1,183)	(3,522)
Purchases of property, plant and equipment	4.1	(2,257)	(344)
Investment in Australiareiser Group		(2,929)	-
Investment in Tin Alley venture capital fund	6.2	(68)	-
Payment for additional interest in Entertainment Logistix Pty Ltd	6.3	(3,200)	-
Proceeds from sale of Corporate Travel Management Limited shares	6.2	36,327	-
Proceeds from sale of property, plant and equipment		570	133
Proceeds from sale of corporate business, net of costs	1.5	6,113	98,977
Dividends received from equity instruments		472	-
Dividends received from Mobile Travel Holdings Pty Limited	6.1	1,500	-
NET INVESTING CASH FLOWS FROM CONTINUING OPERATIONS		27,345	89,244
Net investing cash flows from discontinued operations		-	(214)
NET INVESTING CASH FLOWS		27,345	89,030
FINANCING ACTIVITIES			
Dividends paid to company shareholders	5.6	(18,483)	-
Repayment of borrowings		-	(81,000)
Payment of principal elements of leases	5.3	(5,257)	(5,562)
NET FINANCING CASH FLOWS FROM CONTINUING OPERATIONS		(23,740)	(86,562)
Net financing cash flows from discontinued operations		-	(669)
NET FINANCING CASH FLOWS		(23,740)	(87,231)
NET INCREASE IN CASH AND CASH EQUIVALENTS		30,483	11,219
Cash and cash equivalents at the beginning of the financial year		116,524	131,024
Cash and cash equivalents divested		-	(25,793)
Foreign currency exchange rate changes on cash and cash equivalents		(119)	74
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	5.1	146,888	116,524

(i) Include certain amounts (inclusive of GST) received and paid on behalf of customers.

(ii) Includes government wage subsidies received in the prior year.

The accompanying notes form part of this Financial Report

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1. BASIS OF PREPARATION

1.1 BASIS OF PREPARATION

Helloworld Travel Limited and its subsidiaries (Helloworld or the Group) is a for profit company domiciled and incorporated in Australia. The Financial Report of Helloworld Travel Limited consists of the consolidated financial statements of the Group, associated notes, director's declaration and auditor's report.

This Financial Report was authorised for issue in accordance with a resolution of the Directors on 28 August 2023.

The Financial Report:

- is a General Purpose Financial Report which has been prepared on a going concern basis;
- has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards ensures that the Financial Report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- has been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities measured at fair value; and
- is presented in Australian dollars and amounts have been rounded to the nearest thousand dollars, unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

The accounting policies have been applied consistently to all periods presented in the Financial Report unless otherwise stated.

1.2 ACCOUNTING POLICIES APPLICABLE TO ALL FINANCIAL INFORMATION

This section sets out the significant accounting policies upon which the financial statements of the Group are prepared as a whole and not otherwise described in the Notes to the financial statements. Where a significant accounting policy is specific to a note to the financial statements, the policy is described within that note.

(a) Principles of consolidation

The financial statements of the Group include the consolidation of Helloworld Travel Limited and its subsidiaries, being the entities controlled by the parent entity during the year. Control exists where the Group:

- is exposed to, or has rights to, variable returns from the entity; and
- has the ability to affect those returns through its power to direct the activities of the entity.

The ability to approve the operating and capital budget of a subsidiary demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary.

Subsidiaries are consolidated from the date the Group takes control and are deconsolidated from the date the Group ceases control. When the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest (if applicable) and any components of post acquisition equity, with any resultant gain or loss recognised in the Consolidated income statement.

All intragroup balances, transactions and unrealised gains and losses resulting from intragroup transactions are eliminated in full.

Where, the Group's interest is less than 100 per cent, the interest attributable to outside shareholders is reflected in non-controlling interests. Non-controlling interests represent the portion of profit or loss and net assets not held by Group shareholders and are presented separately in the Consolidated income statement and within equity in the Consolidated balance sheet respectively.

(b) Foreign currency

The financial statements are presented in Australian dollars (AUD), which is the functional currency of Helloworld Travel Limited (the Company).

Transactions and balances

Foreign currency transactions are translated into AUD using the exchange rates at the date of the transactions. Assets and liabilities denominated in foreign currencies are translated to AUD at the reporting date at the following exchange rates:

- Monetary assets and liabilities - exchange rate applicable at reporting date; and
- Non-monetary assets and liabilities measured at historical cost - exchange rate applicable at date of transaction.

Foreign exchange differences arising on translation of these transactions are recognised in the Consolidated income statement in the period in which they arise. Exchange differences on transactions entered to hedge certain foreign currency risks (if the Group recommences its hedging program) are deferred in equity if they relate to qualifying cash flow hedges.

Investments in foreign operations

Foreign operations that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- Revenue and expenses are translated at the average exchange rate for the period or the exchange rate at the date of the transaction (if considered more appropriate);
- Assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at the exchange rate applicable at reporting date; and
- Equity items are translated at historical rates.

All resulting exchange differences are recognised in the Foreign Currency Translation Reserve (FCTR) in Other Comprehensive Income (OCI). When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of Goods and Services Tax (GST), except where the GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the expense or cost of the asset.

Receivables and payables are stated with the amount of GST included. The net amounts of GST recoverable from or payable to the taxation authorities are included as a current asset or current liability in the Consolidated balance sheet.

Cash flows are included in the Consolidated statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to taxation authorities are classified as operating cash flows.

1.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Financial Report requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Actual results may vary from these estimates under different assumptions and conditions. The estimates and judgements which involve a higher degree of complexity or that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next period are described below:

Impairment of non-current assets

Indicators of impairment may include changes in the Group's operating and economic assumptions or impacts on travel volumes due to geopolitical issues, pandemics and adverse key economic indicators which impact people's ability to afford travel.

The process of determining the recoverable amount of non-current assets requires the use of estimates, including estimation of forecast revenue and costs as well as estimates of other key inputs such as Weighted Average Cost of Capital (WACC) and terminal values. Refer note 4.4: Impairment of non-financial assets for the key assumptions used in the calculation of recoverable amounts of non-current assets.

Lease terms of contracts with extension options

Several of the Group's property leases include extension and termination options. In determining the term of the lease for the purposes of calculating the lease liability and the right of use asset, all facts and circumstances are considered as to whether the Group is reasonably certain to exercise an extension option or not exercise a termination option. Refer note 5.3: Lease liabilities for the key assumptions used in the calculation of carrying values of lease liabilities.

Recoverability of trade receivables

Trade receivables relate to amounts invoiced to customers but not yet received. The determination of the appropriate loss allowance on trade receivables is based on historical loss rates adjusted to reflect current and forward looking market factors. Refer note 3.1: Trade and other receivables for the key assumptions used in the calculation of carrying values of trade receivables.

Override commission revenue, including accrued override commission revenue

The Group enters into override commission revenue contracts with airlines and other suppliers. Override commission is calculated for the supplier's contract period, based on the value of eligible travel (or travel related product) during the period at the expected contracted applicable override rates. Eligible travel for the financial year is availed travel. Determination of the appropriate override rate is based on an estimation of the expected eligible travel sales for the contract period (based on actual sales, forecast bookings and historical trends). Refer note 2.1: Revenue and other income for the key assumptions used in the calculation of override commission revenue.

Accrued override commission is the estimate of override commission revenue earned during the respective customer contract period but not yet invoiced at balance date. It is considered a contract asset in accordance with applicable accounting standards. The determination of the appropriate loss allowance on accrued revenue is based on historical loss rates adjusted to reflect current and forward looking market factors. Refer note 3.1: Trade and other receivables for the key assumptions used in the calculation of recoverable amounts of accrued override commission revenue.

1.4 NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS IMPACTING THE GROUP

There were no significant impacts arising from accounting standards or interpretations adopted for the first time in these financial statements.

There are no new accounting standards or interpretations, which are published but not yet effective at 30 June 2023, that are expected to have an impact on the Group in financial years commencing on or after 1 July 2023.

1.5. DISCONTINUED OPERATIONS***Sale of corporate travel management business in the year ended 30 June 2022***

On 15 December 2021, the Group announced that it had entered into a binding agreement to divest its corporate travel management business (Corporate business) in Australia and New Zealand to Corporate Travel Management (CTM) for an enterprise value of \$175.0 million. Proceeds received on 31 March 2022 consisted of:

- Cash of \$100.0 million;
- Interim working capital adjustment of \$4.078 million; and
- CTM shares to the value of \$75.0 million, based on the placement value to CTM shareholders of \$21 per share resulting in 3,571,429 CTM shares. (Refer note 6.2: Other investments for shares disposed in FY23 and the related subsequent accounting).

All conditions precedent were met by the Group and the sale was completed on 31 March 2022. Accordingly, entities comprising the Corporate business were derecognised at that date and the Corporate business was classified as a discontinued operation by the Group.

Working capital receivable

In addition to the cash of \$104.1 million received on 31 March 2022, the Group recognised additional proceeds of \$7.9 million at 30 June 2022. This represented the final working capital adjustment the Group believed it was entitled to receive under the Share Sale Agreement. Subsequent negotiations with CTM resulted in an agreement of a final working capital adjustment of \$6.1 million and this was received by the Group on 27 March 2023. The difference between the estimated working capital receivable and the final amount received of \$1.8 million has been recognised as an expense attributable to discontinued operations in the Consolidated income statement for the current year.

1.5.1 PROFIT FROM DISCONTINUED OPERATIONS AFTER INCOME TAX

	June 2022 \$'000
PROFIT ON SALE OF DISCONTINUED OPERATIONS	
Net consideration comprised:	
Cash received ⁽ⁱ⁾	104,078
Working capital adjustment receivable	7,935
CTM shares received (at fair value)	84,821
Disposal costs	(5,101)
TOTAL CONSIDERATION	191,733
Less	
Carrying value of net assets of businesses/controlled entities divested	(62,302)
Foreign currency translation reserve released to profit or loss on disposal	1,239
GAIN ON SALE OF DISCONTINUED OPERATION	130,670
Income tax expense attributable to gain on sale	(13,138)
PROFIT ON DISPOSAL AFTER INCOME TAX	117,532

(i) Includes an interim working capital adjustment of \$4.078 million.

NET ASSETS OF THE BUSINESSES/CONTROLLED ENTITIES DIVESTED:

Current assets	58,277
Non current assets	56,598
Current liabilities	(40,171)
Non current liabilities	(12,402)
NET ASSETS	62,302

	2023 \$'000	2022 \$'000
NET PROFIT FROM DISCONTINUED OPERATIONS DURING THE PERIOD		
Revenue	-	22,741
Expenses ⁽ⁱ⁾	(1,822)	(20,957)
NET PROFIT/(LOSS) BEFORE INCOME TAX	(1,822)	1,784
Income tax expense ⁽ⁱⁱ⁾	-	(685)
NET PROFIT/(LOSS) AFTER INCOME TAX DURING THE PERIOD (9 MONTHS)	(1,822)	1,099
TOTAL PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER INCOME TAX	(1,822)	118,631

(i) Represents the finalisation of the working capital adjustment associated with the sale of the Corporate business.

(ii) In the current year, tax incurred is offset against carried forward tax losses.

SIGNIFICANT ACCOUNTING POLICIES

A discontinued operation is a component of the Group where the operations and cash flows can be clearly distinguished from the rest of the Group. It represents a major line of operations and is part of a single co-ordinated plan to dispose of a separate major line of operations.

Classification of the Corporate business as a discontinued operation occurred on the disposal date (31 March 2022).

2. GROUP PERFORMANCE

2.1 REVENUE AND OTHER INCOME

	2023 \$'000	2022 \$'000
Commissions	117,981	37,485
Transaction and services fees	3,628	3,806
Marketing related activities	9,798	3,344
Freight revenue	24,043	9,283
Other revenue ⁽ⁱ⁾	5,434	9,616
REVENUE FROM CONTRACTS WITH CUSTOMERS	160,884	63,534
Government wage subsidies ⁽ⁱⁱ⁾	-	1,906
Sundry income ⁽ⁱⁱⁱ⁾	1,281	3,272
Dividends received	556	-
OTHER INCOME	1,837	5,178
INTEREST INCOME	3,193	558
TOTAL REVENUE AND OTHER INCOME	165,914	69,270

- (i) Other revenue includes franchise fees and freight revenue from the Fiji transport business. The prior year also includes COVID-19 related call centre revenue.
- (ii) During the prior year, government wage subsidies were received to assist with the financial impacts of the COVID-19 pandemic. JobSaver payments of \$1.4 million were received in Australia and \$0.5 million under the New Zealand wage subsidy scheme (scheme terminated on 9 December 2021).
- (iii) During the prior year, \$1.7 million of travel industry subsidies were paid by the Australian government to the Group to assist with the recovery from COVID-19.

SIGNIFICANT ACCOUNTING POLICIES

(i) Commissions

At source commissions - retail

The Group's Retail businesses receive at source commission from suppliers for the arrangement of travel, tours and travel related products. Revenue for these businesses is recognised on the date travel is ticketed as this is when the performance obligation is met.

At source commissions - wholesale and inbound

The Group's Wholesale business purchases individual travel components from hotels, transportation providers (bus, rail and cruise) and attractions. Components are packaged into marketable holiday travel packages and tours for the travel leisure market to local and overseas destinations. The commission revenue recognised is the margin received between the arranged purchase price of travel products and the retail price of the holiday package, net of commissions paid to travel agents. Revenue is recognised at the point of time when all aspects of holiday packaged travel, including booking, ticketing and management of all booking amendments prior to travel have been arranged (departure date), as this is when the performance obligation has been met.

The Group's Inbound business in Australia, New Zealand and Fiji receive at source commission for the arrangement of airline tickets, tours and travel. Revenue is recognised at the point of time when the traveller's tour or travel has commenced (departure date) as this is when the performance obligation has been met.

Override commission revenue

The Group receives override commissions from airline and leisure partners across the air, land, cruise and travel products sold. Override commission is calculated for the contract period based on the value of the eligible travel (or travel related products) during the period at the contracted tiered override rates. Eligible travel for the financial year is availed travel. Eligible travel sales are based on actual sales, forecast bookings and historical trends. Revenue is recognised on departure date or travel commencement date as this reflects the point in time when the consideration is highly probable of not being subject to reversal in future periods. Each supplier has separate contractual arrangements with the Group and rates, performance tiers and periods vary accordingly.

Other types of commissions

The Group also receives commissions from suppliers for the sales of travel related products, such as insurance and foreign currency purchasing services. These commissions are recognised as revenue at the point of sale as they are non-refundable, the performance obligation has been met, and the amount can be reliably measured.

(ii) Transaction and service fees

The Group's air consolidation business charges customers a transaction fee when travel arrangements are booked (via online or travel consultant). Transaction and service fees are recognised as revenue at the point of time tickets are issued (ticketed date) as this is the time the performance obligation is met and the transaction price is fixed. Where amendments occur after the initial transaction, these are treated separately, and additional transaction fees applied.

(iii) Marketing related activities

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

(iv) Freight revenue

Freight and logistics revenue is generated through the entertainment and logistics business in Australia. Revenue is recognised when the service has been delivered at the total fee charged to the customer as the Group acts as the principal in delivering the service to the customer. Revenue from entertainment tours is recognised over time based on the percentage of the completed events, or in some cases, based on the actual costs incurred by the Group while delivering the service.

(v) Other revenue

Franchise fees

Franchise fees primarily consist of network membership fees and information technology service fees provided to the Group's retail network members. Network membership fees are recognised over a period of time on a straight-line basis over the life of the contract. Information technology service fees are recognised over time when the services are provided.

Transport revenue

Transport revenue is generated from the tourist transport business in Fiji. Revenue is recognised at a point in time the service is delivered and at the fee charged to the customer as the Group is acting as the principal in the delivery of the service to the customer.

Call centre revenue

In the prior period, the Group operated call centres to support various COVID-19 public information and contact tracing programmes. Revenue was recognised on an accrual basis as the service was provided.

2.2 INTEREST INCOME AND INTEREST EXPENSE

	2023 \$'000	2022 \$'000
INTEREST INCOME	3,193	558
Interest expense ⁽ⁱ⁾	-	(1,914)
Interest expense on lease liabilities	(703)	(807)
INTEREST EXPENSE	(703)	(2,721)
NET INTEREST EXPENSE	2,490	(2,163)

(i) Prior year interest expense includes \$0.3 million of non-cash amortised borrowing costs.

SIGNIFICANT ACCOUNTING POLICIES

Interest costs are recognised in the Consolidated income statement in the period in which they are incurred. Lease interest costs comprise interest on lease liabilities calculated using the lessee's incremental borrowing rate. Non-lease interest costs comprise interest on borrowings calculated using the effective interest method and the effect of unwinding the discount on make good provisions.

2.3 SEGMENT INFORMATION

2.3.1 DESCRIPTION OF SEGMENTS

The Chief Executive Officer and the Board are the Chief Operating Decision Makers (CODMs). During the current period, the CODM assessed the Group's performance and made strategic decisions on the basis of a geographical perspective for the travel business and from a product perspective for the transport, logistics and warehousing business, resulting in four reportable segments. In the prior year, the Transport, Logistics and Warehousing activities were included within the Australia segment. The comparative information has been restated to enable comparison with the current reporting period.

AUSTRALIA	NEW ZEALAND	REST OF WORLD (ROW)	TRANSPORT, LOGISTICS AND WAREHOUSING
- Retail distribution operations - Air ticketing - Wholesale and inbound - Shared service functions	- Retail distribution operations - Air ticketing - Wholesale and inbound - Shared service functions	- Inbound - Tourism Transport Fiji - Shared service functions	- Entertainment industry transport and logistics - Warehousing

2.3.2 SEGMENT INFORMATION PROVIDED TO THE CODM

The CODM assesses the performance of the Group and operating segments based on the financial measure of Underlying EBITDA, which is not a measure prescribed by Australian Accounting Standards.

EBITDA represents earnings before interest expense, tax, depreciation and amortisation. Underlying EBITDA represents EBITDA excluding significant items.

Segment results for the Group are shown below:

	Travel Operations Australia \$'000	Travel Operations New Zealand \$'000	Travel Operations Rest of World \$'000	Transport, Logistics and Warehousing \$'000	Total \$'000
YEAR ENDED 30 JUNE 2022					
Commissions	32,772	4,540	173	-	37,485
Transaction and service fees	3,806	-	-	-	3,806
Marketing related activities	3,009	335	-	-	3,344
Freight revenue	-	-	-	9,283	9,283
Other revenue	8,790	41	785	-	9,616
REVENUE FROM CONTRACTS WITH CUSTOMERS	48,377	4,916	958	9,283	63,534
Government wage subsidies	1,445	461	-	-	1,906
Sundry income	2,539	647	-	86	3,272
Interest income	540	17	-	1	558
SEGMENT REVENUE AND OTHER INCOME	52,901	6,041	958	9,370	69,270
Segment expenses	(60,103)	(8,850)	(908)	(9,967)	(79,828)
Share of loss of equity accounted investments	(73)	-	-	-	(73)
UNDERLYING EBITDA PROFIT/(LOSS)	(7,275)	(2,809)	50	(597)	(10,631)
	Travel Operations Australia \$'000	Travel Operations New Zealand \$'000	Travel Operations Rest of World \$'000	Transport, Logistics and Warehousing \$'000	Total \$'000
YEAR ENDED 30 JUNE 2023					
Commissions	98,258	18,707	1,016	-	117,981
Transaction and service fees	3,532	96	-	-	3,628
Marketing related activities	8,424	1,374	-	-	9,798
Freight revenue	-	-	-	24,043	24,043
Other revenue	2,641	226	2,567	-	5,434
REVENUE FROM CONTRACTS WITH CUSTOMERS	112,855	20,403	3,583	24,043	160,884
Sundry income	898	200	28	155	1,281
Dividends received	556	-	-	-	556
Interest income	2,686	505	-	2	3,193
SEGMENT REVENUE AND OTHER INCOME	116,995	21,108	3,611	24,200	165,914
Segment expenses	(86,070)	(13,776)	(2,671)	(21,259)	(123,776)
Share of profit of equity accounted investments	1,981	-	-	-	1,981
UNDERLYING EBITDA	32,906	7,332	940	2,941	44,119

2.3.3 OTHER SEGMENT INFORMATION: RECONCILIATION OF EBITDA AND UNDERLYING EBITDA

	2023 \$'000	2022 \$'000
UNDERLYING EBITDA⁽ⁱ⁾	44,119	(10,631)
<i>Less significant items:</i>		
Settlement of supplier incentives	(2,838)	-
Employee bonuses relating to Corporate business divestment	(1,000)	-
Restructuring and other costs	(498)	-
TOTAL SIGNIFICANT ITEMS⁽ⁱⁱ⁾	(4,336)	-
EBITDA	39,783	(10,631)
<i>Less non-cash items and finance expense</i>		
Depreciation of property, plant and equipment	(2,934)	(3,790)
Depreciation of right of use assets	(4,473)	(5,067)
Amortisation of intangible assets	(10,616)	(13,890)
Interest expenses on lease liabilities	(703)	(807)
Interest expense on borrowings	-	(1,914)
TOTAL NON-CASH ITEMS AND INTEREST EXPENSE	(18,726)	(25,468)
PROFIT/(LOSS) BEFORE INCOME TAX (EXPENSE)/BENEFIT	21,057	(36,099)

- (i) The segment measure has changed from EBITDA to Underlying EBITDA in the current year as a result of changes in the information provided to the CODMs.
- (ii) Significant items are those gains or losses where their nature, including the expected frequency of the events giving rise to them, and impact is considered material to the financial statements.

2.3.4 GEOGRAPHICAL INFORMATION

Internal management reports provided to the CODMs report total assets and total liabilities in a manner consistent with the financial statements. Assets and liabilities are not allocated on the basis of segment operations or by geographical location.

Non-current assets

Total non-current assets (other than deferred tax assets) are located in:

- Australia \$262.8 million (2022: \$307.8 million);
- New Zealand \$31.4 million (2022: \$32.5 million);
- Other countries \$3.9 million (2022: \$4.2 million); and
- Transport, Logistics and Warehousing \$6.9 million (2022: \$1.6 million).

2.4 INCOME TAXES

2.4.1 AMOUNTS RECOGNISED IN THE CONSOLIDATED INCOME STATEMENT

	2023 \$'000	2022 \$'000
Current income tax (expense)/benefit	(2,443)	3,662
Deferred income tax benefit relating to the origination and reversal of temporary differences ⁽ⁱ⁾	328	5,367
Adjustment in respect of current tax (expense)/benefit of prior year	243	(1,715)
INCOME TAX (EXPENSE)/BENEFIT	(1,872)	7,314
(i) Deferred income tax expense relating to the origination and reversal of temporary differences comprises:		
Increase in deferred tax assets	3,873	9,612
Increase in deferred tax liabilities	(3,545)	(4,245)
DEFERRED INCOME TAX (EXPENSE)/BENEFIT	328	5,367

2.4.2 RECONCILIATION BETWEEN PRE-TAX PROFIT/(LOSS) AT THE STATUTORY TAX RATE AND TAX (EXPENSE)/BENEFIT

	2023 \$'000	2022 \$'000
PROFIT/(LOSS) BEFORE INCOME TAX	21,057	(36,099)
Income tax (expense)/benefit at the statutory tax rate of 30%	(6,317)	10,830
Add/(deduct) tax effect of:		
Non-deductible amortisation	(415)	(415)
Share based payment expense	-	(40)
Tax losses recognised	3,889	-
Tax losses de-recognised	(31)	(1,012)
Franking credit and withholding tax offset utilised	569	-
Differences in overseas tax rates	135	(237)
Other non-deductible items	55	(97)
Under provision in prior year	243	(1,715)
INCOME TAX (EXPENSE)/BENEFIT	(1,872)	7,314

2.4.3 DEFERRED TAX ASSETS

	2023 \$'000	2022 \$'000
Employee benefits	2,429	2,337
Payables and accruals	6,420	6,042
Lease liabilities	6,414	6,323
Tax losses ⁽ⁱ⁾	440	5,040
Other	1,606	1,440
GROSS DEFERRED TAX ASSETS	17,309	21,182
Set-off of deferred tax assets and liabilities pursuant to set-off provisions	(17,309)	(21,182)
NET DEFERRED TAX ASSETS	-	-

(i) At 30 June 2023 the Group had an unrecognised deferred tax benefit related to income tax losses of \$0.07 million (2022: \$1.0 million). The utilisation of these tax losses depends on meeting the requirements of the tax law in the countries to which they relate.

There is no unrecognised deferred tax asset relating to unused capital losses (2022: \$2.0 million).

Under Australian tax law, the group has been able to apply tax credits from carrying back tax losses from 2020 and 2021 to reduce income tax liabilities for 2019 totalling \$7.7 million.

Movement in temporary differences during the year

	Employee benefits \$'000	Payables and accruals \$'000	Property plant and equipment \$'000	Lease liabilities \$'000	Tax losses \$'000	Other \$'000	Total \$'000
BALANCE AT 1 JULY 2021	3,960	8,835	188	9,162	3,167	3,454	28,766
Reclassifications	(2,850)	(4,807)	-	-	7,657	-	-
Tax refund received	-	-	-	-	(7,657)	-	(7,657)
(Charged)/credited							
- to profit or loss	2,030	2,426	(188)	(305)	7,728	(1,640)	10,051
- to profit from discontinued operations	-	-	-	-	1,347	(281)	1,066
Offset tax payable	-	-	-	-	(6,167)	-	(6,167)
Tax losses derecognised	-	-	-	-	(1,035)	-	(1,035)
Reductions: divested business	(803)	(412)	-	(2,534)	-	(93)	(3,842)
BALANCE AT 30 JUNE 2022	2,337	6,042	-	6,323	5,040	1,440	21,182
BALANCE AT 1 JULY 2022	2,337	6,042	-	6,323	5,040	1,440	21,182
(Charged)/credited							
- to profit or loss	92	378	-	91	(4,600)	166	(3,873)
BALANCE AT 30 JUNE 2023	2,429	6,420	-	6,414	440	1,606	17,309

2.4.4 DEFERRED TAX LIABILITIES

	2023 \$'000	2022 \$'000
Investment in equity accounted investments	4,823	8,142
Accrued revenue	16,119	13,315
Property, plant and equipment	1,813	-
Right of use assets	5,844	5,508
Intangibles	34,042	34,426
Other	733	2,225
GROSS DEFERRED TAX LIABILITIES	63,374	63,616
Set-off of deferred tax assets and liabilities pursuant to set-off provisions	(17,309)	(21,182)
NET DEFERRED TAX LIABILITIES	46,065	42,434

Movement in temporary differences during the year

	Other investments \$'000	Accrued revenue \$'000	Property plant and equipment \$'000	Right of use assets \$'000	Intangibles \$'000	Other \$'000	Total \$'000
BALANCE AT 1 JULY 2021	-	16,982	99	7,424	35,650	1,690	61,845
(Charged)/credited							
- to profit or loss	-	2,710	(99)	436	1,166	32	4,245
- to profit from discontinued operations	13,746	-	-	-	-	-	13,746
- to other comprehensive income	(5,604)	-	-	-	-	-	(5,604)
Reductions: divested business	-	(6,377)	-	(2,352)	(2,390)	503	(10,616)
BALANCE AT 30 JUNE 2022	8,142	13,315	-	5,508	34,426	2,225	63,616
BALANCE AT 1 JULY 2022	8,142	13,315	-	5,508	34,426	2,225	63,616
(Charged)/credited							
- to profit or loss	467	2,804	1,813	336	(384)	(1,492)	3,544
- to other comprehensive income	(3,786)	-	-	-	-	-	(3,786)
BALANCE AT 30 JUNE 2023	4,823	16,119	1,813	5,844	34,042	733	63,374

Unrecognised temporary differences

The Group had undistributed earnings for controlled entities which if paid out as dividends would be non-assessable exempt income and not subject to tax in the hands of the recipient. Therefore, no deferred tax liability has been recorded in relation to the undistributed earnings.

SIGNIFICANT ACCOUNTING POLICIES

Income tax expense/benefit in the Consolidated income statement for the period presented comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax is also recognised in other comprehensive income, or directly in equity, respectively.

Current tax

Current tax payable represents the amount expected to be paid to taxation authorities on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous periods.

Deferred tax

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting and taxation purposes. Deferred tax is measured at the rates that are expected to apply in the period in which the liability is settled, or asset realised, based on tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit or in relation to the initial recognition of goodwill.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and tax offsets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Tax consolidation legislation

Helloworld Travel Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Helloworld Travel Limited, and its 100% wholly-owned subsidiaries in the Australian income tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the Australian income tax consolidated group continues to be a standalone taxpayer.

In addition to its own current and deferred tax amounts, Helloworld Travel Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the Australian income tax consolidated group where applicable.

Nature of tax funding arrangements and tax sharing agreements

Helloworld Travel Limited, in conjunction with the other 100% wholly owned subsidiary members of the Australian income tax consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the Australian income tax consolidated group in respect of the Group's tax liability. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any deferred tax asset relating to tax losses be assumed by the head entity, resulting in the head entity recognising an intercompany receivable/(payable) equal in amount to the tax liability/(asset) assumed. The intercompany receivable/(payable) is at call.

The amounts receivable/payable under the tax funding arrangement are due upon receipt of the funding advice from the head tax entity, which is issued as soon as practicable after the end of each financial year. The head tax entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. Where an entity exits the Australian tax consolidated group, the entity is required to make a payment to the head entity equal to its tax liability (or a reasonable estimate of that amount) for the period in which the exit occurs. As a result, the exiting entity is released from any group tax liability for that period.

2.5. EARNINGS PER SHARE (EPS)

	2023 \$'000	2022 \$'000
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY USED IN EPS		
Profit/(loss) from continuing operations	19,197	(28,104)
Profit/(loss) from discontinued operations	(1,822)	118,631
	17,375	90,527

	2023 Number	2022 Number
WEIGHTED AVERAGE NUMBER OF SHARES (WANOS) USED IN EARNINGS PER SHARE		
Basic earnings per share ⁽ⁱ⁾	155,027,845	155,027,845
Diluted earnings per share	155,027,845	155,027,845

	Cents per share	
	2023	2022
BASIC EARNINGS/(LOSS) PER SHARE		
Continuing operations	12.4	(18.1)
Discontinued operations	(1.2)	76.5
	11.2	58.4

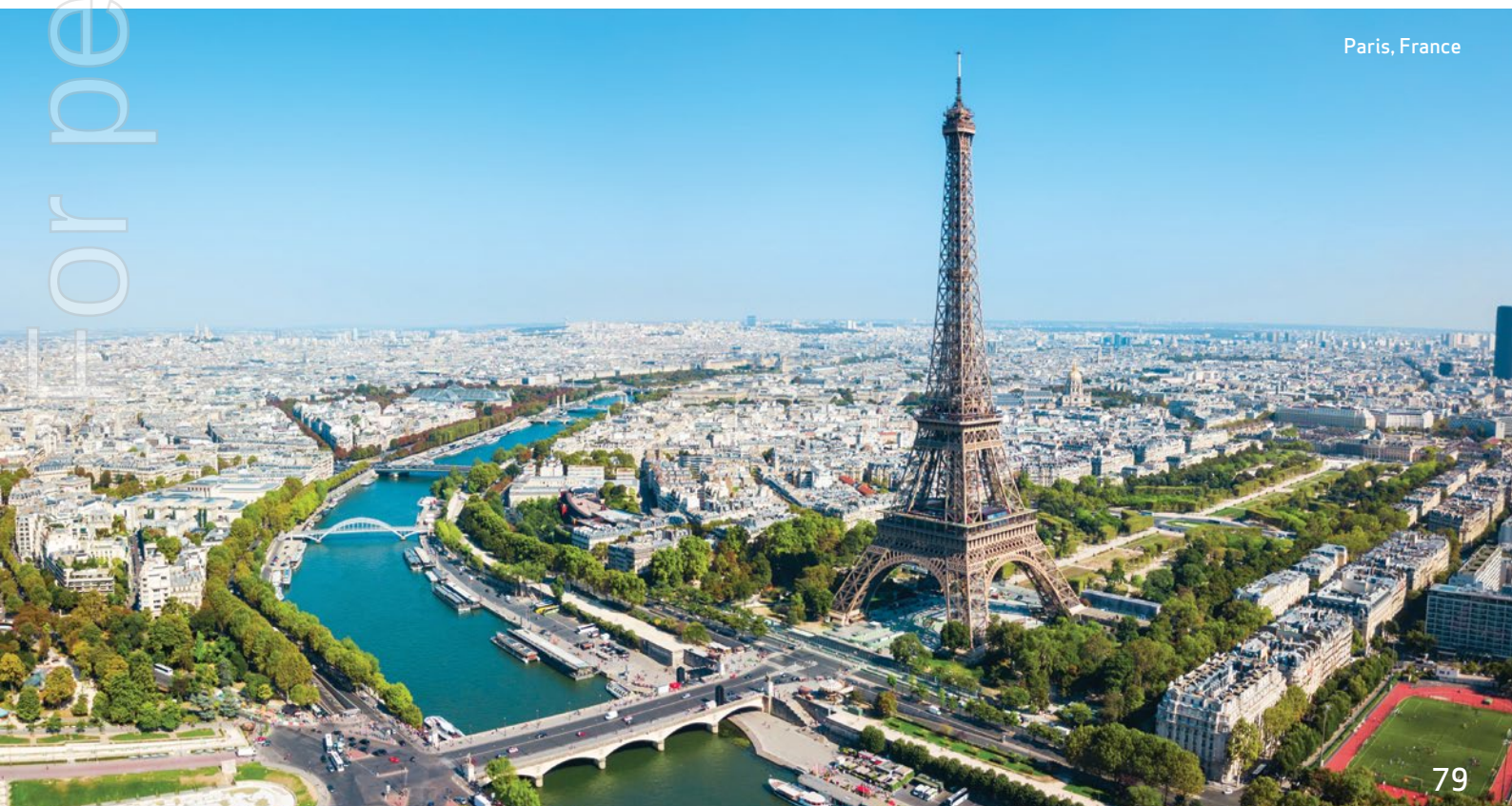
	Cents per share	
	2023	2022
DILUTED EARNINGS/(LOSS) PER SHARE		
Continuing operations	12.4	(18.1)
Discontinued operations	(1.2)	76.5
	11.2	58.4

(i) At 30 June 2023, Helloworld Travel Limited had 155,027,845 (2022: 155,027,845) ordinary shares on issue.

(ii) On the 11 August 2023, the Group issued 3,647,998 fully paid ordinary shares as part consideration for the acquisition of the Express Travel Group (Refer note 7.3: Subsequent events).

(iii) On 25 August 2023, the Group issued 479,781 fully paid ordinary shares as part consideration for the acquisition of Phil Hoffmann Travel (Refer note 7.3: Subsequent events).

Paris, France



3. WORKING CAPITAL AND PROVISIONS

3.1. TRADE AND OTHER RECEIVABLES

	2023 \$'000	2022 \$'000
CURRENT		
Trade receivables	39,357	33,788
Loss allowance	(1,922)	(2,393)
TRADE RECEIVABLES NET OF LOSS ALLOWANCE	37,435	31,395
Other receivables	5,309	9,883
TOTAL OTHER RECEIVABLES	5,309	9,883
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	42,744	41,278
NON-CURRENT		
Other receivables	263	2,799
TOTAL NON-CURRENT TRADE AND OTHER RECEIVABLES	263	2,799

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade receivables relate to amounts invoiced to customers but not yet received. They are recognised initially at the transaction price. As trade receivables are held with the objective of collecting contractual cash flows, they are subsequently measured at amortised cost using the effective interest rate method. Trade receivables are non-interest bearing and are generally collected within 7 to 30 days from the date of invoice and are therefore presented as current assets. Non-current other receivables are those where collection is not expected within 12 months from the reporting date and are measured at the present value of future net cash inflows expected to be received.

Impairment of trade receivables

Collectability of receivables (including accrued revenue) is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off by management following a review of specific debtors with factors indicating that the debt may not be repaid. The Group applies the simplified approach to measuring expected credit losses for trade receivables using a lifetime expected loss allowance approach. To measure the expected credit losses, receivables are grouped based on shared credit risk characteristics and days past due. The expected loss rates applied to receivables at 30 June are based on historical loss rates adjusted to reflect current and forward looking market factors. The loss allowance is recognised in profit or loss within operating expenses.

Impairment of other receivables

Collectability of other receivables is reviewed on an ongoing basis with specific allowances made for any expected credit losses based on a review of all outstanding amounts at reporting period-end. Individual receivables are written off when management deems them unrecoverable.

3.2. ACCRUED REVENUE

	2023 \$'000	2022 \$'000
Accrued override commission ⁽ⁱ⁾	29,311	14,961
Loss allowance	-	(3,500)
TOTAL ACCRUED REVENUE	29,311	11,461

(i) Increase of \$14.4 million reflects the growth in air travel in FY23 following the recovery from the COVID-19 pandemic.

SIGNIFICANT ACCOUNTING POLICIES

Accrued revenue relates to amounts owed to the Group that have not yet been invoiced.

Accrued override commission

Accrued override commission is the estimate of override commission revenue earned during the respective customer contract period but not yet invoiced at balance date. It is considered a contract asset in accordance with applicable accounting standards. Refer to note 2.1: Revenue and other income for further details of the recognition and measurement of override commissions. Accrued override commission is transferred to trade receivables when the contract period with the airline or leisure partner is completed and the final amount of the override commission has been calculated and invoiced in accordance with the contract.

The contract periods with airline and leisure partners for override commission varies from one to twelve months. As a result, the accrued revenue recorded on the Consolidated balance sheet at 30 June is invoiced and settled in the following financial year. The estimated accrued override commission is subsequently adjusted for any differences between the Group's initial estimate and finalisation with the respective contractual partner.

Impairment of accrued revenue

Refer to note 3.1: Trade and other receivables for further details of the recognition and measurement of the loss allowance.

3.3 TRADE AND OTHER PAYABLES

	2023 \$'000	2022 \$'000
Trade payables	100,324	92,530
Accruals	21,920	15,413
Other payables	31,734	25,182
TOTAL TRADE AND OTHER PAYABLES	153,978	133,125

The group has recognised a defined contribution plan expense of \$3.7 million (2022: \$3.1 million) in the consolidated income statement.

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They include amounts owing to participating retail travel agents under the Group's incentive program (reported within selling expenses in the Consolidated income statement) which are assessed based on the volume of completed sales made with designated preferred suppliers of the Group.

Trade and other payables are non-interest bearing, unsecured and are normally settled within 7 to 30 day payment terms from the date of invoice. The Group's contractual arrangements generally allow the Group to defer payment of travel related payables until funds have been received from the customer or agent. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at their amortised cost. Non trade payables and accruals are non-interest bearing.

3.4 DEFERRED REVENUE

	2023 \$'000	2022 \$'000
Supplier incentives	1,397	1,603
Unearned income ⁽ⁱ⁾	4,977	6,605
TOTAL DEFERRED REVENUE	6,374	8,208

- (i) The Group has not provided information on the unsatisfied and partially satisfied performance obligations at reporting date which are part of a contract that has an original expected duration of one year or less, as permitted by AASB 15 Revenues from contracts with customers.

SIGNIFICANT ACCOUNTING POLICIES

Supplier incentives

The Group receives incentives from suppliers when entering into long term contracts. Incentives deferred at 30 June 2023 relate to contracts with terms of between 5 to 7 years. Supplier incentives are recognised in the Consolidated income statement over the life of the contract based on specific performance criteria.

Unearned income

Unearned income is considered a contract liability recognised in accordance with applicable accounting standards. It represents money received from customers prior to finalisation of the travel booking. These funds represent:

- Amounts used to purchase travel products associated with the travel bookings; and
- The revenue commission on the booking.

The revenue commission is recognised in the profit or loss in accordance with the revenue recognition policy in note 2.1: Revenue and other income.

3.5 OTHER LIABILITIES

	2023 \$'000	2022 \$'000
CURRENT		
Deferred payments ⁽ⁱ⁾	383	-
TOTAL CURRENT OTHER LIABILITIES	383	-
NON-CURRENT		
Deferred payments ⁽ⁱ⁾	-	460
Other liabilities	140	209
TOTAL NON-CURRENT OTHER LIABILITIES	140	669

- (i) Relates to deferred contingent consideration (override commission due on TTV) payable by the Group for the Cruiseco business acquired on 30 November 2020.

3.6 PROVISIONS

	2023 \$'000	2022 \$'000
CURRENT		
Employee benefits - annual leave	3,536	3,132
Employee benefits - long service leave	4,130	4,214
Other	3,638	7,600
TOTAL CURRENT PROVISIONS	11,304	14,946
NON-CURRENT		
Employee benefits - long service leave	67	26
Lease make good	1,198	1,130
TOTAL NON-CURRENT PROVISIONS	1,265	1,156

MOVEMENTS IN PROVISIONS

	Lease make good \$'000	Other \$'000	Total \$'000
BALANCE AT 1 JULY 2021	1,357	10,425	11,782
Provision charged/(released) to income statement	18	(1,941)	(1,923)
Payments made from provision	(165)	(884)	(1,049)
Reductions: divested business	(80)	-	(80)
BALANCE AT 30 JUNE 2022	1,130	7,600	8,730
Current	-	7,600	7,600
Non-current	1,130	-	1,130
BALANCE AT 30 JUNE 2022	1,130	7,600	8,730
BALANCE AT 1 JULY 2022	1,130	7,600	8,730
Provision charged/(released) to income statement	3	-	3
Additions	80	-	80
Payments made from provision	(15)	(3,962)	(3,977)
BALANCE AT 30 JUNE 2023	1,198	3,638	4,836
Current	-	3,638	3,638
Non-current	1,198	-	1,198
BALANCE AT 30 JUNE 2023	1,198	3,638	4,836

SIGNIFICANT ACCOUNTING POLICIES

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made as to the amount of the obligation. The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Provisions are not recognised for future operating losses.

Employee benefits

A liability is recognised for benefits accruing to employees in respect of annual leave and long service leave. Liabilities expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date discounted using a 10 year corporate bond rate.

The Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Lease make good

A provision is recognised for the estimated cost of expenditure required to complete dismantling and site restoration obligations required by existing lease contracts. Liabilities which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows.

4. INVESTED CAPITAL

4.1 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings \$'000	Equipment including motor vehicles \$'000	Leasehold improvements \$'000	Total \$'000
BALANCE AT 1 JULY 2021	638	8,876	3,221	12,735
Additions	-	344	-	344
Disposals	-	(21)	-	(21)
Reductions: divested business	-	(359)	(130)	(489)
Foreign currency differences	11	(11)	(14)	(14)
Depreciation charge	(11)	(3,162)	(776)	(3,949)
BALANCE AT 30 JUNE 2022	638	5,667	2,301	8,606
AT 30 JUNE 2022				
Cost	733	29,113	8,620	38,466
Accumulated depreciation	(95)	(23,446)	(6,319)	(29,860)
NET BOOK AMOUNT	638	5,667	2,301	8,606
BALANCE AT 1 JULY 2022	638	5,667	2,301	8,606
Additions	10	1,730	517	2,257
Reclassifications	-	171	-	171
Disposals	-	(656)	-	(656)
Foreign currency differences	21	93	5	119
Depreciation charge	(11)	(2,375)	(548)	(2,934)
BALANCE AT 30 JUNE 2023	658	4,630	2,275	7,563
AT 30 JUNE 2023				
Cost	772	29,703	8,976	39,451
Accumulated depreciation	(114)	(25,073)	(6,701)	(31,888)
NET BOOK AMOUNT	658	4,630	2,275	7,563

SIGNIFICANT ACCOUNTING POLICIES

Carrying value

The Group's property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes any expenditure that is directly attributable to the acquisition of property, plant and equipment.

Depreciation

Assets are depreciated on a straight-line basis over their estimated useful lives to their residual values. Leasehold improvements are depreciated over the shorter of the lease term or their useful lives. Land is not depreciated.

The expected useful lives of property, plant and equipment have not changed from the prior year and are as follows:

- | | |
|--------------------------------------|-----------------|
| • Buildings | 40 years |
| • Equipment including motor vehicles | 2.5 to 10 years |
| • Leasehold improvements | 5 to 10 years |

Proceeds from sale of assets

The gross proceeds from asset sales are recognised at the date that an unconditional contract of sale is exchanged with the purchaser or when title passes. The net gain or loss is recognised in profit or loss.

Impairment

Property, plant and equipment are tested for impairment in accordance with the policy for impairment of non-financial assets disclosed in Note 4.4: Impairment of non-financial assets.



4.2 RIGHT OF USE ASSETS

	Property \$'000	Motor Vehicles \$'000	Total \$'000
BALANCE AT 1 JULY 2021	25,025	17	25,042
Additions	4,247	-	4,247
Disposals	(646)	-	(646)
Reductions: divested business	(5,791)	-	(5,791)
Modifications to lease terms	1,384	-	1,384
Foreign currency differences	(142)	-	(142)
Depreciation charge	(5,723)	(11)	(5,734)
BALANCE AT 30 JUNE 2022	18,354	6	18,360
AT 30 JUNE 2022			
Cost	34,220	48	34,268
Accumulated depreciation and impairment	(15,866)	(42)	(15,908)
NET BOOK AMOUNT	18,354	6	18,360
BALANCE AT 1 JULY 2022	18,354	6	18,360
Additions	2,996	2,405	5,401
Modifications	822	(6)	816
Foreign currency differences	107	-	107
Depreciation charge	(4,296)	(177)	(4,473)
BALANCE AT 30 JUNE 2023	17,983	2,228	20,211
AT 30 JUNE 2023			
Cost	37,216	2,405	39,621
Accumulated depreciation and impairment	(19,233)	(177)	(19,410)
NET BOOK AMOUNT	17,983	2,228	20,211

SIGNIFICANT ACCOUNTING POLICIES

Property right of use assets

Property right of use assets relate to the benefits derived from various leased offices under non-cancellable agreements.

Motor vehicle right of use asset

Motor vehicle right of use assets relate to the benefits derived from vehicles used by the Entertainment Logistix business under non-cancellable agreements.

Accounting for right of use assets

Right of use assets (lease assets) are initially measured at cost, comprising:

- Initial lease liability;
- Lease payments at or before the lease commencement date (less any incentives received);
- Initial direct costs; and
- Estimate of any costs to dismantle, remove or remediate the asset at the end of the lease.

Lease assets are subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Lease assets are tested for impairment in accordance with the policy adopted for non-financial assets in note 4.4: Impairment of non-financial assets. Subsequent to initial measurement, when the lease liability is remeasured, a corresponding adjustment is made to the value of the lease asset, or the Consolidated income statement if the lease asset is already reduced to zero.

4.3 INTANGIBLE ASSETS

	Goodwill \$'000	Retail distribution systems \$'000	Agent network \$'000	Commercial agreements \$'000	Customer bases \$'000	Brand names and trademarks \$'000	Technology assets \$'000	Total \$'000
BALANCE AT 1 JULY 2021	122,415	104,400	8,310	15,752	7,335	2,127	30,495	290,834
Additions: purchased	-	-	-	-	-	-	1,372	1,372
Additions: internal projects	-	-	-	-	-	-	2,364	2,364
Reductions: divested business	(33,568)	-	-	(74)	(6,808)	(1,093)	(3,852)	(45,395)
Foreign currency differences	(876)	-	-	(19)	-	-	(22)	(917)
Amortisation charge	-	-	-	(3,412)	(527)	(170)	(10,533)	(14,642)
BALANCE AT 30 JUNE 2022	87,971	104,400	8,310	12,247	-	864	19,824	233,616
AT 30 JUNE 2022								
Cost	463,419	104,400	8,810	24,904	-	9,143	96,539	707,215
Accumulated amortisation and impairment	(375,448)	-	(500)	(12,657)	-	(8,279)	(76,715)	(473,599)
NET BOOK AMOUNT	87,971	104,400	8,310	12,247	-	864	19,824	233,616
BALANCE AT 1 JULY 2022	87,971	104,400	8,310	12,247	-	864	19,824	233,616
Additions: purchased	-	-	-	-	-	-	479	479
Additions: internal projects	-	-	-	-	-	-	704	704
Reclassifications	-	-	-	-	-	-	(610)	(610)
Foreign currency differences	397	-	-	12	-	-	(84)	325
Amortisation charge	-	-	-	(2,575)	-	(100)	(7,941)	(10,616)
BALANCE AT 30 JUNE 2023	88,368	104,400	8,310	9,684	-	764	12,372	223,898
AT 30 JUNE 2023								
Cost	463,862	104,400	8,810	25,024	-	9,143	95,919	707,158
Accumulated amortisation and impairment	(375,494)	-	(500)	(15,340)	-	(8,379)	(83,547)	(483,260)
NET BOOK AMOUNT	88,368	104,400	8,310	9,684	-	764	12,372	223,898

NATURE OF INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the share of the net identifiable assets acquired.

Retail distribution systems

Retail distributions systems are the integrated system of methods, procedures, techniques and other systems which facilitate the day-to day running of the retail business. This includes access to products/inventory, brands, marketing, advertising, promotional techniques, training and operational manuals of the network. Due to the interdependencies between these components, the Group considers these assets to be complementary and are recognised as single identifiable assets.

Agent networks

Agent networks were separately identified and valued as part of the merger with AOT Group Limited. It represents the agreements with travel agents for the provision of wholesale and inbound domestic travel products such as packaged tours.

Commercial agreements

Commercial agreements represent:

- The value attributable to agreements entered into with travel agents, servicing leisure and corporate travel, that are part of the Helloworld Travel member network; and
- Long-term supplier agreements relating to revenue contracts.

Customer bases

Customer bases represented the value attributable to key customer relationships within the Corporate business. The customer bases intangible assets were acquired as part of business combinations and were divested with the sale of Corporate business in the prior year.

Brand names and trademarks

Brand names and trademarks are intangible assets acquired as part of a past business combination and include wholesale business brands.

Technology assets

Technology assets consist of:

- Software, website and other technology assets that were acquired through external suppliers or via business combinations; and
- Internally developed and enhanced Group technology platforms. Costs capitalised include external direct costs of materials and service, and direct payroll and payroll related costs of employees' time spent on the project.

	2023 \$'000	2022 \$'000
GOODWILL BY CASH GENERATING UNIT (CGU)		
Australia retail distribution operations ⁽ⁱ⁾	34,610	34,610
Australia wholesale and inbound ⁽ⁱⁱ⁾	44,479	44,479
New Zealand ⁽ⁱⁱⁱ⁾	9,279	8,882
GOODWILL, NET OF IMPAIRMENT	88,368	87,971

(i) Represent the Australian reportable segment of Travel Operations Australia for management purposes.

(ii) Represent the New Zealand reportable segment of Travel Operations New Zealand for management reporting purpose.

(iii) No goodwill has been allocated to the Rest of World CGU, which equates to the Rest of World reportable segment for management reporting purposes.

	2023 \$'000	2022 \$'000
RETAIL DISTRIBUTION SYSTEMS BY CGU		
AUSTRALIA RETAIL DISTRIBUTION OPERATIONS	104,400	104,400

SIGNIFICANT ACCOUNTING POLICIES

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the share of the net identifiable assets acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets with indefinite useful life

(i) Retail distribution systems

The Group has determined that these retail distribution systems have an indefinite useful life due to the ongoing effectiveness of the systems which support the Australian retail network and are allocated to the Australian retail distribution operations CGU. Retail distribution systems are considered indefinite life intangible assets and are therefore measured at cost less any accumulated impairment losses.

(ii) Agent networks

The Group considers that the agent networks have an indefinite useful life as there are no indications that these relationships will not continue to provide future benefits. It is entirely allocated to the Australia wholesale and inbound CGU. Agent networks are therefore measured at cost less any accumulated impairment losses.

Intangible assets with finite useful life

(i) Commercial agreements

Commercial agreements are measured at cost and amortised over their useful life between 5 and 12 years.

(ii) Customer bases

Customer bases were part of the divested Corporate business. They were measured at cost and amortised over their useful life of 8 years.

(iii) Brand names and trademarks

Brand names and trademarks are measured at cost and are amortised over their useful life of 7 to 20 years.

(iv) Technology assets

Amounts paid for the development of software and website intangible assets are capitalised only when it is probable the future economic benefits of the project will flow to the Group and the Group controls the software.

The booking system and related website technology acquired from the Flight Systems Group is measured at cost and is being amortised over 10 years. All other technology assets are measured at cost and are amortised over a useful life of 2.5 to 7 years.

Impairment

Intangible assets are tested for impairment in accordance with the policy for impairment of non-financial assets disclosed in note 4.4: Impairment of non-financial assets.

4.4 IMPAIRMENT OF NON-FINANCIAL ASSETS

Key assumptions

Following are the key assumptions applied in calculating the recoverable amount using the Value in Use method:

KEY ASSUMPTION	COMMENTARY
TOTAL TRANSACTION VALUE (TTV)	
<i>Australia retail distribution operations CGU</i>	Travel is forecast to gradually increase to 80% of FY19 volumes in 2028, which is conservative compared to industry forecasts.
<i>Australia wholesale and inbound CGU</i>	Travel is forecast to gradually increase to 90% of FY19 volumes in 2028, which is conservative compared to industry forecasts.
<i>New Zealand</i>	The New Zealand CGU comprises inbound and outbound leisure. Travel is forecast to gradually increase to 100% of FY19 volumes in 2027, which is conservative compared to industry forecasts.
REVENUE MARGINS/EBITDA	Revenue margins are forecast to return to historical levels for each revenue stream, allowing for changes in TTV mix within the respective CGU. Variable costs including employee benefits expenditure have been forecast as a percentage of TTV or revenue.
LONG-TERM GROWTH	The terminal value calculations have an equivalent revenue and operating expense growth assumption of 2% (2022: 2%).
DISCOUNT RATES	Discount rates applied in the testing of recoverable amounts reflect the post-tax weighted average cost of capital. A 14.0% discount rate (2022: 12.0%) has been applied to the Australian CGUs and a 14.0% discount rate (2022: 12.0%) has been applied to the New Zealand CGU.

Sensitivity analysis

The recoverable amount is sensitive to changes in the key assumptions described above. The impact of reasonably possible changes in key assumptions is shown in the table below and has been calculated in isolation from other changes. In the event that multiple changes took place simultaneously, this may result in an impairment.

	RESULTANT IMPAIRMENT CHANGE			
	TTV reduction to key assumption ⁽ⁱ⁾⁽ⁱⁱ⁾	EBITDA reduction to key assumption	Long-term growth decrease	Discount rate increase
GOODWILL	5.0%	5.0%	1.0%	1.0%
Australia retail distribution operations	No impairment	No impairment	No impairment	No impairment
Australia wholesale and inbound	No impairment	No impairment	No impairment	No impairment
New Zealand	No impairment	No impairment	No impairment	No impairment
Transport, Logistics and Warehousing	No impairment	No impairment	No impairment	No impairment
Rest of World	No impairment	No impairment	No impairment	No impairment

(i) TTV does not represent revenue in accordance with Australian Accounting Standards and is not subject to audit. TTV represents the price at which travel products and services have been sold across the Group, as agents for various airlines and other service providers, plus revenue from other sources. The Group's revenue is, therefore, derived from TTV. TTV does not represent the Group cash inflows as some transactions are settled directly between the customer and the supplier.

(ii) A reduction in forecast TTV has a corresponding impact on forecast revenues and variable operating expenditures, working capital and tax.

SIGNIFICANT ACCOUNTING POLICIES

An impairment loss is incurred when the carrying amount of an asset or a CGU exceeds its estimated recoverable amount.

Impairment of non-financial assets

The carrying amounts of the Group's non-current assets are reviewed for impairment as follows:

- Lease assets, property, plant and equipment, and finite life intangibles: when there is an indication that the asset may be impaired (assessed at least each reporting date) or when there is an indication that a previously recognised impairment may need to be reversed.
- Goodwill and indefinite life intangibles: at least annually and when there is an indication that the asset may be impaired.

The Group's impairment testing is performed at an individual CGU level. The Group assessed the carrying amounts of CGUs and no impairments were recognised.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. For an asset that does not generate largely independent cash inflows, recoverable amount is assessed at the CGU level, which is the smallest group of assets generating cash inflows independent of other CGUs that benefit from the use of the respective asset.

Recoverable amount has been determined using the Value in Use method. Cash flow forecast have been approved by management and are forecast for a period of 5 years.

Goodwill is allocated to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments and grouped at the lowest levels for which goodwill is monitored for internal management purposes.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of a CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of other assets in the CGU on a pro-rata basis.



5 CAPITAL STRUCTURE AND FINANCING ACTIVITIES

5.1 CASH AND CASH EQUIVALENTS AND CASH DEPOSITS

	2023 \$'000	2022 \$'000
Cash at bank and on hand ⁽ⁱ⁾	107,730	83,059
Restricted cash at bank ⁽ⁱⁱ⁾	39,158	33,465
CASH AND CASH EQUIVALENTS	146,888	116,524
Cash deposits ⁽ⁱ⁾	12,000	6,000
Restricted cash deposits ⁽ⁱⁱ⁾	2,000	-
CASH DEPOSITS⁽ⁱⁱⁱ⁾	14,000	6,000
TOTAL	160,888	122,524

(i) Includes client cash which is not International Air Transport Association (IATA) restricted.

(ii) Restricted cash and deposits includes cash held of \$41.2 million (2022: \$33.5 million) within legal entities of the Group that have IATA requirements as part of providing ticketing travel arrangements and for an ongoing legal matter.

(iii) Represents term deposits placed with commercial banks with a term of greater than 3 months.

(iv) The total cash and deposits excluding restricted cash is \$119.7 million (2022: \$89.1 million).

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, at call deposits and term deposits with an original maturity of three months or less. Term deposits are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Interest income is earned on cash and term deposits and is recognised on an accrual basis in the profit or loss.

CASH FLOW RECONCILIATIONS

Reconciliation of loss after income tax to net cash

	2023 \$'000	2022 \$'000
PROFIT AFTER INCOME TAX EXPENSE FOR THE YEAR	17,363	89,846
<i>Adjustments for:</i>		
Depreciation and amortisation expense	18,023	24,325
Share based payment expense	-	51
Profit on disposal of property, plant and equipment	(183)	(174)
Loss allowance on trade receivables and accrued override commission	(3,971)	125
Share of (profit)/loss of equity accounted investments	(1,981)	73
Amortisation of borrowing costs	-	289
Non-cash revaluation of lease liability	-	(127)
Gain on sale of corporate travel management	-	(117,532)
Dividend income	(556)	-
<i>Change in operating assets and liabilities:</i>		
Increase in trade and other receivables	(4,572)	(29,971)
(Increase)/decrease in prepayments	(990)	449
Increase in accrued revenue	(14,350)	(14,384)
Decrease in inventories	249	20
Increase in trade and other payables	21,507	79,543
Decrease in deferred revenue	(1,834)	(24,851)
Decrease in other liabilities	(146)	-
Decrease in provisions	(3,533)	(7,616)
Movements in tax balances	1,852	9,354
NET OPERATING CASH FLOWS	26,878	9,420

5.2 FINANCING ARRANGEMENTS

	2023 \$'000	2022 \$'000
CONTINGENT FACILITIES: BANK GUARANTEES AND LETTER OF CREDIT		
Westpac Facility B	1,661	3,959
Westpac Facility C	533	591
Westpac stand alone facilities	2,159	1,218
TOTAL	4,353	5,768

The above represents contingent components (bank guarantees and letter of credit) of Westpac facilities B and C. Cash drawn down under Westpac facilities A, B, C and D were repaid during the year ended 30 June 2022. The financing arrangements are secured over the assets of the entities in the Deed of Cross Guarantee (note 6.1: Equity accounted investments and note 8.4: Deed of cross guarantee) and certain New Zealand entities within the Group (the "obligor group" as defined under the Westpac facility agreement).



5.3 LEASE LIABILITIES

	2023 \$'000	2022 \$'000
Current lease liabilities	5,266	4,551
Non-current lease liabilities	16,878	16,525
TOTAL	22,144	21,076

MOVEMENTS IN TOTAL LEASE LIABILITIES	Property \$'000	Motor vehicles \$'000	Total \$'000
BALANCE AT 1 JULY 2021	30,973	17	30,990
Additions ⁽ⁱⁱ⁾	4,187	-	4,187
Disposals ⁽ⁱⁱⁱ⁾	(637)	-	(637)
Reductions: divested business ^(iv)	(8,454)	-	(8,454)
Interest expense	834	-	834
Lease payments ⁽ⁱ⁾	(7,065)	(15)	(7,080)
Modifications to lease terms	1,384	-	1,384
Foreign currency differences	(148)	-	(148)
BALANCE AT 30 JUNE 2022	21,074	2	21,076
Current	4,549	2	4,551
Non-current	16,525	-	16,525
TOTAL	21,074	2	21,076
BALANCE AT 1 JULY 2022	21,074	2	21,076
Additions ⁽ⁱⁱ⁾	2,916	2,372	5,288
Interest expense	652	51	703
Lease payments ⁽ⁱ⁾	(5,762)	(198)	(5,960)
Modifications	900	-	900
Foreign currency differences	137	-	137
BALANCE AT 30 JUNE 2023	19,917	2,227	22,144
Current	4,700	566	5,266
Non-current	15,217	1,661	16,878
TOTAL	19,917	2,227	22,144

(i) Comprises principal elements of lease liabilities of \$5.2 million (2022: \$6.2 million) included in financing cashflows and interest expense of \$0.7 million (2022: \$0.8 million) included in operating cash flows.

(ii) The Group entered into additional motor vehicle leases and a property lease at Sydney resulting in additions of \$5.2 million. In the prior year, the Group entered into additional leases at Brisbane and Fiji and renewed existing leases resulting in additions of \$4.2 million.

(iii) In the prior year, the Group exited the Brisbane lease resulting in disposals of \$0.6 million.

(iv) Lease agreements divested as part of the sale of the Corporate business.

Nature of leasing activities

The Group has operating leases relating to commercial office premises, retail properties and motor vehicles. The Group's leases are typically for fixed periods between 3 to 10 years and may include extension options. Lease terms are negotiated on an individual lease basis and contain a wide range of different terms and conditions. Lease liabilities payment obligations relate to various leased offices and motor vehicles under non-cancellable agreements. None of the Group's lease agreements impose any covenants, however leased assets may not be used as security for borrowing purposes.

Short term leases and leases of low value assets

In addition to the above leases, the Group recognised the following in the income statement:

- Low value lease expense of \$0.04 million (2022: \$0.04 million); and
- Short term lease expense of \$0.2 million (2022: \$0.5 million) for leases entered into by the freight business.

SIGNIFICANT ACCOUNTING POLICIES

Measurement and recognition

The Group assesses whether a contract is, or contains, a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits from an identified asset for a period of time in exchange for consideration. A lease liability and corresponding right of use lease asset are recognised at commencement of the lease.

Lease liabilities

Lease liabilities are measured at the present value of lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, at the Group's incremental borrowing rate specific to the lease term. Lease payments include:

- Fixed payments less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable by the Group under residual value guarantees; and
- Exercise price of a purchase option that the Group is reasonably certain to exercise.

Subsequent to initial measurement, the liability is reduced for lease payments made and increased for interest incurred. The liability is remeasured to reflect any reassessment or modification, or if there are changes relating to in-substance fixed payments. In addition, the liability is adjusted when an index or rate change takes effect resulting in an increase in variable lease payments.

Extension and termination options

Extension and termination options are included in a number of the Group's property leases. These extension options are at the discretion of Helloworld and provide management with the flexibility to manage the leased-asset portfolio in line with the Group's needs. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Short term leases and leases of low value assets

Short term leases are those with a lease term of 12 months or less. The costs associated with these leases are recognised as an expense in the profit or loss as incurred. Low value assets comprise small items of office and information technology related equipment.

5.4 ISSUED CAPITAL

SHARES ON ISSUE	2023 shares	2022 shares	2023 \$'000	2022 \$'000
Issued capital – fully paid	155,027,845	155,027,845	471,231	468,199
ISSUED CAPITAL	155,027,845	155,027,845	471,231	468,199

Holders of ordinary shares in Helloworld Travel Limited are entitled to receive dividends as declared from time to time and are entitled to one vote per share at Helloworld shareholders' meetings. In the event of the winding up of Helloworld Travel Limited, ordinary shareholders rank after creditors and are fully entitled to any proceeds on liquidation. Ordinary shares have no par value and Helloworld Travel Limited does not have a limited amount of authorised capital.

MOVEMENT IN SHARES ON ISSUE	Number of shares	2022 \$'000
BALANCE AS AT 1 JULY 2021	155,027,845	468,199
BALANCE AS AT 30 JUNE 2022	155,027,845	468,199

	Number of shares	\$'000
BALANCE AS AT 1 JULY 2022	155,027,845	468,199
Vested and exercised franchise loyalty plan shares in prior years ⁽ⁱ⁾	-	84
Vested and exercised Omnibus share plan in prior years ⁽ⁱⁱ⁾	-	2,948
BALANCE AS AT 30 JUNE 2023	155,027,845	471,231

- (i) Vested and exercised franchise loyalty plan shares in prior years.
On 24 November 2017, 30,000 shares were granted under the franchise loyalty share plan. These shares vested on 31 July 2019 and they were exercised during FY20 at a fair value of \$2.80 per share. In accordance with the Group's policy, amounts relating to these vested and exercised shares is transferred from share based payment reserve to share capital.
- (ii) Vested and exercised Omnibus share plan in prior years.
During the prior years, 1,071,932 shares (146,932 shares in FY20, 905,000 shares in FY21 and 20,000 shares in FY22) met their vesting conditions and were exercised for a total fair value of \$2.9 million. In accordance with the Group's policy, amounts relating to these vested and exercised shares is transferred from share based payment reserve to share capital.

5.5 RESERVES

	2023 \$'000	2022 \$'000
Foreign currency translation reserve	(562)	(1,440)
Investment revaluation reserve	(7,551)	(13,075)
Share based payments reserve	1,016	4,090
Redemption reserve	-	(7,200)
TOTAL RESERVES	(7,097)	(17,625)

MOVEMENTS IN RESERVES

	Foreign currency translation reserve \$'000	Investment revaluation reserve \$'000	Share based payments reserve \$'000	Redemption reserve \$'000	Total \$'000
BALANCE AT 1 JULY 2021	1,608	-	4,038	(7,200)	(1,554)
Foreign currency translation	(1,809)	-	-	-	(1,809)
Reductions due to divested business	(1,239)	-	-	-	(1,239)
Share based payment expense	-	-	52	-	52
Revaluation of investment in CTM (net of tax)	-	(13,075)	-	-	(13,075)
BALANCE AT 30 JUNE 2022	(1,440)	(13,075)	4,090	(7,200)	(17,625)
BALANCE AT 1 JULY 2022	(1,440)	(13,075)	4,090	(7,200)	(17,625)
Foreign currency translation	878	-	-	-	878
Share based payment expense	-	-	-	-	-
Transfer to accumulated losses	-	4,323	-	7,200	11,523
Revaluation of investment in CTM (net of tax)	-	1,201	-	-	1,201
Franchise loyalty scheme shares lapsed in prior years	-	-	(42)	-	(42)
Franchise loyalty scheme and Omnibus share plan shares exercised in prior years	-	-	(3,032)	-	(3,032)
BALANCE AT 30 JUNE 2023	(562)	(7,551)	1,016	-	(7,097)

Nature of reserves

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are taken to the foreign currency translation reserve, as described in note 1.2: Accounting policies applicable to all financial information.

Investment revaluation reserve

The investment revaluation reserve comprises the fair value adjustments on financial assets. Refer to note 6.2: Other investments for further detail.

Share based payments reserve

The share based payments reserve is used to recognise the fair value of:

- shares issued to eligible employees with performance related conditions; and
- franchise loyalty shares issued to eligible franchise network members with related conditions.

Once the vesting conditions of the respective share schemes are met and the shares are exercised, the accumulated amount of the share based payment reserve relating to the vested shares is transferred to share capital.

Redemption reserve

In FY18, a redemption reserve was recognised upon the acquisition the Group's 60% shareholding in Keygate Holdings Pty Ltd. The redemption reserve related to the non-controlling interest's put option to sell their remaining 40% interest to the Group. The put option was not exercised and expired on 28 September 2022 and hence the balance of redemption reserve was transferred to retained earnings.



5.6. DIVIDENDS

The amount of dividends paid during the year are:

	2023 \$'000	2022 \$'000
ORDINARY SHARES		
FY22 final dividend of 10 cents per share, paid on 23 September 2022	(15,405)	-
FY23 interim dividend of 2 cents per share, paid on 23 March 2023	(3,078)	-
TOTAL	(18,483)	-

- (i) On 28 August 2023, a fully franked final dividend of 6 cents per share (2022: 10 cents per share) was declared. The dividend will be paid on 22 September 2023 with a record date of 8 September 2023. At the date of this Financial Report, the number of shares on issue is 159,155,624 (being 155,027,845 shares on issue at 30 June 2023, 3,647,998 shares issued on completion of the Express Travel Group acquisition and 479,781 shares issued on completion of the Phil Hoffmann Travel acquisition). This number of shares may increase if the Phil Hoffmann Travel acquisition is completed and shares to the value of \$1.4 million are issued prior to the record date (Refer note 7.3: Subsequent events). Based on shares on issue as at the date of this Financial Report, the final dividend to be distributed would equate to \$9.5 million (2022: \$15.4 million), adjusted for the amount offset against the notional employee plan loan. The dividend will be paid out of 2023 financial year profits but is not recognised as a liability at 30 June 2023.
- (ii) At 30 June 2023, 1,320,000 (2022: 1,320,000) vested LTIP shares issued to employees with an employee loan remained unexercised. In accordance with the LTIP loan associated with the FY17 LTIP grant, 24.29% of dividends associated with these shares are paid to the employee in cash with the remaining 75.71% applied to the notional outstanding employee loan. Dividends of \$38,469 (2022: nil) were paid in cash for the unexercised LTIP shares and dividends of \$119,931 (2022: nil) were offset against the notional employee plan loan during the year.

	2023 \$'000	2022 \$'000
FRANKING CREDITS		
Franking credits available at the reporting date	12,573	20,231
Franking credits attached to the dividends paid during the year	(7,973)	-
Franking credits attached to the dividends received during the year	693	-
Franking credits utilised by the loss carry back tax offset	-	(7,658)
TOTAL AMOUNT OF FRANKING CREDITS AVAILABLE FOR SUBSEQUENT FINANCIAL YEARS	5,293	12,573

Lapland, Finland



6 GROUP STRUCTURE

6.1 EQUITY ACCOUNTED INVESTMENTS

	2023 \$'000	2022 \$'000
Interest in Mobile Travel Holdings Pty Limited	15,897	15,292
Interest in Australiareiser Group	2,896	-
TOTAL INTEREST IN EQUITY ACCOUNTED INVESTMENTS	18,793	15,292

6.1.1 INVESTMENT IN EQUITY ACCOUNTED INVESTMENTS

The movement for the year in the Group's equity accounted investments is as follows:

	Australiareiser Group		MTA	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
OPENING BALANCE	-	-	15,292	15,365
Investment in jointly controlled entities	3,020	-	-	-
Share of profit/(loss) after income tax expense	(124)	-	2,105	(73)
Dividend received during the year	-	-	(1,500)	-
CLOSING BALANCE	2,896	-	15,897	15,292

The closing carrying amount of investments in Australiareiser and MTA are reconciled to the Group's share of net assets as follows:

	Australiareiser Group		MTA	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Share in net assets	289	-	2,001	1,396
Indefinite life intangible assets acquired on acquisition (Goodwill)	2,607	-	13,896	13,896
CLOSING CARRYING AMOUNT	2,896	-	15,897	15,292

Information on associate

Mobile Travel Holdings Pty Limited (MTA)

MTA offers home-based travel consulting services provided by mobile travel consultants throughout Australia. The Group currently holds a 50% ownership interest (2022: 50%) in MTA. MTA was incorporated in Australia.

The Group acquired a 50% ownership interest in MTA in FY17 for a total consideration of \$14.2 million. As part of the sale and purchase agreement, the Group had a call option to acquire the remaining 50% ownership interest which was able to be exercised up to 31 December 2021. In 2021, the deadline was extended to 30 July 2025 due to the impact of COVID-19. The co-owners of MTA have a put option to sell their remaining 50% ownership interest to the Group 30 days after the expiry of the call option period. The call option and the put option have been priced at fair value and accordingly the derivative fair value is nil.

Information on jointly controlled entity

Australiareiser Group

On 21 March 2023, the Group acquired a 34% ownership interest in the Australiareiser Group of companies for \$3 million. The Australiareiser Group comprises Australiensor AB and Australiareiser AS. Australiareiser Group is the largest provider of travel packages to Scandinavians travelling to Australia, New Zealand and the South Pacific. The group's other brands include Fijireiser, Private Travel Lab, Gruppe Rundreiser and Workations offer tailor-made luxury and adventure tours for Scandinavian groups and individuals through its offices in Oslo, Copenhagen and Stockholm.

The shareholders' agreement includes a long term put and call option which gives Helloworld the obligation and opportunity (respectively) to buy the remaining 56% of shares between 2028 and 2031. The call option is not required to be recognised. The call option and the put option have been priced at fair value and accordingly the derivative fair value is nil.

The Australiareiser Group has a 31 December financial year end which is different to the Group's reporting period of 30 June. Financial information has been obtained as at 30 June in order to report on an annual basis consistent with the Group's reporting date.

6.1.2 SUMMARISED FINANCIAL INFORMATION

The tables below provide summarised financial information for the equity accounted investments in Australiareiser and MTA, which are considered significant equity accounted investments for the Group. The information disclosed reflects the amounts presented in the financial statements of Australiareiser and MTA and not the Group's share of the amounts.

SUMMARISED STATEMENT OF FINANCIAL POSITION	Australiareiser Group		MTA	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Total current assets	2,506	-	29,581	17,841
Total non-current assets	772	-	820	764
TOTAL ASSETS	3,278	-	30,401	18,605
Total current liabilities	1,112	-	25,752	15,533
Total non-current liabilities	1,316	-	647	280
TOTAL LIABILITIES	2,428	-	26,399	15,813
NET ASSETS	850	-	4,002	2,792

SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Australiareiser Group		MTA	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue	16,240	-	11,583	3,083
Operating expenses	(16,633)	-	(5,491)	(3,105)
Depreciation and amortisation	(131)	-	(78)	(187)
PROFIT/(LOSS) BEFORE INCOME TAX	(524)	-	6,014	(209)
Income tax (expense)/benefit	162	-	(1,804)	63
PROFIT/(LOSS) AFTER INCOME TAX	(362)	-	4,210	(146)
TOTAL COMPREHENSIVE INCOME/(LOSS)	(362)	-	4,210	(146)

SIGNIFICANT ACCOUNTING POLICIES

Investments in Associates

Associates are those entities in which the Group has significant influence but not control or joint control over the financial and operating policies.

Investments in Jointly Controlled Entities

Jointly controlled entities are those entities where there is a contractually agreed sharing of control of an arrangement and decisions about the relevant activities require the unanimous consent of the parties sharing control.

Equity accounting method

Equity accounting requires investments in associates and jointly controlled entities to be initially recognised at cost, including transaction costs. The investments are subsequently accounted for using the equity method by including the Group's share of profit or loss and other comprehensive income in the carrying amount of the investment until the date on which significant influence ceases. Dividends received reduce the carrying amount of the investment in associates and jointly controlled entities.

When the Group's share of losses in associates and jointly controlled entities equal or exceed its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or jointly controlled entity.

Unrealised gains and losses on transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in these entities.

6.2 OTHER INVESTMENTS

	2023 \$'000	2022 \$'000
NON-CURRENT INVESTMENTS		
Equity securities – at fair value through OCI (FVOCI)	34,329	67,474
TOTAL OTHER INVESTMENTS	34,329	67,474

	Fair value at 30 June 2023 \$'000	Fair value at 30 June 2022 \$'000
EQUITY SECURITIES DESIGNATED AS AT FVOCI		
Investment in Corporate Travel Management Limited ⁽ⁱ⁾	32,930	66,143
Investment in Hunter Travel Group Pty Ltd ⁽ⁱⁱ⁾	473	473
Investment in Wander Beyond Travel Pty Ltd ⁽ⁱⁱ⁾	813	813
Investment in Brooker Travel NZ ⁽ⁱⁱ⁾	45	45
Investment in Tin Alley ⁽ⁱⁱⁱ⁾	68	-
	34,329	67,474

- (i) The Group received 3,571,429 CTM shares as a component of the consideration received for the sale of the corporate travel management (Refer note 1.5: Discontinued operations). At the date the sale was completed (31 March 2022), these shares were fair valued at \$84.8 million. The Group sold 1,730,770 shares during the year ended 30 June 2023 at a fair value of \$36.3 million realising a loss of \$4.3 million which was recognised through OCI. At the disposal date, this balance was reclassified to accumulated losses. The remaining shares have been fair valued at 30 June 2023 with the revaluation decrement of \$3.1 million (2022: \$18.7 million) recognised in OCI.
- (ii) The investments held in Hunter Travel Group Pty Ltd, Wander Beyond Travel Pty Ltd (formerly known as Cooney Investments Pty Ltd) and Brooker Travel NZ are carried at cost as an estimate of fair value due to insufficient information being available to measure fair value.
- (iii) During the year, the Group paid the first capital call of \$68,000 from its \$5 million commitment to the investment in Tin Alley Venture Capital fund.

SIGNIFICANT ACCOUNTING POLICIES

The Group holds a number of equity investments which it neither controls, jointly controls or significantly influences. Accordingly, these investments are classified as financial assets. The Group has made an irrevocable election to classify these financial assets at FVOCI as the investment is neither held for trading nor contingent consideration recognised by the Group in a business consideration.

These investments are initially recorded at fair value plus directly attributable transaction costs. They are revalued each reporting date, with all changes to the fair value recognised in OCI. Upon disposal the amount recognised in OCI is not recycled through the Consolidated income statement but will be transferred directly to retained earnings. Dividends are recognised in the profit or loss.

6.3 SUBSIDIARIES

The financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 1.1: Basis of preparation. The proportion of ownership interest shown in this table is equal to the proportion of voting power held.

NAME	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2023 %	2022 %
Helloworld Travel Limited ^{1,2}	Australia	N/A	N/A
12518 Pty Ltd	Australia	100	100
20118181 Pty Ltd	Australia	100	100
Helloworld International Holdings Pty Ltd ⁴	Australia	100	100
ACN 003 683 967 Pty Limited ²	Australia	100	100
AOT Group Limited ²	Australia	100	100
AOT Inbound Pty Ltd ²	Australia	100	100
AOT Retail Pty Ltd ²	Australia	100	100
ATS Logistics Pty Ltd	Australia	85	70
ATS Pacific Pty Limited ^{2,3}	Australia	100	100
Aus STS Holdco II Pty Ltd ²	Australia	100	100
Australian Online Travel Pty Ltd ²	Australia	100	100
Best Flights Pty Limited ²	Australia	100	100
Entertainment Logistix Pty Ltd ³	Australia	85	70
Flight Systems Pty Limited ²	Australia	100	100
Harvey Holidays Pty Limited ²	Australia	100	100
Harvey World Travel Franchises Pty Limited ²	Australia	100	100
Harvey World Travel Group Pty Limited ²	Australia	100	100
Helloworld Franchising Pty Limited ²	Australia	100	100
Helloworld Group Pty Limited ²	Australia	100	100
Helloworld IP Pty Limited ²	Australia	100	100
Helloworld Services Pty Limited ²	Australia	100	100
Helloworld Travel Services (Australia) Pty Limited	Australia	100	100
Helloworld Travel Services Group Pty Limited ²	Australia	100	100
Helloworld Travel Services Holdings Pty Limited ²	Australia	100	100
Helloworld Travel Southland Pty Limited ²	Australia	100	100
Jetset Pty Limited ²	Australia	100	100
Jetset Travelworld Network Pty Limited ²	Australia	100	100
JTG Corporate Pty Limited ²	Australia	100	100
Keygate Holdings Pty Limited	Australia	60	60
Luxury Getaways Pty Limited ²	Australia	100	100
Magellan Travel Pty Limited ²	Australia	100	100
Pillowpoints Pty Limited ²	Australia	100	100
Viva Holidays II Limited ²	Australia	100	100
Helloworld SC Holdings Pty Ltd ^{2,5}	Australia	100	-
Cruiseco Pty Ltd ²	Australia	100	-
ReadyRooms Pty Ltd ²	Australia	100	-
Discovery Travel Centre Cammeray Pty Ltd ⁶	Australia	100	100
Retail Travel Investments Pty Limited ²	Australia	100	100
ShowGroup Freight Pty Ltd ^{2,3}	Australia	85	70
Skiddoo IT Pty Limited ²	Australia	100	100
Skiddoo Pty Limited ²	Australia	100	100

NAME	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2023 %	2022 %
Sunlover Holidays Pty Limited ²	Australia	100	100
Transonic Travel Pty Limited ²	Australia	100	100
Travelpoint Pty Limited ²	Australia	100	100
Travelscene Pty Limited ²	Australia	100	100
Travelworld Pty Limited ²	Australia	100	100
Viva Holidays Pty Limited ²	Australia	100	100
AOT Business Consulting (Shanghai) Limited	China	100	100
Allied Tour Service (Pacific) Pte Limited	Fiji	100	100
Coral Sun (Fiji) Pte Limited	Fiji	60	60
Great Sights (Fiji) Pte Limited	Fiji	60	60
Tourist Transport (Fiji) Pte Limited	Fiji	60	60
Helloworld Travel Services Greece M.I.K.E	Greece	100	100
AOT India PVT LTD	India	100	100
AOT New Zealand Limited	New Zealand	100	100
Australian Travel Service (Pacific) Limited	New Zealand	100	100
Biztrav Limited	New Zealand	76.6	76.6
GP Holiday Shoppe Limited	New Zealand	100	100
Gullivers Pacific Limited	New Zealand	100	100
Harvey World Travel (2008) Limited	New Zealand	100	100
Helloworld NZ Franchising Limited	New Zealand	100	100
Helloworld NZ Limited	New Zealand	100	100
Helloworld Travel Services (NZ) Limited	New Zealand	100	100
Just Tickets Limited	New Zealand	100	100
Pacific Leisure Group Limited	New Zealand	100	100
Sunlover Holidays Limited	New Zealand	100	100
Travel Brokers Limited	New Zealand	100	100
United Travel Limited	New Zealand	100	100
Williment Travel Group Limited	New Zealand	100	100
Skiddoo Management Inc.	Philippines	100	100
Skiddoo Philippines Inc.	Philippines	100	100

1. Helloworld Travel Limited is the legal owner of the Group. Refer note 8.3: Parent entity financial information for further details.
2. These entities are included in the Deed of Cross Guarantee, Refer note 8.4: Deed of cross guarantee for further details. Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, these controlled entities are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of standalone financial statements.
3. Effective 1 June 2023, the Group acquired an additional 15% interest in Entertainment Logistix Pty Ltd from the non-controlling interest for a consideration of \$3.2 million increasing its current ownership from 70% to 85%. The acquired non-controlling interest had a value of \$0.5 million giving rise to an adjustment of \$2.7 million to accumulated losses as a transaction with owners as owners.
4. During the year, the company name of 2012518 Pty Ltd was changed to Helloworld International Holdings Pty Ltd.
5. Helloworld SC Holdings Pty Ltd was registered on 3 March 2023.
6. Discovery Travel Centre Cammeray Pty Ltd was deregistered on 28 July 2023.

7 UNRECOGNISED ITEMS

7.1 COMMITMENTS

The Group had capital commitments at 30 June 2023 of \$4.4 million (30 June 2022: nil) relating to the purchase of vehicles which will be acquired through finance lease facilities and a commitment of \$4.9 million (30 June 2022: nil) in relation to the investment in the Tin Alley venture capital fund.

7.2 CONTINGENT LIABILITIES

Guarantees

The Group has entered into the following guarantees and warranties, however the probability of making a payment under these guarantees is considered remote:

- Bank guarantees against lease obligations and letters of credit at 30 June 2023 were \$4.35 million (June 2022: \$5.77 million);
- Helloworld Travel Limited has entered into a Deed of Cross Guarantee with certain Australian wholly owned controlled entities as outlined in note 6.3: Subsidiaries; and
- The Group provided normal commercial warranties to CTM as part of the divestment of the Corporate business.

Commercial agreement entered into with BCD Travel

During the year ended 30 June 2019, the Group entered into a commercial agreement with BCD Travel, which included put and call options to purchase 100% of the ownership of the business. The contracted purchase price is a set multiple of the EBITDA for the financial year immediately preceding the exercise of the put option. The put option notice period is 1 January 2023 to 31 December 2025 and the call option notice period is 1 January 2024 to 31 December 2025. The put option was priced at fair value and accordingly no put option derivative has been recognised.

STA Travel Academic litigation

The vendors of the TravelEdge Group are claiming \$4 million in proceeds they claim are owed under the Share Sale Agreement of STA Travel Academic. Helloworld disagrees with this view and therefore considers the payment of this future liability remote.

No provision has been made in the financial statements in respect of the above contingencies as they are considered either not probable or the obligation cannot be measured with sufficient reliability.

7.3 SUBSEQUENT EVENTS

Express Travel Group acquisition

On 22 June 2023, the Group announced it had agreed to acquire 100% of Express Travel Group (ETG) in Australia and New Zealand from current owners Tom Manwaring and CTG Investments Pty Ltd (CTG) for \$70 million. The acquisition of ETG will significantly enhance the Group's travel business through additional travel operations including an air ticket consolidation business, retail travel networks and cruise and package wholesaling businesses in Australia and New Zealand.

CTG is a related party of Sintack Pty Ltd (Sintack), a substantial shareholder of Helloworld shares. At the time of the announcement, Sintack held a 13.1% shareholding in Helloworld. Given the related party nature of the transaction, the acquisition was approved by shareholders at a General Meeting held on Wednesday 26 July 2023.

The transaction was not completed at 30 June 2023 due to conditions precedent not being satisfied however the transaction was completed prior to the date of this Financial Report.

Consideration for the acquisition will be paid in two tranches. Tranche 1 was paid on completion of the transaction and comprised a cash payment of \$40 million and the issue of \$10 million in Helloworld shares (3,647,998 shares). Tranche 2 will be paid 14 days after the finalisation of the ETG FY23 audited accounts and will comprise a cash payment of \$15 million and \$5 million in Helloworld shares. Cash payments will be fully funded from the Group's existing cash reserves.

As the transaction was completed within a short timeframe to the reporting date of these financial statements, the financial information of ETG at acquisition date is incomplete and not available in a form which permits the preparation of an ETG balance sheet at acquisition date. Disclosures relating to major classes of assets acquired, liabilities assumed, goodwill or bargain purchase which may arise on acquisition have therefore not been included in these financial statements.

Phil Hoffmann Travel investment

On 2 May 2023, the Group announced it had agreed to acquire a 40% stake in an Adelaide based travel business, PHT Group Holdings Pty Ltd (PHT) from its founder Phil Hoffmann, for a consideration of \$4.4 million comprising \$3 million in cash and \$1.4 million Helloworld shares (479,781 shares). Contingent consideration up to a maximum of \$0.8 million will be paid subject to PHT achieving specified EBITDA metrics in FY24 or FY25. The acquisition agreement includes a call option to acquire Mr Hoffmann's remaining 10% shareholding between 2025 and 2027.

The remaining PHT business owner, Peter Williams has retained his 50% shareholding in PHT. As part of the new shareholders agreement, Mr. Williams is a party to a put and call option with the Group to be exercised from 1 May 2028 to 30 April 2033.

The transaction completed on 25 August 2023.

Exercise of Gilpin Travel put option

During the year ended 30 June 2019, the Group entered into a commercial agreement with Gilpin Travel for the distribution of travel products. As part of the agreement, the Group granted the shareholders of Gilpin Travel a put option to sell 100% of the business (excluding that part of the Gilpin Travel business which operates under the CWT licence). The contracted purchase price is a set multiple of the EBITDA for the financial year immediately preceding the exercise of the put option. The put option notice period is 1 January 2021 to 31 December 2025. The put option was priced at fair value and accordingly no put option derivative has been recognised. On 17 July 2023, the put option was exercised by the shareholders of Gilpin Travel. The transaction has not yet settled and therefore the Group do not control Gilpin Travel at the date of this Financial Report.

Dividend

On 28 August 2023, a fully franked final dividend of 6 cents per share (2022: 10 cents per share) was declared. The dividend will be paid on 22 September 2023 with a record date of 8 September 2023. At the date of this Financial Report, the number of shares on issue is 159,155,624 (being 155,027,845 shares on issue at 30 June 2023, 3,647,998 shares issued on completion of the Express Travel Group acquisition and 479,781 shares issued on completion of the Phil Hoffmann Travel acquisition). This number of shares may increase if the Phil Hoffmann Travel acquisition is completed and shares to the value of \$1.4 million are issued prior to the record date (Refer note 7.3: Subsequent events). Based on shares on issue as at the date of this Financial Report, the final dividend to be distributed would equate to \$9.5 million (2022: \$15.4 million), adjusted for the amount offset against the notional employee plan loan. The dividend will be paid out of 2023 financial year profits but is not recognised as a liability at 30 June 2023.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

8 OTHER INFORMATION

8.1 SHARE BASED PAYMENTS

Loan funded Long Term Incentive Plan (LTIP)

On 1 July 2019, 2,200,000 loan funded LTIP shares met their vesting conditions, as determined by the Board, based on meeting Total Shareholder Returns (TSR) and individual KPI targets over the three year vesting period. As part of the LTIP, loans were provided to the employee participants at grant date equal to the share value at the scheme commencement multiplied by the number of shares issued. Of the 2,200,000 LTIP shares which vested:

- Loans associated with 880,000 shares were repaid; and
- Loans associated with 1,320,000 shares remain unpaid.

Loans are non-recourse and interest free. Loans are required to be repaid to the company after vesting conditions are met at the earlier of:

- 10 years from the vesting date, or
- the date the shares are sold.

The shares attract dividends as per ordinary paid up shares. Dividends earned are partly paid in cash to the employee (24.29% of dividend) and partly offset against the notional loan receivable (75.71% of dividend).

Omnibus share plan

At the Helloworld Annual General Meeting on 14 November 2019, the Group's shareholders voted for the adoption of the Helloworld Travel Limited Omnibus Incentive Plan (the Plan). Under the Plan, the Group can reward and incentivise employees, directors (including both executive and non-executive directors), contractors and consultants by offering shares, performance rights or options. Any financial instruments granted under the Plan are held via an employee share trust (the Trust) established with Perpetual Corporate Trust Limited.

Three share schemes were implemented under this Plan.

FY20 grant

On 17 December 2019, 146,932 shares were granted under the Plan. The shares were issued for nil consideration and had no future performance criteria. The shares were held by the Trust and were transferred to the employees upon the earlier of resignation or completion of three years of service from grant date (17 December 2022). Accordingly, 218 shares, 108,128 shares and 38,586 shares were allotted in FY20, FY21 and FY22 respectively. All Plan shares rank equally in all respects with existing shares from the date of their issue. Dividends on these shares have been paid to the respective employees from date of issue. The shares had a fair value of \$4.57 per share and an amount of \$671,479 was recognised in the share based payment reserve with a corresponding debit to the income statement in FY20 as the shares vested immediately at issue date.

FY21 grant

On 18 December 2020, 905,000 shares were granted under the Plan. The shares were issued to a number of staff, none of whom were Directors, for their sustained contribution during the period the Group was significantly affected by COVID-19. Shares were issued for nil consideration and had a non-market vesting condition of remaining an employee at Helloworld through to the vesting date of 1 July 2021.

At the vesting date, all employees that satisfied the conditions of the Plan were allotted their allocated shares at nil consideration and accordingly, 905,000 shares were allotted on 1 July 2021. All Plan shares rank equally in all respects with existing shares from the date of their issue.

The fair value of the shares issued under the FY21 grant was based on the number of shares issued at the closing price on 18 December 2020 which was \$2.46 per share and was brought to account through the vesting period. As a result, an amount of \$2,224,000 was recognised in the share based payment reserve with a corresponding debit to the income statement in FY21.

FY22 grant

Share based payments amounting to \$50,500 were expensed in the divested corporate business in FY22. The expense is included in deriving the FY22 net profit from discontinued operations disclosed in note 1.5.

SIGNIFICANT ACCOUNTING POLICIES

Long term incentive plan

The fair value of shares granted under the LTIP includes the loan instruments attached to the shares. The fair value was calculated using a version of the Black Scholes model incorporating a Monte Carlo simulation analysis to value the market-based performance conditions. The fair value:

- Includes any market performance conditions such as share price;
- Excludes the impact of any service and non-market performance vesting conditions such as employees achieving certain KPIs; and
- Includes the impact of any non-vesting conditions.

At each reporting period the Group revises its estimate of the number of equity instruments expected to vest as a result of non-market based vesting conditions. Any change in original estimates is recognised in profit or loss with a corresponding increase or decrease in the share based payment reserve.

As LTIP loans are non-recourse, employees have no obligation to repay the loan and in the event of non-payment, the Group's only recourse is to the shares issued. As a result, loans are not recorded as a financial asset. Dividends offset against the notional loan receivable reduce the amount the employee is required to repay (if they choose to repay the loan).

When the equity instrument vests and is exercised:

- Proceeds received (if any) net of any directly attributable transactions costs are recognised directly to share capital;
- Amounts in the share based payments reserve associated with the exercised shares are also transferred to share capital; and
- Holding restrictions are released on the appropriate amount of shares for the employee or franchisee.

Amounts recognised in the share based payment reserve relating to lapsed, forfeited and cancelled shares are transferred to retained earnings.

Omnibus incentive plan

The fair value of the shares issued under the Omnibus incentive plan is based on the closing price at the date of issue. The fair value is recognised as an employee benefit expense with a corresponding increase to the share based payment reserve over the vesting period. When the shares are allotted, amounts recognised in the share based payment reserve are transferred to share capital. Amounts recognised in share based payment reserve relating to lapsed, forfeited and cancelled shares are transferred to retained earnings.

8.2 RELATED PARTY TRANSACTIONS

8.2.1 ULTIMATE AND DIRECT PARENT

Helloworld Travel Limited is the legal owner of the Group. Refer to note 8.3: Parent entity financial information for further information on the parent entity and note 6.3: Subsidiaries for further information on subsidiaries.

8.2.2 RELATED PARTIES

Associates

The list of associates held by the Group are outlined in note 6.1: Equity accounted investments.

Jointly controlled entities

The list of jointly controlled entities held by the Group are outlined in note 6.1: Equity accounted investments.

Entities with significant influence

The following entities were considered to have significant influence over the Group during the year:

- Entities related to Andrew Burnes and Cinzia Burnes hold 26.4% at 30 June 2023 (2022: 26.4%) of the ordinary shares of Helloworld Travel Limited following the FY16 merger with the AOT Group and its controlled entities. Andrew Burnes is the CEO and Managing Director of Helloworld. Cinzia Burnes is the Chief Operating Officer and an Executive Director of the Group.
- QH Tours Limited, a wholly owned subsidiary of Qantas Airways Limited, ceased to be an entity with significant influence on the Group when it sold its 12.4% interest in the Group on 8 November 2022 (2022: 12.4%). Its board representative, Andrew Finch, resigned on 8 November 2022.

8.2.3 TRANSACTIONS WITH RELATED PARTIES

	2023 \$'000	2022 \$'000
REVENUE DERIVED FROM:		
Equity accounted investments	5,064	809
Entities with significant influence over the Group	4,850	10,583
EXPENSES INCURRED AS A RESULT OF TRANSACTIONS WITH:		
Equity accounted investments	5,840	944
Entities with significant influence over the Group	1,717	9,734
RECEIVABLES AT 30 JUNE:		
Equity accounted investments	153	113
Entities with significant influence over the Group	-	3,946
PAYABLES AT 30 JUNE:		
Equity accounted investments	1,107	264
Entities with significant influence over the Group	-	1,172

8.2.4 KEY MANAGEMENT PERSONNEL (KMP) COMPENSATION

	2023 \$	2022 \$
Short term employee benefits	4,227,000	3,326,350
Long term employee benefits	67,530	60,656
Share based payment benefits	-	-
Post-employment benefits	146,039	148,740
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION	4,440,569	3,535,746

Detailed key management personnel compensation remuneration disclosures are provided in the Remuneration Report, contained within the Directors Report.

8.2.5 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Group entered into a lease arrangement with Normanby Road Holdings Pty Ltd, a company owned by Andrew Burnes and Cinzia Burnes, on 1 October 2021. The lease terminates on 1 July 2027. Lease payments of \$1,716,661 (2022: \$1,237,977) were made during the year.

The terms and conditions of all related party transactions were no more favourable than those available in similar transactions.

8.3 PARENT ENTITY FINANCIAL INFORMATION

The legal parent company of the Group is Helloworld Travel Limited. Set out below is the supplementary information about the parent entity.

SUMMARISED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME	PARENT	
	2023 \$'000	2022 \$'000
Profit/(loss) after income tax	15,501	(4,157)
TOTAL COMPREHENSIVE INCOME	15,501	(4,157)

SUMMARISED BALANCE SHEET	PARENT	
	2023 \$'000	2022 \$'000
Total current assets	103,683	114,569
Total non-current assets	167,529	159,662
TOTAL ASSETS	271,212	274,231
Total current liabilities	-	-
Total non-current liabilities	(37)	-
TOTAL LIABILITIES	(37)	-
NET ASSETS	271,249	274,231
EQUITY		
Issued capital	628,065	625,033
Share based payments reserve	1,016	4,090
Accumulated losses	(357,832)	(354,892)
TOTAL EQUITY	271,249	274,231

Parent entity guarantees in respect of debts of its subsidiaries

The legal parent, Helloworld Travel Limited, has entered into a Deed of Cross Guarantee. Refer note 8.4: Deed of cross guarantee for further details.

Parent entity tax liabilities in respect of its subsidiaries

The parent entity, Helloworld Travel Limited, has entered into a tax funding agreement with the effect that it guarantees tax liabilities of other entities in the tax consolidated group. As 30 June 2023 the tax consolidated group was in a tax loss position of \$0.3 million (2022: \$2.9 million). Refer note 2.4: Income taxes for further details on the tax funding agreement.

Parent entity contingencies

As 30 June 2023, the parent entity had no significant contingent assets or contingent liabilities.

Parent entity issued capital

The issued capital of the parent entity does not equal the issued capital of the consolidated Group due to reverse acquisition business combinations previously undertaken by the Group.

SIGNIFICANT ACCOUNTING POLICIES

The financial information for the legal parent entity, Helloworld Travel Limited, has been prepared on the same basis as the financial statements. The following are accounting policies that are significant to Helloworld Travel Limited only as the related transactions are either not material for the Group or eliminated on consolidation.

- Investments in subsidiaries are accounted for at cost and are tested for impairment in accordance with the policy adopted for non-financial assets in note 4.4: Impairment of non-financial assets. Dividends received from subsidiaries are recognised in profit or loss when a right to receive the dividend is established; and
- Where Helloworld Travel Limited has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of investment.

8.4 DEED OF CROSS GUARANTEE

Helloworld Travel Limited and each of the wholly owned subsidiaries identified in note 6.3: Subsidiaries, (together referred to as the Closed Group) have entered into a Deed of Cross Guarantee (the Deed), as defined in ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (the Instrument). The effect of the Deed is that each entity in the Closed Group guarantees the payment in full of all debts of the other entities in the Closed Group in the event of their winding up.

Pursuant to the Instrument, the wholly-owned subsidiaries within the Closed Group are relieved from the requirement to prepare, audit, and lodge separate financial reports.

The statement of income, other comprehensive income and balance sheet have been prepared in accordance with note 1.1: Basis of preparation comprising Helloworld Travel Limited and the controlled entities which are party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee and is set out below.

CLOSED GROUP STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

	Closed Group	
	2023 \$'000	2022 \$'000
REVENUE	46,057	28,839
Employee benefits expenses	(28,701)	(28,257)
Advertising, selling and marketing expenses	(12,294)	(4,358)
Communication and technology expenses	(4,020)	(3,882)
Occupancy expenses	818	1,172
Operating expenses	(10,105)	230,045
Depreciation and amortisation expense	(5,343)	(7,837)
Finance expense	(2,039)	(2,423)
Share of profit/(loss) of equity accounted investments	(123)	-
PROFIT/(LOSS) BEFORE INCOME TAX (EXPENSE)/BENEFIT	(15,750)	213,299
Income tax (expense)/benefit	(2,136)	(15,607)
PROFIT/(LOSS) AFTER INCOME TAX (EXPENSE)/BENEFIT	(17,886)	197,692
OTHER COMPREHENSIVE INCOME/(LOSS)		
Exchange differences on translation of foreign operations	(2,744)	(2,861)
Gain/(loss) on revaluation of investment in CTM	3,123	-
Tax on revaluation of investment in CTM	(1,922)	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	(19,429)	194,831

No dividends were received from entities outside the Closed Group in the current year and prior year.

CLOSED GROUP MOVEMENT IN ACCUMULATED LOSSES

	Closed Group	
	2023 \$'000	2022 \$'000
ACCUMULATED LOSSES AT THE BEGINNING OF THE FINANCIAL YEAR	(61,440)	(268,274)
Profit/(loss) after income tax benefit	(17,886)	197,692
Retained earnings transferred out due to change in closed group	-	4,768
Transfer of predecessor accounting reserve to accumulated losses	-	4,374
Transfer of realised loss from investment revaluation	(4,323)	-
Dividends paid	(18,483)	-
Transfer of redemption reserve to accumulated losses	(7,200)	-
Franchise loyalty scheme shares lapsed in prior years	42	-
ACCUMULATED LOSSES AT THE END OF THE FINANCIAL YEAR	(109,290)	(61,440)

CLOSED GROUP BALANCE SHEET AT 30 JUNE

	2023 \$'000	2022 \$'000
CURRENT ASSETS		
Cash and cash equivalents	101,113	82,503
Trade and other receivables	27,728	27,777
Accrued revenue	2,470	(103)
Inventories	131	180
TOTAL CURRENT ASSETS	131,442	110,357
NON-CURRENT ASSETS		
Trade and other receivables	77	2,283
Property, plant and equipment	441	445
Right of use assets	9,047	11,868
Intangible assets	163,374	166,437
Deferred tax assets	10,408	12,325
Investments	102,768	129,529
TOTAL NON-CURRENT ASSETS	286,115	322,887
TOTAL ASSETS	417,557	433,244
CURRENT LIABILITIES		
Trade and other payables	111,153	77,024
Lease liabilities	2,953	3,810
Provisions	10,924	14,596
Deferred revenue	4,103	6,425
Income tax payable	3	-
TOTAL CURRENT LIABILITIES	129,136	101,855
NON-CURRENT LIABILITIES		
Lease liabilities	7,683	10,365
Deferred tax liabilities	18,326	23,398
Provisions	765	755
Other non-current liabilities	516	663
TOTAL NON-CURRENT LIABILITIES	27,290	35,181
TOTAL LIABILITIES	156,426	137,036
NET ASSETS	261,131	296,208
EQUITY		
Contributed equity	374,208	371,177
Reserves	(3,787)	(13,529)
Accumulated losses	(109,290)	(61,440)
TOTAL EQUITY	261,131	296,208

8.5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risk management

The Group's Treasury function is responsible for managing its liquidity, funding, and capital requirements as well as identifying and managing financial risks relating to the Group's operations. These financial risks include:

- Liquidity risk;
- Market risk; and
- Credit risk.

The Group adheres to a treasury policy approved by the Board, which provides written principles on liquidity risk, interest rate risk, foreign exchange risk, credit risk, and the use of derivatives for hedging purposes. The Treasury function reports on its compliance with the policy to the Board. As a consequence of COVID-19, the Group has temporarily ceased hedging due to the difficulties in reliably estimating the amount and timing of foreign currency denominated receipts and payments.

The Group is not permitted by the Board's risk management policy to engage in, issue or hold derivative financial instruments for speculative trading purposes.

Capital management

The Board's policy is aimed at maintaining a robust capital base to instil confidence among investors, creditors, and the market while also facilitating the ongoing growth of the business.

The Board consistently monitors key indicators such as the Group's liquidity position, return on capital, dividend distribution to ordinary shareholders, cash flow generation, and the debt to equity ratio.

To achieve or adjust the capital structure as needed, the Board considers the following factors:

- Potential debt repayment obligations;
- Anticipated investment in fixed asset;
- Funding options for future acquisitions (via either debt or equity instruments); and
- The appropriate level of dividends to support returns for ordinary shareholders.

Neither Helloworld Travel Limited nor any of its subsidiaries are subject to externally imposed capital requirements.



Sicily, Italy

8.5.1 LIQUIDITY RISK

Liquidity risk refers to the potential that the Group may not fulfil its financial obligations as they fall due. The Group's strategy for liquidity management is to ensure, to the greatest extent feasible, that it maintains ample liquidity to satisfy its liabilities when due. This commitment applies in both regular and stressed scenarios, all the while preventing losses or risking damage to the Group's reputation.

The Group manages short-term liquidity risk by aligning surplus and deficit cash flows across its entities. Furthermore, the Group maintains an additional level of excess liquidity throughout an ongoing assessment of the current operating environment, preparing for any unforeseen circumstances.

Management monitors rolling forecasts of the Group's liquidity reserves and cash and cash equivalents (outlined in note 5.1: Cash, cash equivalents and cash deposits) based on the projected cash flows. Details of financing arrangements are provided in note 5.2: Financing arrangements.

Maturities of financial liabilities

The tables below analyse and arrange the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the tables represent contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying balances as the impact of discounting is not significant.

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES									
	Carrying value \$'000	Less than 6 months \$'000	6-12 months \$'000	1-2 years \$'000	2-3 years \$'000	3-4 years \$'000	4-5 years \$'000	More than 5 years \$'000	Total \$'000
AT 30 JUNE 2022									
NON-DERIVATIVE FINANCIAL INSTRUMENTS									
Trade and other payables	133,125	133,125	-	-	-	-	-	-	133,125
Lease liabilities	21,076	2,308	2,344	4,658	4,610	4,222	3,145	1,388	22,675
Deferred consideration	460	-	460	-	-	-	-	-	460
TOTAL	154,661	135,433	2,804	4,658	4,610	4,222	3,145	1,388	156,260

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES									
	Carrying value \$'000	Less than 6 months \$'000	6-12 months \$'000	1-2 years \$'000	2-3 years \$'000	3-4 years \$'000	4-5 years \$'000	More than 5 years \$'000	Total \$'000
AT 30 JUNE 2023									
NON-DERIVATIVE FINANCIAL INSTRUMENTS									
Trade and other payables	153,978	153,978	-	-	-	-	-	-	153,978
Lease liabilities	22,144	2,834	2,660	5,407	4,997	3,806	1,468	1,167	22,339
Deferred consideration	383	383	-	-	-	-	-	-	383
TOTAL	176,505	157,195	2,660	5,407	4,997	3,806	1,468	1,167	176,700

8.5.2 MARKET RISK

Market risk is the risk that changes in market prices will affect the Group's income or the value of its holdings in financial instruments.

Equity price risk

The Group is exposed to equity price risk through its holdings in CTM. Changes in equity prices will affect the fair value of these shares.

Sensitivity

The information below summarises the impact of a 5.0% increase and decrease the CTM share price on OCI (before tax).

	Impact on OCI	
	2023 \$'000	2022 \$'000
CTM SHARES		
Increase in share price by 5.0%	1,646	3,307
Decrease in share price by 5.0%	(1,646)	(3,307)

Foreign exchange risk

The Group operates internationally and faces foreign exchange risk in its wholesale operations due to future cash flows being denominated in foreign currencies. Although revenue is earned in the local currency of the wholesale businesses, the cost of sales is settled based on quoted prices in the supplier's local currency, reflecting the nature of the Group's wholesale operations.

Before the onset of COVID-19, foreign exchange risk was assessed by forecasting highly probable future purchases. Hedge contracts to acquire foreign currencies were timed to mature alongside scheduled payments to suppliers to reduce the volatility of the Australian dollar cash flows. However, as a result of COVID-19, the Group temporarily suspended hedging foreign currency payables and has not resumed this activity.

According to the Group's hedging policy, management is required to document the following aspects (at the inception of the hedging transaction):

- The economic relationship between the hedging instruments and hedged items, along with the risk management objective and strategy for executing different hedge transactions; and
- An assessment of whether the derivatives employed in hedging transactions have been and will continue to be highly effective in mitigating changes in the cash flows of hedged items. This assessment is also required on an ongoing basis.

Exposure

The Group's net foreign currency exposure risk as of 30 June 2023 includes the following financial assets and liabilities:

- Foreign cash holdings;
- Financial assets including trade receivables and other loans denominated in foreign currencies; and
- Financial liabilities including trade payables denominated in foreign currencies.

The quantitative data for the Group's exposure to New Zealand dollar currency risk is as follows:

	AUDEQUIVALENT	
	2023 \$'000	2022 \$'000
Current assets	39,974	19,554
Current liabilities	(31,165)	(16,882)
Non-current liabilities	(4,238)	(4,943)
NET FOREIGN CURRENCY EXPOSURE	4,571	(2,271)

The quantitative data for the Group's exposure to other currency risks are as follows:

CURRENCY	AUDEQUIVALENT	
	2023 \$'000	2022 \$'000
GBP	91	84
FJD	326	1,528
Other currencies	91	1,381
NET TOTAL FOREIGN CURRENCY EXPOSURE ASSET	508	2,993

Sensitivity

The table below summarises the impact of a 10% increase (strengthening of AUD) and decrease (weakening of AUD) in foreign exchange rates on the measurement of financial instruments denominated in foreign currency and the corresponding impact in the income statement. The sensitivity rate represents management's evaluation of the reasonably possible change in foreign exchange rates, with a focus on New Zealand and Fiji. This rate is utilised when communicating foreign currency risk to key management personnel. The sensitivity analysis assumes that all other variables including interest rates, remain constant.

	Impact on net profit before tax	
	2023 \$'000	2022 \$'000
10.0% increase (2021: 10.0%)	(518)	(501)
10.0% decrease (2021: 10.0%)	495	646

Interest rate risk

The Group's interest rate risk arises from future cash flows associated with cash assets. It does not hedge its exposure to potential fluctuations in future cash flows resulting from shifts in market interest rates.

In the prior period, the Group completed the sale of its Corporate business on 31 March 2022 for an enterprise value of \$175.0 million. Cash of \$104.0 million was received and utilised to repay \$71.0 million of debt facilities held with Westpac, resulting in the Group having no debt at 30 June 2022. As a result, the Group's interest rate risk focus is to maximise interest income from its net cash position.

During periods when the Group is in a net debt position, the management of interest rate expense risk involves the optimisation of debt servicing costs, and the maximisation of interest income. This includes periodic reviews, as needed, to evaluate options such as restructuring interest-bearing debt, potential debt repayment, and determining the appropriate level of investment of surplus cash in interest bearing accounts.

Exposure

At 30 June 2023, the Group had the following cash and cash equivalent and cash deposit balances:

- Term deposits amounting to \$28 million (2022: \$7.8 million) with an average interest rate of 4.47% per annum (2022: 3%);
- At-call deposits were nil (2022: \$88.0 million); and
- Other cash funds held in operational and foreign currency bank accounts with interest at market rates under normal commercial terms.

Sensitivity

The information below summarises the impact of a 100 basis points per annum increase and decrease in interest rates on the net profit in the Consolidated income statement.

CASH AT CALL	Impact on net profit before tax/equity	
	2023 \$'000	2022 \$'000
Increase by 100 basis points (2022: 100 basis points)	-	880
Decrease by 100 basis points (2022: 100 basis points)	-	(880)
SHORT TERM DEPOSITS		
Increase by 100 basis points (2022: 100 basis points)	280	78
Decrease by 100 basis points (2022: 100 basis points)	(280)	(78)

8.5.3 CREDIT RISK

The Group engages in transactions with a wide range of customers and counterparties across different countries, in accordance with the policy approved by the Board. Credit risk arises from the potential that a counterparty will fail to fulfil its contractual obligation related to cash and cash equivalents, trade and other receivables, accrued revenue and favourable derivatives, leading to financial loss for the Group. Credit risk is evaluated at fair value.

Risk management

The Group faces credit risk stemming from relationships with travel agents, airlines, industry settlement organisations and direct suppliers. To mitigate the risk, the Group employs stringent credit policies, conducts regular monitoring and accreditation of travel agents through industry programs. Furthermore, a portion of the Group's credit risk is alleviated through payment processes that offset amounts payable against amounts receivable between the Group and its key suppliers.

In cases where the Group identifies specific credit risk associated with a counterparty, pre-payment for services provided is mandated. A reservation for such a counterparty is not confirmed or ticketed prior to receiving payment in full. The Group does not retain collateral as security, nor does it adhere to a policy of transferring receivables to special purpose entities.

Exposure

The Group's maximum exposure to credit risk is represented by the carrying amount of the financial asset, net of any applicable loss allowance. The table below sets out the maximum exposure to credit risk as of 30 June:

	2023 \$'000	2022 \$'000
Cash and cash equivalents and cash deposits	160,888	122,524
Trade receivables	37,435	31,395
Other receivables	5,572	12,682
Accrued revenue	29,311	11,461
TOTAL CREDIT RISK EXPOSURE	233,206	178,062



Raffles Singapore

Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- Trade receivables;
- Accrued revenue; and
- Other financial assets at amortised cost (such as other receivables).

The loss allowance at 30 June 2023 and 30 June 2022 was determined as follows:

	Not past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	More than 90 days \$'000	Total \$'000
AT 30 JUNE 2022						
Trade receivables	24,110	1,503	1,527	437	6,211	33,788
Accrued revenue	11,461	-	-	-	3,500	14,961
GROSS CARRYING AMOUNTS	35,571	1,503	1,527	437	9,711	48,749
Expected loss rate	-	1.0%	2.5%	5.0%	37.3%	
Trade receivables	-	(15)	(38)	(22)	(2,318)	(2,393)
Accrued revenue	-	-	-	-	(3,500)	(3,500)
LOSS ALLOWANCES⁽ⁱ⁾	-	(15)	(38)	(22)	(5,818)	(5,893)
NET CARRYING AMOUNTS	35,571	1,488	1,489	415	3,893	42,856

	Not past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	More than 90 days \$'000	Total \$'000
AT 30 JUNE 2023						
Trade receivables	30,385	3,039	913	1,050	3,970	39,357
Accrued revenue	29,311	-	-	-	-	29,311
GROSS CARRYING AMOUNTS	59,696	3,039	913	1,050	3,970	68,668
Expected loss rate	-	1.0%	2.5%	5.0%	45.7%	
Trade receivables	-	(30)	(23)	(53)	(1,816)	(1,922)
LOSS ALLOWANCES	-	(30)	(23)	(53)	(1,816)	(1,922)
NET CARRYING AMOUNTS	59,696	3,009	890	997	2,154	66,746

As of 30 June 2023, trade receivables of \$7.2 million (2022: \$7.3 million) were aged between 1 and more than 90 days past due but not impaired. These relate to several independent counterparties, none of whom have a recent history of default.

Movements in the loss allowance for both trade receivables and accrued revenue are as follows:

	2023 \$'000	2022 \$'000
BALANCE AT 1 JULY	5,893	5,687
Additional loss allowance recognised	1,397	832
Writeback of loss allowance	(1,868)	(626)
Writeoff of loss allowance	(3,500)	-
BALANCE AT 30 JUNE	1,922	5,893

8.5.4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The Group holds the following financial instruments:

	2023 \$'000 Carrying value	2023 \$'000 Fair value	2022 \$'000 Carrying value	2022 \$'000 Fair value
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OCI				
Financial assets (equity securities)	34,329	34,329	67,474	67,474
TOTAL	34,329	34,329	67,474	67,474
FINANCIAL ASSETS MEASURED AT AMORTISED COST				
Cash and cash equivalents and cash deposits ⁽ⁱ⁾	160,888	160,888	122,524	122,524
Trade and other receivables ⁽ⁱ⁾⁽ⁱⁱ⁾	43,007	43,007	44,077	44,077
TOTAL	203,895	203,895	166,601	166,601
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS				
Deferred consideration	383	383	460	460
TOTAL	383	383	460	460
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST				
Trade and other payables ⁽ⁱ⁾	153,978	153,978	133,125	133,125
TOTAL	153,978	153,978	133,125	133,125

(i) The carrying amounts of cash and cash equivalents and cash deposits, trade and other receivables and trade and other payables generally approximate to fair value.

(ii) Trade and other receivables consist of current trade and other receivables of \$42.7 million (2022: \$41.3 million) and non-current trade and other receivables of \$0.3 million (2022: \$2.8 million).



The balance sheet includes financial assets and financial liabilities that are measured at fair value. These fair values are categorised into hierarchy levels that are representative of the inputs used in measuring the fair value. The different levels have been defined as follows:

- Level 1 – uses quoted prices for identical instruments in active markets.
- Level 2 – uses inputs for the asset or liability other than quoted prices that are observable either directly or indirectly.
- Level 3 – uses valuation techniques where one or more significant inputs are based on unobservable market data.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during the year.

The table below analyses financial instruments carried at fair value, by valuation method.

2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investment in Corporate Travel Management Limited	66,142	-	-	66,142
Investment in Hunter Travel Group Pty Ltd	-	-	473	473
Investment in Wander Beyond Travel Pty Ltd	-	-	813	813
Investment in Brooker Travel NZ	-	-	45	45
TOTAL ASSETS	66,142	-	1,331	67,473
Deferred consideration	-	-	460	460
TOTAL LIABILITIES	-	-	460	460

2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investment in Corporate Travel Management Limited	32,930	-	-	32,930
Investment in Hunter Travel Group Pty Ltd	-	-	473	473
Investment in Wander Beyond Travel Pty Ltd	-	-	813	813
Investment in Brooker Travel NZ	-	-	45	45
Investment in Tin Alley	-	-	68	68
TOTAL ASSETS	32,930	-	1,399	34,329
Deferred consideration	-	-	383	383
TOTAL LIABILITIES	-	-	383	383

8.6 AUDITOR'S REMUNERATION

During the financial year, the following fees were paid or were payable for services provided by EY, its related practices and unrelated audit firms:

	2023 \$	2022 \$
AUDIT SERVICES - EY AUSTRALIA		
Audit or review of the financial statements for the current year audit	1,168,600	920,261
Audit or review of the financial statements for the prior year audit	317,000	400,722
TOTAL AUDIT SERVICES - EY AUSTRALIA	1,485,600	1,320,983
OTHER SERVICES - EY AUSTRALIA		
Other audit services	-	62,700
TOTAL OTHER SERVICES - EY AUSTRALIA	-	62,700
TOTAL SERVICES - EY AUSTRALIA	1,485,600	1,383,683
NETWORK FIRMS OF EY AUSTRALIA		
Audit services	25,000	127,500
TOTAL SERVICES - NETWORK FIRMS OF EY AUSTRALIA	25,000	127,500

Kyoto, Japan



DIRECTORS' DECLARATION

IN THE DIRECTORS' OPINION:

- (a) The consolidated financial statements and notes that are set out on pages 60 to 120 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), other mandatory professional reporting requirements and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) At the date of this declaration there are reasonable grounds to believe that the Company and the Group entities identified in note 6.3: Subsidiaries will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the deed of cross guarantee described in note 8.4 between the Company and those Group entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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



Garry Hounsell

Chairman
Helloworld Travel Limited
Melbourne, 28 August 2023



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Independent Auditor's Report to the members of Helloworld Travel Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Helloworld Travel Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2023, the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the consolidated balance sheet of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 Group 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 (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.



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1. Revenue recognition, including deferred revenue

Why significant	How our audit addressed the key audit matter
The Group earns revenue from the provision of travel and travel related services as outlined in Note 2.1. The recognition of commissions (excluding override commissions) and transaction and service fee revenue required: ▶ Assessment of the timing and satisfaction of performance obligations to customers. ▶ Recognition, measurement and classification of deferred revenue where monies have been received but services not yet rendered. ▶ Assessment of the likelihood of future significant revenue reversals and therefore the need for any revenue deferral. Revenue recognition, including deferred revenue was a key audit matter due to the number of systems used by the Group throughout the year in recording and processing transactions and the differing nature of performance obligations for products and services offered to customers.	▶ We assessed the Group's accounting policies for commissions (excluding override commissions – see 2. Override commissions below for further detail) and transaction and service fee revenue, as set out in Note 2.1 and 3.4, against the requirements of Australian Accounting Standards. ▶ We obtained an understanding of the processes implemented by the Group to record and process revenue transactions. ▶ For a sample of revenue transactions recorded during the year, we obtained supporting evidence such as customer and supplier contracts, travel documents, supplier statements and evidence of customer payment and supplier payment. Based on this information we evaluated whether revenue had been recognised in accordance with the Group's stated accounting policies. ▶ For a sample of deferred revenue balances, we evaluated the accuracy and appropriateness of the classification of amounts recognised where obligations to customers had not been met (such as where travel had not yet occurred) or where there was a significant chance of a future reversal. ▶ We evaluated the adequacy of the disclosures set out in Note 2.1 and 3.4.

2. Override commissions

Why significant	How our audit addressed the key audit matter
The Group generates override commissions from arrangements with airlines, hotels and leisure suppliers. These override commission rates are often tiered based on volume of eligible travel. During the year ended 30 June 2023, the Group recognised override commission income of \$78.1m (inclusive of accrued override commission revenue of \$27.2m). The override commission revenue process is inherently judgemental and includes various assumptions including: • Contract periods with airlines, hotels and leisure suppliers do not correspond to the Group's financial year end. Judgement is required to determine expected future volumes over the remaining contract term and the tiered commission rates to be applied in the circumstances. • Contracts are renegotiated periodically. Updates to terms and contractual arrangements with the suppliers may result in additional incentives,	We evaluated the Group's judgements in determining the override commission revenue recognised (including accrued revenue). For override commission revenue that was paid by suppliers during the period, we: • Obtained a sample of relevant supplier contracts and reconciled the eligible travel and commission rates to override commission revenue calculations. • Obtained a sample of the most recent supplier statements and assessed override commission revenue earned. • Agreed override commission revenue to cash receipts on a sample basis. Override commission revenue accrued at year end is a key area of estimation. The testing procedures we performed over this balance included: • Obtained the relevant supplier contracts outlining the eligible travel and commission rates and compared to the information used in the accrued revenue calculations.

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Why significant	How our audit addressed the key audit matter
rebates or other bonuses being received which may relate to past performance. Commissions may have to be estimated for contracts for which the applicable override commission rates have not been finalised and agreed between the parties. The Group determines accrued override revenue based on estimates of volume of eligible travel applicable for contract periods with due consideration of actual sales, forecast bookings and historical trends. Override Commission was a key audit matter due to the significance of the override revenue (including accrued override income) at 30 June 2023 to the Group's financial statements and based on the inherent level of judgement involved in the calculation.	- Agreed the underlying travel data used in the override commission revenue calculations to independent third-party booking information and applicable supplier statements (where available). - Assessed the accuracy of future estimates of travel data by evaluating the forecast sales of the third party's products compared to historical actuals. - Compared the actual override commission received in the current financial year relating to the prior financial year accrual estimation to assess the accuracy of past estimates.

3. Impairment Assessment of non-current assets (including equity accounted investments)

Why significant	How our audit addressed the key audit matter
As required by Australian Accounting Standards the Group annually tests goodwill and intangible assets with indefinite lives for impairment and tests other non-current assets where indicators of impairment or impairment reversals exist using a value in use model to estimate the recoverable value. The Group's financial performance has not returned to pre-COVID-19 levels. Current business activity is, however, consistent with external industry forecasts. Note 4.3 discloses information on goodwill and other intangible assets recognised by the Group and Note 4.4 discloses information about the impairment assessment undertaken on non-financial assets as at 30 June 2023. Note 6.1 discloses information on the Group's investments accounted for using the equity method of accounting. The impairment assessment of non-current assets (including equity accounted investments) was a key audit matter due to the value of these assets as a proportion of total assets and the extent of estimation and judgement involved in the assessment, particularly in relation to the recovery of operating results from the COVID-19 pandemic on the forecast future cashflows and other key assumptions including terminal growth rates, discount rates, Total Transaction Value ('TTV'), margin, capital expenditure forecasts and working capital requirements.	- We assessed the Group's determination of the cash generating units ('CGUs') used for their impairment assessment based on the requirements of Australian Accounting Standards. - We developed an understanding of the process undertaken by the Group in preparing discounted cash flow models used to estimate the recoverable value of CGUs, including how key assumptions (described in Note 4.4) were derived. - We assessed the Group's future cash flow forecasts used to estimate recoverable value, which included: - Assessment of the mechanical accuracy of the cash flow models. - Assessment as to whether the allocation of assets (including goodwill) to CGUs was appropriate based on our knowledge of the Group's operations. - Assessment of the basis of allocating corporate costs and overheads to CGUs. - Evaluation of the Group's forecast recovery path and expected financial performance over the forecast period using external industry forecasts and internal historical data. - Involvement of our valuation specialists to evaluate the key assumptions applied within the impairment models including terminal growth rates, discount rates, Total Transaction Value ('TTV'), margin, capital expenditure forecasts and working capital requirements. - Assessment of the sensitivity of forecasts to movements in key assumptions to ascertain the extent of change in those assumptions that would either individually or collectively result in

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Why significant	How our audit addressed the key audit matter
	an impairment charge at an individual CGU level (or collection of CGUs, where appropriate). ► We performed market capitalisation and earnings multiples cross checks in comparison with other comparable businesses to assess the impairment testing model outcomes. We evaluated the adequacy of the disclosures included within Note 4.3, 4.4 and 6.1.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group 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.

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Group'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 Group'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 Group 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 Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Helloworld Travel Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink, appearing to read 'Ernst & Young', is positioned above the printed name of the firm.

Ernst & Young

A handwritten signature in blue ink, appearing to read 'Brett Croft', is positioned above the printed name of the partner.

Brett Croft
Partner

Melbourne
28 August 2023

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ASX ADDITIONAL INFORMATION

Additional information required by ASX and not shown elsewhere in this report is as follows. The information is current as at 14 August 2023.

(A) DISTRIBUTION OF EQUITY SECURITIES

SHARE RANGE	Number of holders	Number of shares	%
1 - 1,000	4,265	1,972,020	1.24
1,001 - 5,000	2,947	7,564,321	4.77
5,001 - 10,000	766	5,810,152	3.66
10,001 - 100,000	690	17,358,739	10.94
100,001 and over	71	125,970,611	79.39
TOTAL	8,739	158,675,843	100.00

All issued ordinary shares carry one vote per share and carry the right to dividends. The number of holders holding a less than marketable parcel of ordinary shares based on the market price as at 14 August 2023 was 398 holders holding 31,896 shares.

(B) TWENTY LARGEST HOLDER OF QUOTED EQUITY SECURITIES

The names of the 20 largest registered holders of quoted shares are:

ORDINARY SHAREHOLDERS	Number of shares	%
SINTACK PTY LTD	20,630,306	13.00
THE BURNES GROUP PTY LTD	20,358,287	12.83
J P MORGAN NOMINEES PTY LIMITED	20,240,329	12.76
CITICORP NOMINEES PTY LIMITED	14,611,129	9.21
ANDREW JAMES BURNES	10,328,654	6.51
CINZIA BURNES	10,138,014	6.39
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,620,996	4.17
NATIONAL NOMINEES LIMITED	3,545,989	2.23
JOHN ARMOUR	2,250,000	1.42
CTG INVESTMENTS PTY LTD	1,823,999	1.15
DRAGONHILLS PTY LIMITED	1,823,999	1.15
BNP PARIBAS NOMINEES PTY LTD	1,020,061	0.64
BNP PARIBAS NOMS (NZ) LTD	823,869	0.52
BNP PARIBAS NOMS PTY LTD GLOBAL MARKETS	583,158	0.37
BELDISHA PTY LTD	520,538	0.33
UBS NOMINEES PTY LTD	484,411	0.31
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	446,000	0.28
JUSTIN DAVID ROSE	359,600	0.23
NEWECONOMY COM AU NOMINEES PTY LIMITED	358,952	0.23
TRAVCOM INTERNATIONAL GROUP PTY LTD	355,000	0.22
TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES	117,323,291	73.94
TOTAL REMAINING HOLDERS BALANCE	41,352,552	26.06

(C) SUBSTANTIAL SHAREHOLDERS

The number of shares held by substantial shareholders and their associates are set out below:

SUBSTANTIAL SHAREHOLDER	Number of shares	%
THE BURNES GROUP PTY LTD AND ASSOCIATED	40,991,831	25.83
SINTACK PTY LTD	20,630,306	13.00
FIL LIMITED	14,475,534	9.12

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