Beyond the Journey

2014-15 ANNUAL REPORT

corporate travel management

...because we know there's more to travel than travelling.

At CTM we believe true innovation comes from looking beyond, from challenging convention, from seeing the big picture. It's that kind of thinking that's created some of the most innovative and intelligent advancements in travel management and it's that kind of focus that gives our clients a truly competitive edge.

corporate travel management

CONTENTS

Chairman's Report....4
Managing Director's Report....6
CTM's Global Growth....10
CTM Global Showcase....12
SMART Technology....14
Directors....16
Leadership Team....18
Financial Report....20

"Each year has delivered growth in profitability and enhanced return on equity to shareholders."

Tony Bellas, Chairman
Corporate Travel Management Limited

Chairman's Report

I am pleased to present the 2015 Annual Financial Report of Corporate Travel Management Limited ("CTM" or "the Group").

The Group has had another strong year, its 5th year since the IPO of the Company in December 2010. Each year has delivered growth in profitability and enhanced return on equity to shareholders.

During the year, the Group expanded its global presence with entry into the European market. Chambers Travel Group Limited was acquired on 2 January 2015. This acquisition completes the stated strategy of a global footprint of owned businesses in the four key regions. The Group now has operations in Australia and New Zealand, North America, Asia and Europe.

The 2015 financial year was pivotal in CTM becoming a truly global corporate travel solutions company, enabling CTM to offer clients a truly global solution to their travel requirements. CTM already had a strong relationship with Chambers Travel Group and was delighted when the owners of Chambers Travel Group agreed to join the CTM family. In addition, CTM is consolidating its operations in North America, where, with the acquisition of three further businesses, has enabled CTM to establish economies of scale and a more effective leadership model.

The Group continued to achieve strong organic growth in a challenging global economic climate, which, together with the European acquisition and a further three acquisitions in North America, enabled CTM to achieve a record turnover.

The Group also continued its investment in delivering innovative client facing products to the market, when, coupled with the continued high service levels, has maintained its focus on strong client engagement.

I would like to take this opportunity to thank the management team and staff for their efforts, and congratulate them on the continued success of CTM as a leading-edge and profitable corporate travel solutions company.

I would also like to thank CTM's shareholders, their Board, and most importantly, CTM's clients for their continuing support.

The Board has declared a dividend of 10.0 cents per share on 26 August 2015, which will be paid on 9 October 2015 to all shareholders registered on 10 September 2015.

Tony Bellas

Tony Bellas
Chairman
Corporate Travel Management Limited
26 August 2015

Managing Director's Report

Dear Shareholders,

Introduction

CTM has again delivered an excellent result. The most pleasing aspect was that all CTM regions experienced record profits, and all acquisitions contributed to this profit growth. We remain well placed to benefit from future upturns in the general economic environment. The acquisition of the Chambers Travel Group on 2 January 2015 means that we now have operations in the four key markets identified as a cornerstone of CTM's global strategy.

Outstanding performance

In the year to 30 June 2015, CTM's TTV (total transaction value) of $2,656m (unaudited) was 92% higher than the previous year and travel income of $196.4m was 80% higher than the previous year.

CTM's statutory net profit after tax ("NPAT") of $26.4m for the year to 30 June 2015 compares with $15.8m in the previous year, representing a 67.1% increase.

Financial position

CTM is in a sound financial position, with total assets of $440.4m at 30 June 2015, an increase of $192.0m or 77.3% from 30 June 2014. The growth in assets is largely due to the four acquisitions completed during the year.

The continued generation of strong cash flows contributed to the Group's sound financial position, with net cash flows from operating activities of $24.4m over the year to 30 June 2015.

On 31 December 2014, CTM raised a further $45.5m through the equity market, to assist with funding the acquisition of the European based agency, Chambers Travel Group.

Total equity of $235.9m at 30 June 2015 compares with $132.9m at 30 June 2014, an increase of $103.0m or 77.5% over the year.

The Group focused on the following key initiatives during the year:

Win and retain clients

CTM's client service was enhanced through the delivery of innovative technology, particularly implementing its SMART technology during the year. This technology is being implemented in all regions.

CTM is now leveraging its expanding global footprint, to grow the business through cross selling across its regions, noting that CTM now manages 48 clients across more than one CTM region.

Continued investment in sales and marketing resources resulted in a record new client wins year, which positions the Company well for FY15 and beyond. In addition, client retention has continued to be strong, exceeding 96%.

Staff and client satisfaction

CTM maintains a continuous feedback process through innovation, to ensure productivity improvement for our clients.

Client and staff survey's response results were at record levels.

Mergers and acquisitions

During the year, the Group completed the acquisition of Chambers Travel Group, a European based travel agent. In addition, a further three acquisitions were completed in North America being USTravel in the Pacific North West, Avia Travel in Houston, Texas, and Diplomat Travel in Washington DC. These acquisitions continue the footprint expansion in North America and provide additional scope to be leveraged in the future. The Group now has operations in Australia and New Zealand, North America, Asia and Europe, across 56 cities in 32 countries.

CTM continues to pursue additional EPS accretive acquisitions.

“Client and staff survey’s response results were at record levels.”

Business drivers

The success of CTM’s business continues to be based on the following key drivers:

- Strong client wins across the Group with CTM’s continued investment in technology and business tools continuing to strengthen CTM’s competitive advantage.
- Continued high levels of client retention, underpinned by high levels of client satisfaction and staff engagement.
- Improving CTM’s internal processes and the competency of CTM’s people, so that CTM’s service platform is most effective in supporting CTM’s clients’ needs.

Employees

A competent and motivated workforce is integral to CTM’s success.

CTM’s culture is founded upon the notion of listening to CTM’s staff, in order to provide a workplace that empowers people, through good processes and excellent training, to grow, evolve, and deliver the superior service that CTM’s clients demand. CTM continues to invest in its people, through its in-house training programs, selective recruitment and a commitment to provide the resourcing to support its people in delivering service excellence to clients.

Over the past year, the total number of employees increased by 40.3% to 1,871, reflecting the Chambers Travel Group, US Travel, Avia and Diplomat Travel acquisitions and CTM’s positioning to underwrite growth with the most skilled talent.

The Board and the senior management team appreciate the contribution that CTM’s staff have made to the Group’s strong performance in 2014/15. Their professionalism and commitment have been fundamental to the development of CTM’s reputation as a highly valued business partner for its clients.

Positioning for the future

CTM’s continued investment in innovative client facing technology, particularly the introduction of CTM SMART, coupled with the entry into the European market and enhanced market presence in North America, has the Company well positioned for growth.

The entry into the European market is an exciting new phase for the Group. We now have operations in the four identified key markets. CTM is now operating out of 56 cities in 32 countries, the Group is building on expansive global footprint that positions itself for sustained growth.

CTM’s focus remains its clients and staff, to ensure its service offering is both innovative and cost effective, and enabling staff to offer the personalised service and expertise demanded by clients.

I look forward to working with staff, clients, key suppliers and the Board in pursuing the challenges and opportunities that lie ahead and to continue to deliver outstanding results for CTM’s clients and shareholders.

Jamie Pherous
Managing Director
Corporate Travel Management Limited
26 August 2015

ctm global partners

North America

FY15 TTV:
$612.9m

FTE:
362

NO. CLIENTS:
200

CTM's Global Growth

The 2015 financial year saw CTM's much anticipated move into the European market with the acquisition of Chambers Travel, and further extend its US presence to the eastern seaboard with the acquisition of Diplomat Travel.

These acquisitions position CTM as a truly global TMC with presence in 56 cities across 32 countries, and enables our accomplished sales team to compete effectively for global accounts.

CTM has also launched the CTM Global Partners network, offering a compelling alternative to traditional global networks and providing customers with access to CTM's industry-leading technology solutions coupled with local industry knowledge and expertise. CTM Global Partners extends the reach of CTM's locally owned and managed offices with a bespoke network of established, in-country travel management companies that share CTM's customer-focussed philosophy. CTM Global Partners provides customers with a consistent, reliable and service driven solution for their multi-regional travel management needs.

Europe

FY15 TTV*:
$147.3m

FTE:
237

NO. CLIENTS:
300

*Represents six months' results from date of acquisition - 2 January 2015

Asia

FY15 TTV:
$1082.0m

FTE:
714

NO. CLIENTS:
2239

Australia/ New Zealand

FY15 TTV:
$813.8m

FTE:
372

NO. CLIENTS:
599

CTM Global Showcase

North America

Debbie Langen

Vice President of Strategic Sales
LOCATION: Denver, Colorado
YEARS TENURE: 11 years

Debbie manages large market and global business development and brings more than 20 years of experience to her role in growing the CTM business.

Debbie is currently responsible for more than 55% of the CTM North America sales pipeline and throughout the 2014 fiscal year she closed 92% of new client wins by volume and 42% by account (22). This includes securing CTM's largest account to date — a customised solution to manage more than US$330 million in air spend served by CTM in North America and Europe.

Additionally, Debbie's role includes mentorship to the North American sales team and assistance in retaining current clients through the re-tender process. In acting as lead for global sales in North America, she works closely with colleagues from around the world and is highly regarded by her peers, CTM's leadership team, and members of the Board for her ability to bring the CTM values and core pillars of excellence to life.

"I thrive on the opportunity my role presents in building strong professional relationships and creating customised service solutions in the global market. To me, the complexity of multi-national travel programs is truly invigorating. I live by the mantra that no customer is too small, too large, or has a challenge that cannot be solved."

Europe

Jean Towers

Strategic Business Manager, Large Enterprise
LOCATION: London
YEARS TENURE: 15 months

Jean has rapidly become a trusted advisor to her clients and has played a vital role in implementing a number of elite clients in her first 15 months at Chambers, including the challenging and ambitious Houses of Parliament account. The Houses of Parliament implementation process held no room for slippage. Jean worked with great professionalism and has excelled at driving the relationship.

Jean recently won the prestigious People Awards Account Manager of the Year 2015 award, in recognition of her proactive and consultative approach to the role and in providing unrivalled customer service, care and value to her clients.

The judges were extremely impressed with Jean's determination and innovation to 'make a difference'.

"The recognition has been fantastic and I am very proud of my achievements; it makes all the hard work worthwhile and reassures me that I am heading in the right direction – to make a difference. I feel amazing and am looking forward to the year ahead."

Asia

Lisa Y S Cheung

Senior Operations Manager, Corporate
LOCATION: Hong Kong
YEARS TENURE: 21 years

Lisa brings a wealth of travel experience to the Westminster CTM team, having joined Westminster Travel in 1993 as a consultant. She has been recognised for her outstanding operational and management skills, and as such has progressed to Senior Operations Manager, Corporate. Lisa now manages 13 operations teams which provide travel management solutions to more than 900 corporate accounts.

Westminster CTM has experienced strong growth since joining the CTM group, and Lisa's in-depth knowledge, superb people skills and professional attributes have been key in maintaining smooth operations. She has built steadily on her technical expertise and industry knowledge, and ensures all these skills contribute to the company moving forward. Lisa is a great role model for her colleagues and finds success in making others reach their full potential.

"We are extremely proud of Lisa's achievements so far and are confident that she will shine as a leader as Westminster CTM continues expanding."

LARRY LO, CEO WESTMINSTER CTM.

Australia/ New Zealand

Glenn Wilcox

General Manager NSW
LOCATION: Sydney
YEARS TENURE: 7 years

Glenn brings 16 years of travel industry experience to his role leading CTM's NSW team, based in Sydney. He joined the company in an account management role in Perth, Western Australia, where his client and people management skills were recognised and rewarded with promotions to Regional Client Value Manager WA, then General Manager WA. During his career in the west, Glenn became a resources and mining travel expert, managing a number of high profile mining contracts. In 2011, Glenn was awarded CTM's Staff Member of the Year award and in 2015 was recognised for his contribution and commitment to the WA business economy as a winner of the 40Under40 WA Business Awards.

In mid-2015, Glenn relocated his family to Sydney to assume responsibility for CTM's New South Wales operations, as General Manager NSW. Glenn is a self-motivated, goal-driven and caring individual who demonstrates exceptional client management skills alongside strategic business planning and leadership expertise.

"Glenn continues to be a shining light for CTM, he is an inspiration to the team, setting the highest standards for support of our clients and the community, we are all extremely proud of him."

LAURA RUFFLES, CEO AUSTRALIA & NEW ZEALAND.

CTM SMART Technology

ctm smart technology™

In 2 short years, CTM's SMART Technology has developed 13 major applications including three patented corporate travel tools. From traveller security and pre-trip approval to taxi sharing and online booking tools, SMART Technology is producing disruptive functionality which is saving clients millions of dollars in increased user productivity and improved buying habits.

APPROVE

BOOK

MANAGE

REPORT

An interview with Tom Clark

CTM's Chief Marketing and Technology Officer

What business need sparked the evolution of CTM SMART Technology two years ago?

When I joined CTM in 2011 I quickly noticed a relative lack of digital innovation and data-driven marketing within the corporate travel space. So I started looking at using digital technology as a key differentiation point for the brand's products and services. My first priority was consumerising the process of booking corporate travel, as well as consolidating platforms. We were using a subset of technologies and while they were all good, they were legacy oriented and didn't have that innovation in terms of usability.

What have been the key ingredients of SMART Technology's success?

To make this kind of digital transformation possible, executive and staff buy-in was crucial. This was where CTM's entrepreneurial culture proved an asset. We were trying to get that level of thinking within the organisation around needing to change and shift, and worry about what the user feels, touches and sees, then move backwards from that point. It's a big shift in our industry and mindset adjustment, but CTM went with it, loved it and has benefitted as a result. We build our technology from scratch, so we're building on modern frameworks and using the most modern techniques and tools to build our code. And cultural alignment has been key - aligning the presentation of information and digital product with geographies and regional customer needs rather than a one-size-fits-all approach. In two years, we've built 13 major applications, stretching from traveller security and pre-trip approval systems to taxi share tools and online booking and including three patented corporate travel applications, each with disruptive functionality unique to the corporate travel industry.

What have been the wider business outcomes?

The differentiation point digital gives CTM in the market has been the big win, and it's something the sales team is now actively using to close deals. Every CTM tender now features one or more pieces of our digital offering and a lot of the time it's the innovation factor customers will buy. There may be a tool that isn't going to work in their organisation, but they want to partner with a company that is the most innovative TMC. These digital advancements have saved customers millions thanks to increased user productivity and improved buying habits. The market share shift has been enormous based on having technology we didn't have two years ago.

What's next for SMART Technology?

Our current priority is rolling out the technology stack globally. The platforms are now firmly embedded in Australia and Asia, with the US and Europe currently being rolled out via several large clients. It's now about refining those tools for new markets, and getting some good product development processes in each individual market, with feedback loops from customer insights.

I couldn't have envisaged getting to this level of success in terms of numbers of users and the investment we have gained. It's been really exciting, but it's created lots of challenges too. As you bring in a larger development team, processes need to come into play, but you don't want to disrupt productivity and we continue to focus on getting quality products to market very quickly.

Directors

Tony Bellas
Chairman

Tony Bellas has more than 28 years' experience in both the government and private sectors. Tony is currently pursuing his own business interests and has previously held positions of CEO of Ergon Energy, CS Energy and Seymour Group. Prior to this he was Queensland's Deputy Under Treasurer, with oversight of a number of Treasury operations including Fiscal Strategy, Office of Government Owned Corporations and Office of State Revenue.

Stephen Lonie
Independent Non-Executive Director

Stephen Lonie is a Chartered Accountant with more than 40 years' industry experience, and is a former Managing Partner of the international accounting and consulting firm, KPMG. He now practices as an independent management consultant and business adviser. Stephen is currently Chairman of Jellinbah Resources Pty Ltd (since 2002) and of UQ Sport Ltd (since 2012), and a Non-Executive Director of MyState Limited (since 2011).

Greg Moynihan
Independent Non-Executive Director

Greg Moynihan is a former CEO of Metway Bank Limited and has also held senior management and executive positions with Citibank Australia and Suncorp Metway. Since leaving Suncorp Metway in 2003, Greg Moynihan has pursued a number of business interests, primarily in the investment management and private equity sectors.

Admiral Robert J. Natter, US Navy (Ret.)
Independent Non-Executive Director

Robert Natter has more than 10 years' experience in both the government and private sectors in the North American market, currently as Chairman of G4S Government Solutions Inc. and on the U.S. Naval Academy Alumni Association Board. During his Navy career he served as the Commander in Chief to the U.S. Atlantic Fleet and as the First Commander of U.S. Fleet Forces Command. Robert retired from military service a decade ago.

Claire Gray
Executive Director Global Development

Claire Gray brings 30 years' experience to Corporate Travel Management. Her career within the travel industry began in 1984 at Harvey World Travel. In 1989, Claire joined with Craig Smith to form the independent travel management company, Travelogic – which merged with Corporate Travel Management in 2008 to create one of the largest business travel agencies in Australasia.

Senior Leadership

Jamie Pherous

Managing Director

Jamie Pherous, Managing Director, founded Corporate Travel Management in 1994. He built the company from its headquarters in Brisbane to become the largest privately-owned travel management company in Australia and, in late 2010, became successfully listed on the Australian Securities Exchange (ASX). Prior to establishing CTM, Jamie was employed by Arthur Andersen (now Ernst & Young) as a chartered accountant specialising in business services and the financial consulting division in Australia, Papua New Guinea and the United Arab Emirates.

Steve Fleming

Global Chief Financial Officer

Steve Fleming is responsible for Corporate Travel Management's finance function, treasury management, key stakeholder liaison and strategic planning in conjunction with the Managing Director and Board. Steve has more than 22 years' experience in commercial finance roles gained with high growth companies across a number of industries and countries including Abbey National, TrizecHahn, Deutsche Morgan Grenfell and Arthur Andersen.

Laura Ruffles

CEO Australia and New Zealand & Global COO

Laura Ruffles, Corporate Travel Management's Chief Executive Officer AU/NZ and Global Chief Operating Officer, has significant local, regional and global business experience. In a career of more than 20 years, she has led teams across strategy, operations, product development, relationship management, sales, business planning and technology. Laura plays a key role in business planning, innovation, client growth, profit contribution and coaching her management team.

Julie Crotts

COO North America and General Manager Pacific Region

Julie Crotts has over 30 years of travel, organisational and performance management experience. Her pragmatic management style, focus on best practices and client return on investment make Julie a perfect fit to lead CTM's team of seasoned national and regional leaders across the United States. In addition to her national COO role, Julie also leads a team of experienced sales, account management, operations and technology professionals as General Manager – Pacific Region, which boasts some of CTM North America's largest government and corporate accounts. Prior to joining CTM, Julie was COO and President of USTravel and President of Doug Fox Travel.

Larry Lo

CEO Westminster CTM

Larry Lo brings 23 years' travel industry experience to the Corporate Travel Management leadership team. Larry is responsible for the local and regional sales and operations of CTM's Asian operations at Westminster CTM. He was a Director of the Travel Industry Council of Hong Kong (TIC) from 2010 to 2012 and is currently Vice Chairman of the Society of International Air Transport Association Passenger Agents (SIPA). He holds a Bachelor Degree in Business Management.

Chris Thelen

CEO Chambers Travel

Chris Thelen joined Chambers Travel in 1999 and led a management buy-out of the company 5 years later. Under his leadership, Chambers Travel quadrupled its turnover and its staff, and became an award-winning business. Starting with one office in the UK, Chris has expanded operations to eight countries across Europe. Chambers Travel was acquired by CTM in December 2014, and Chris remains at the helm of the group's UK and European presence.

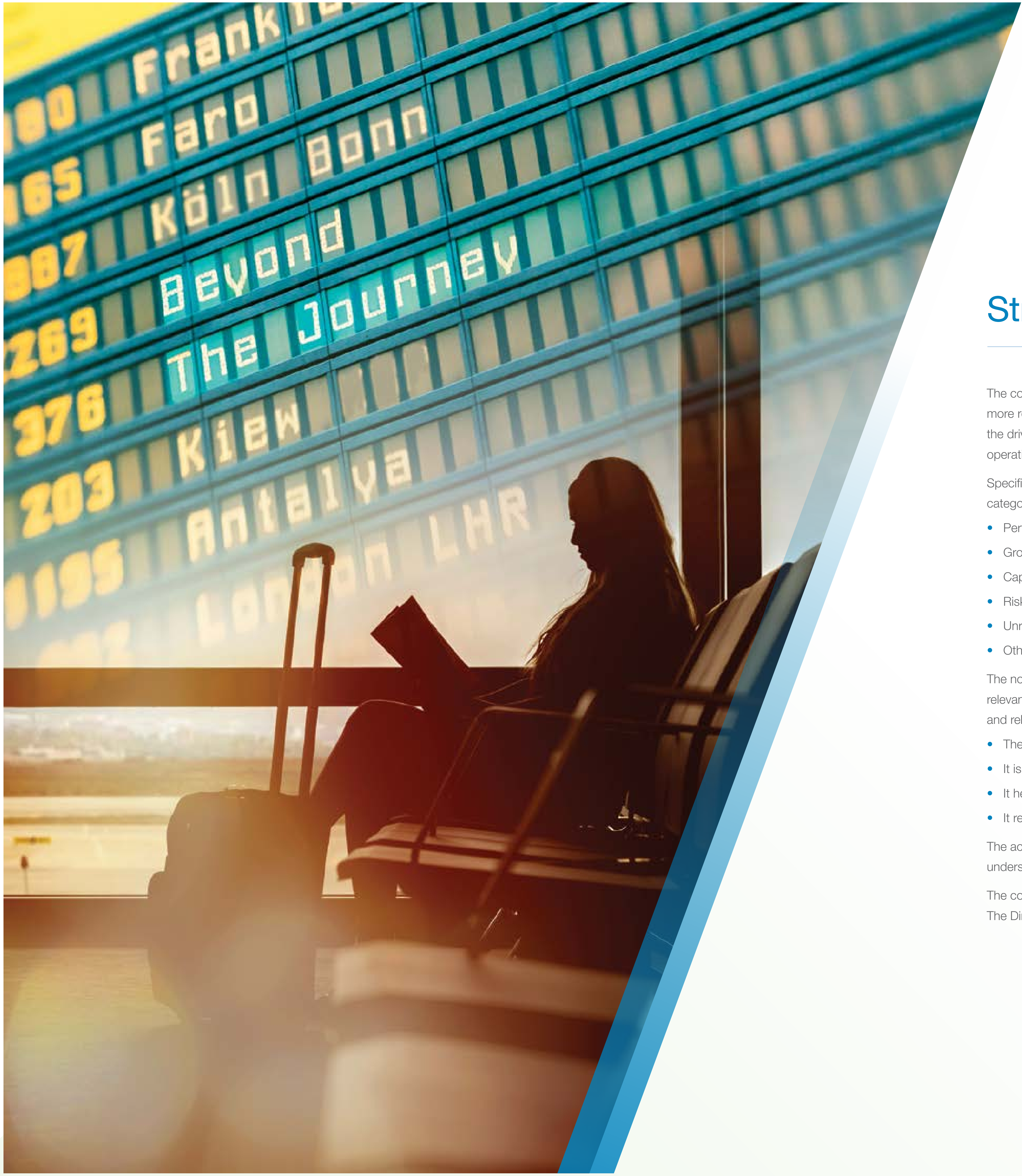
Annual Financial Report 30 JUNE 2015

Corporate Travel Management Limited

ABN 17 131 207 611

TABLE OF CONTENTS

Annual Financial Report 21
Review of Operations 24
Directors' Report 28
Corporate Governance Statement 45
Consolidated Statement of Comprehensive Income 46
Consolidated Statement of Financial Position 47
Consolidated Statement of Changes in Equity 48
Consolidated Statement of Cash Flows 49
Notes to the Consolidated Financial Statements 50
Directors' Declaration 105
Independent Auditor's Report 106
Shareholder Information 108
Corporate Directory 110



Streamlined Financial Report

The consolidated financial statements and associated notes have been restructured to make the statements more relevant and accessible. The purpose of this change is to provide users with a clearer understanding of the drivers of financial performance and position of the Group. Items which are material and relevant to the operations, and the understanding of financial position and performance have been presented together.

Specifically the notes to the financial statements have been grouped and reorganised in to the following categories:

- Performance;
- Group structure;
- Capital;
- Risk;
- Unrecognised items; and
- Other items.

The notes include information, which is required to understand the financial statements, and is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant if:

- The amount in question is significant because of its size or its nature;
- It is important to understanding the results of the Group;
- It helps to explain the impact of significant changes in our business, for example, acquisitions;
- It relates to an aspect of our operations that is important to our future performance.

The accounting policies have been included within their respective notes, to further assist with the understanding of the relevant section.

The consolidated financial statements were authorised for issue by the directors on 26 August 2015. The Directors have the power to amend and reissue the consolidated financial statements.

Review of Operations

Group overview

The Group continued to engage in its principal activity, being the provision of travel services, the results of which are disclosed in the following statements.

During the year, the following new acquisitions were made:

- New business acquisitions:
  - 100% of the shares in USTravel, LLC, as at 1 July 2014;
  - 100% of the shares in Forestieri Interests Corp trading as Avia International Travel, LLC, as at 1 September 2014;
  - 100% of the shares in TMC Group, Inc trading as Diplomat Travel Services, as at 2 January 2015; and
  - 100% of the shares in Chambers Travel Group Limited, as at 2 January 2015.

The acquisitions were funded through a combination of working capital and a capital raising of $45.5 million on 31 December 2014 by way of a non-renounceable rights issue.

Expansion into Europe

The acquisition of 100% of the shares of Chambers Travel Group Limited ("Chambers"), a travel management company headquartered in London, with operations in England, Scotland, France, Germany, the Netherlands, Switzerland, Sweden and the Czech Republic, was completed on 2 January 2015. The acquisition was funded by a mixture of cash and CTM Limited shares. This expansion gives the Group presence in the last key region in the global strategy. Chambers is an award winning business, winning Best Agency in the UK in 2013, 2014 and finalist in 2015.

Further North American acquisitions

On 1 July 2014, the Group acquired 100% of the shares of USTravel Alaska, LLC ("UST"), a travel company based in Alaska and the Pacific Northwest ("PNW") in America. The acquisition was funded by a mixture of cash and CTM Limited shares. UST will become the regional headquarters for the Pacific Northwest which strengthens CTM's position as one of the largest TMCs in the region.

On 1 September 2014, the Group acquired 100% of the shares of Avia International Travel ("Avia"), a company based in Houston, Texas. The acquisition was funded by a mixture of cash and CTM Limited shares. Avia has a strong market presence in the oil, gas and marine sector, which aligns well within the existing Group focus.

On 2 January 2015, the Group continued its expansion into the North American market with the acquisition of 100% of the shares of Diplomat Travel Services ("Diplomat"), a travel management company headquartered in Washington DC, USA. With the acquisition of Diplomat, the Group's coverage of the USA now extends to the East Coast and now covers all time zones. The purchase was funded by a mixture of cash and CTM Limited shares.

These acquisitions are funded by a fully underwritten 2 for 35 renounceable entitlement offer of fully paid ordinary shares to raise $45.5 million. The entitlement offer was fully underwritten by Morgans Corporate Limited and was settled on 31 December 2014.

Following these acquisitions, the Group now operates out of 56 cities in 32 countries and employs over 1,800 people.

Group financial performance

CTM's key financial metrics are summarised in the following table:

	2015 $'000	2014 $'000	Change %
Total Transaction Value (TTV) (unaudited)	2,656,023	1,383,759	92%
Total revenue and other income	197,925	110,477	79%
Earnings before interest, tax, depreciation and amortisation (EBITDA) adjusted for acquisition / non-recurring costs	49,095	28,864	70%
Profit before related income tax expense	39,256	22,978	71%
Income tax expense	10,162	6,399	59%
Net profit after tax:			
Attributable to members	26,367	15,845	66%
Attributable to minority interest	2,727	734	272%
Earnings per share (EPS) basic (cents per share)	28.1 cents	19.0 cents	
Total dividends paid/proposed in relation to financial period	15,519	10,790	44%
Net assets	235,911	132,884	78%
Net operating cash flow	24,436	11,835	106%

The net profit after tax of the Group for the financial period, amounted to $26,367,000 (2014: $15,845,000).

The result was underpinned by a 92% increase in TTV, to $2,656m (unaudited).

EBITDA adjusted for acquisition and other non-recurring costs grew by 70% to $49,095m. Refer Note 1 for the reconciliation to profit before income tax from continuing operations.

Review of Operations CONTINUED

Total Transaction Value (TTV) (unaudited)

TTV represents the amount at which travel products and services have been transacted across the Group's operations whilst acting as agents for airlines and other service providers, along with revenue streams. TTV does not represent revenue in accordance with Australian Accounting Standards and is not subject to audit. TTV is stated net of GST. TTV is utilised by management as a key travel industry metric.

	2015 $'000	2014 $'000
TTV net of GST (unaudited)	2,656,023	1,383,759

CTM continues to maintain a strong financial position, with net current assets of $33.3m and total equity of $235.9m. At 30 June 2015, the Group had nil interest bearing debt and has continued to generate strong operating cash flows.

The business growth has been funded by a combination of operating cash flow and a capital raising on 31 December 2014 of $45.5 million, applied to fund the Chambers and Diplomat acquisitions. In addition to the business acquisitions, there has been further deferred acquisition payments of $7.7m and capital expenditure of $3.1m during the year, which have been funded through operating cash flow.

The Company continues to pay dividends at its stated divided policy level, with a final dividend declared at 10.0 cents per share (full year: 16.0 cents). This dividend represents an increase of 44% on the preceding period.

Review of underlying operations

Australia and New Zealand ("ANZ")

TTV (unaudited) rose by 14% to $813.8 million. Continued market share growth was the main contributor, as well as strong client retention. During the year, we saw a stabilisation in average ticket prices.

The increase turnover has flowed through to the adjusted EBITDA with on improved margin of 33.9%, which is up from 27.7% in the prior comparative period. Continued productivity and further absorption of the fixed cost base element due to top line growth being the major components of this improvement.

North America

TTV (unaudited) rose by 100% to $612.9 million as a result of new business wins and the three acquisitions during the year. The year was also a period of integration and consolidation, in order to develop the framework for the North American business to have further scalable growth in the future.

Improved top line margin percentage is due to revenue synergies provided by the combined business. The adjusted EBITDA margin fell slightly from 22.6% in 2014 to 19.8%, due to:

- Absorption of the lower margin acquisitions whilst we work through synergies;
- Investment in the business to establish the footing that is scalable; and
- Integration activities and resultant investment.

CTM remains positive on future growth opportunities for the North America business.

Europe

The new operation in Europe contributed $147.3 million in TTV (unaudited) for the six months from date of acquisition (2 January 2015) to 30 June 2015. The adjusted EBITDA margin for the period under operation is 17.0%. The performance for the period was in line with expectations.

Asia

The TTV (unaudited) in Asia rose by 199% to $1,082.0 million in 2015 financial year. The performance of the wholesale business was instrumental in this growth. Due to the top line growth in the lower yielding wholesale business, the income margin dropped from 5.6% to 5.3%. However, the adjusted EBTIDA margin improved from 23.4% to 27.7%.

Strategy and future performance

The Group continues to focus on its key strategic drivers, being:

- Retaining current clients;
- Winning new clients; and
- Improving productivity.

In the 2015 financial year, the Group executed well on these business drivers, with maintenance of the historically strong client retention numbers, a record year of new client wins and improved productivity in all regions.

A vast proportion of CTM's cost base is employee costs, which highlights the importance of productivity initiatives. During the year, there has been an increase in productivity, but not through a reduction of service. In fact, service levels have risen as automation has replaced manual processes, providing CTM's consultants with the time to operate more effectively and for the benefit of clients.

The acquisition of Chambers in Europe gives the Group presence in all four key major business travel markets. This has been a stated objective of the Group. The footprint allows the Group to further cross-sell clients across regions in the future.

The Group intends to continue its growth globally through acquisition, as well as pursuing organic growth in each market, underpinned by a focus on client service supported by the continued investment in new client facing technology.

The next twelve months will also involve leveraging global synergy opportunities where available.

Material business risks

The Group is subject to both specific risks to its business activities and risks of a general nature.

These risks include:

- Global terrorism and pandemics: International travel remains susceptible to the impact of regional terrorism and health pandemics.
- Economic conditions: Economic downturn may have an adverse impact on the Group's operating performance.
- Information technology: The Group relies heavily on outsourced technology platforms. Whilst all systems are licensed, any disruption to supply or performance of systems may have a long term impact on client and supplier satisfaction.
- Competition: The Group operates in a competitive market, and current competitors or new competitors may become more effective.
- Key personnel: The Group is reliant on talent and experience to run its business. The Group's ability to retain and attract key people is important to its continued success.
- Employee costs: Employee costs represent a significant component of the Group's total cost base. Legislative changes in relation to employee costs may have an adverse impact on the Group's cash flow and profitability.

Directors' Report

The Directors present their report, together with the financial report of Corporate Travel Management Limited and its controlled subsidiaries (CTM or "the Group"), for the financial period ended 30 June 2015.

Directors

The following persons were directors of Corporate Travel Management Limited during the whole of the financial year and up to the date of this report:

- Tony Bellas.
- Jamie Pherous.
- Stephen Lonie.
- Greg Moynihan.
- Claire Gray.
- Admiral Robert J. Natter, U.S. Navy (Ret.).

Principal activities

The principal activities of the Group during the year consisted of managing the purchase and delivery of travel services for its clients. There were no significant changes in the nature of the activities of the Group during the year.

Dividends

Dividends paid to members during the financial year were as follows:

	2015 $'000
Final ordinary dividend for the year ended 30 June 2014 of 7.5 cents per fully paid share paid on 10 October 2014	6,789
Interim ordinary dividend for the year ended 30 June 2015 of 6.0 cents per fully paid share paid on 10 April 2015	5,820
	12,609

Since the end of the financial year, the Directors have recommended the payment of a final ordinary dividend of $9,699,336 (10.0 cents per fully paid share), to be paid on 9 October 2015 out of retained earnings at 30 June 2015.

Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the review of operations on pages 24 to 27 of this annual report.

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group during the financial year not otherwise disclosed in this report or the consolidated financial statements.

Events since the end of the financial year

There have been no other matters or circumstances not otherwise dealt with in this report, that will significantly affect the operation of the Group, the results of those operations or the state of affairs of the Group or subsequent financial years.

Likely developments and expected results of operations

Further information on likely developments in the Group's operations and the expected results of operations has not been included in this report because the Directors consider that would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group has determined that no particular or significant environmental regulations apply to its operations.

Information on Directors

Mr Tony Bellas BEcon, MBA, DipEd, FAIM, MAICD, ASA
Independent Non-Executive Director – Chairman

Experience and expertise	Tony Bellas has more than 28 years' experience in both the government and private sectors. Tony Bellas has previously held positions of Chief Executive Officer of Ergon Energy Ltd, CS Energy Ltd, Seymour Group Pty Ltd, and was previously Queensland's Deputy Under Treasurer.
Other current directorships	Principal of Queensland Infrastructure Partners, as well as Chairman of two other publicly listed companies: ERM Power Limited (since 2009) and Shine Corporate Limited (since 2013).
Former directorships in last 3 years:	Non-Executive Director of Guildford Coal Limited (2010 to 2012).
Special responsibilities	Chair of the Board. Chair of Nomination Committee. Audit Committee member. Risk Management Committee member. Remuneration Committee member.
Interests in shares and options	Ordinary shares in Corporate Travel Management Limited: 232,752

Mr Jamie Pherous Bcom CA
Managing Director

Experience and expertise	Jamie Pherous founded Corporate Travel Management Ltd (CTM) in Brisbane in 1994. He has built the Group from its headquarters in Brisbane to become the one of the largest travel management companies in Australia, New Zealand, North America, Asia and Europe, now employing more than 1,800 staff. Prior to establishing CTM, Jamie Pherous was employed by Arthur Andersen, now Ernst & Young, as a Chartered Accountant, specialising in business services and financial consulting in Australia, Papua New Guinea and the United Arab Emirates. Jamie Pherous was also a major shareholder and co-founder of an online hotel booking engine, Quickbeds.com.au, which was sold to The Flight Centre Group in 2003.
Other current directorships	Director of the Australian Federation of Travel Agents.
Former directorships in last 3 years:	None.
Special responsibilities	Managing Director.
Interests in shares and options	Ordinary shares in Corporate Travel Management Limited: 21,500,000

Mr Stephen Lonie BCom, MBA, FCA, FFin, FAICD, FIMCA, Senior MACS
Independent Non-Executive Director

Experience and expertise	Stephen Lonie is a Chartered Accountant with more than 40 years industry experience, and is a former Managing Partner Queensland of the international accounting and consulting firm, KPMG. He now practices as an independent management consultant and business adviser.
Other current directorships	Chairman of Jellinbah Resources Pty Ltd (since 2002) and Non-Executive Director of two other publicly listed companies: MyState Limited (since 2011), and Retail Food Group Limited (since 2013).
Former directorships in last 3 years:	Non-Executive Director of four other publicly listed companies: CMI Limited (2012 to 2013), Oaks Hotels & Resorts Limited (2011), The Rock Building Society Limited (2010 to 2011) and Dart Energy Limited (2013 to 2014).
Special responsibilities	Chair of Audit Committee. Chair of Risk Management Committee. Remuneration Committee member. Nomination Committee member.
Interests in shares and options	Ordinary shares in Corporate Travel Management Limited: 242,752

Mr Grey Moynihan Bcom, Grad Dip SIA, CPA, SFFIN, MAICD
Independent Non-Executive Director

Experience and expertise	Greg Moynihan is a former Chief Executive Officer of Metway Bank Limited. He has also held senior executive positions with Citibank Australia and Suncorp Metway. Since leaving Suncorp Metway in 2003, Greg Moynihan has focussed on his commitments as a Non-Executive Company Director, as well as pursuing business interests in the investment management and private equity sectors.
Other current directorships	Non-Executive Director of two other public companies: Sunwater Limited (since 2007) and Shine Corporate Limited (since 2013), and a Director of several private companies.
Former directorships in last 3 years:	Ausenco Limited (2008 to 2013).
Special responsibilities	Chair of Remuneration Committee. Nomination Committee member. Audit Committee member. Risk Management Committee member.
Interests in shares and options	Ordinary shares in Corporate Travel Management Limited: 242,752

Ms Claire Gray MBA, DIP TTM
Executive Director

Experience and expertise	Claire Gray brings 30 years' experience to CTM. In 1989, Claire Gray joined with Craig Smith to form the independent travel management company, Travelogic, servicing Macquarie Bank Ltd. Travelogic merged with CTM in 2008, to create one of the largest business travel agencies in Australasia. Claire Gray brings over 20 years' experience in global travel management having held executive roles with Globalstar Travel Management. Claire Gray graduated from a MBA programme through the Thunderbird School of Global Management majoring in Global Business Management, in May 2014.
Other current directorships	None.
Former directorships in last 3 years:	None.
Special responsibilities	Business Development.
Interests in shares and options	Ordinary shares in Corporate Travel Management Limited: 4,977,239

Admiral Robert J. Natter US Navy (Ret.)
Independent Non-Executive Director

Experience and expertise	Robert Natter retired from active military service a decade ago and now has more than 10 years of experience in both the government and private sectors in the North American market. In his Navy career, Robert Natter served as the Commander of the U.S. Seventh Fleet operating throughout Asia and the Indian Ocean; Commander in Chief of the U.S. Atlantic Fleet; and the first Commander of U.S. Fleet Forces, overseeing all Continental U.S. Navy bases, facilities and training operations while leading 160,000 sailors and Marines.
Other current directorships	Chairman of the U.S. Naval Academy Alumni Association Board (since 2012). U.S. Naval Academy Foundation Board (since 2012). BAE Systems Inc Board (since 2005). National US Navy SEAL Museum Board (since 2000). He is also on the Advisory Board of Physical Optics Corp. (since 2010) and Centerra Corp.
Former directorships in last 3 years:	Board Chair G4S Government Solutions Inc. Board of Eyelock, Inc. Chairman of BAE, incl Nomination Committee.
Special responsibilities	Remuneration Committee member Nominations Committee member
Interests in shares and options	Ordinary shares in Corporate Travel Management Limited: 116,000

Directors' Report CONTINUED

Company secretary

- Mrs Lyndall McCabe
- Mr Steve Fleming

Lyndall McCabe

Lyndall McCabe has held managerial positions with CTM since joining the Group in 2000, including Finance Manager and National Operations and Human Resources Manager.

She has more than 19 years' experience in the travel industry sector, having previously been employed by a travel consolidator. In 2005, Lyndall McCabe became a shareholder and was appointed as a Director of CTM, from which she subsequently resigned 23 June 2010 as part of CTM's transition to a listed public corporation.

Lyndall McCabe is a member of the Governance Institute of Australia and is currently completing the Graduate Certificate of Applied Corporate Governance.

Steve Fleming
BBus (Accounting) CA

Steve Fleming is CTM's Global Chief Financial Officer and is responsible for the finance function, treasury management, key stakeholder liaison and strategic planning, in conjunction with the Board and the Managing Director.

Steve Fleming has more than 20 years' experience in commercial finance roles gained with high growth companies across a number of industries and countries, including Abbey National, TrizecHahn, Deutsche Bank and Arthur Andersen. Prior to joining CTM in 2009, Steve Fleming was Group Finance Manager of Super Retail Group Ltd.

Steve Fleming is a member of the Institute of Chartered Accountants in Australia.

Meetings of directors

The numbers of meetings of the Group's Board of Directors and of each Board Committee held during the year ended 30 June 2015, and the numbers of meetings attended by each Director were:

	Full meetings of directors		Committe meetings							
			Audit		Risk Management		Remuneration		Nominations	
Director	A	B	A	B	A	B	A	B	A	B
Mr Tony Bellas	10	10	5	5	4	4	3	3	2	2
Mr Stephen Lonie	8	10	5	5	4	4	3	3	2	2
Mr Greg Moynihan	10	10	5	5	4	4	3	3	2	2
Mr Jamie Pherous	9	10	*	*	*	*	*	*	*	*
Ms Claire Gray	7	10	*	*	*	*	*	*	*	*
Admiral Robert J.Natter	9	10	*	*	3	3	3	3	1	1

A = Number of meetings attended.
B = Number of meetings held during the time the Director held office or was a member of the Committee during the year.
* Not a member of the relevant committee.

Remuneration report

This Remuneration Report sets out remuneration information for Corporate Travel Management Limited's Non-Executive Directors, Executive Directors and other key management personnel of the Group.

Directors	
Mr Tony Bellas	Non-Executive Director
Mr Jamie Pherous	Managing Director and Chief Executive Officer
Mr Stephen Lonie	Non-Executive Director
Mr Greg Moynihan	Non-Executive Director
Admiral Robert J. Natter	Non-Executive Director
Ms Claire Gray	Executive Director

Other key management personnel	
Mr Steve Fleming	Global Chief Financial Officer
Ms Laura Ruffles	Global Chief Operating Officer and Chief Executive Officer – Australia & New Zealand
Mr Larry Lo	Chief Executive Officer – Asia
Mr Romeo Cuter	Chief Executive Officer – North America (resigned 15 May 2015)
Mr Chris Thelen	Chief Executive Officer – Europe (since 2 January 2015)

Role of the Remuneration Committee

The Remuneration Committee is a Committee of the Board. The role of the Remuneration Committee is to advise on remuneration and issues relevant to remuneration policies and practices, including for senior executives and Non-Executive Directors.

CTM's Corporate Governance Statement provides further information on the role of this Committee.

Principles used to determine the nature and amount of remuneration

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of Non-Executive Directors. The Chairman is not present at any discussions relating to determination of his own remuneration.

Non-Executive Directors do not receive performance-based remuneration.

Directors' fees

The current base fees were last reviewed with effect from 29 September 2014.

Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum approved amount currently stands at $600,000 (2014: $600,000).

Directors' Report CONTINUED

Retirement allowances for Non-Executive Directors

Superannuation contributions required under the Australian superannuation guarantee legislation are made and are deducted from the Directors' overall fee entitlements.

Executive Remuneration Framework

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Alignment to the interests of shareholders;
- Performance linkage and alignment of executive compensation;
- Transparency; and
- Capital management.

The Group has structured an executive remuneration framework that is considered to be market competitive and complementary to the reward strategy of the organisation.

The two key elements of the framework are:

- Alignment to shareholders' interests, which:
  - Has economic profit as a core component of plan design;
  - Focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering an appropriate return on assets, as well as focusing the executive on key non-financial drivers of value; and
  - Attracts and retains high calibre executives.
- Alignment to program participants' interests, which:
  - Rewards capability and expertise;
  - Reflects competitive reward for contribution to growth in shareholder wealth;
  - Provides a clear structure for earning rewards; and
  - Provides recognition for individual and team contributions.

The framework provides for a mix of fixed and variable remuneration, and a blend of short and long-term incentives. As executives gain seniority with the Group, the balance of this mix shifts to a higher proportion of 'at risk' rewards.

The current executive remuneration framework currently has three components:

- Base remuneration and benefits, including superannuation;
- Short-term performance incentives; and
- Long-term incentives through participation in the Share Appreciation Rights Plan.

The combination of these components comprises an executive's total remuneration. The Group intends to continue to review incentive plans during the year ending 30 June 2016, to ensure continued alignment with the Group's financial and strategic objectives.

Fixed remuneration and benefits

Base remuneration and benefits are structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' reasonable discretion.

Executives are offered a competitive base remuneration package that comprises the fixed component of remuneration and rewards. Base remuneration for executives is reviewed annually, to ensure the executive's remuneration is competitive with the market. An executive's remuneration is also reviewed on promotion.

There is no guaranteed base remuneration increase included in any executives' contracts.

Executives receive benefits, including motor vehicle benefits as part of the fixed remuneration package.

Superannuation

Superannuation contributions are paid in accordance with relevant Government legislation, to employee nominated defined contribution superannuation funds.

Short-term incentives

If the Group achieves a pre-determined profit target set by the Remuneration Committee, a short-term incentive ("STI") pool is available to executives and other eligible participants. Cash incentives/bonuses are payable around 30 September each year. A profit target ensures variable reward is only available when value has been created for shareholders and when profit is consistent with CTM's approved business plan. The incentive pool is leveraged for performance above the threshold, to provide an incentive for executive superior performance.

Executives have a target STI opportunity depending on the accountabilities of the role and impact on the organisation or business unit performance. The maximum target bonus opportunity in the 2015 year was approximately 59% (2014: 67%) of base fixed remuneration and benefits.

Each year, the Remuneration Committee considers the appropriate targets and key performance indicators ("KPI"s), to link the STI plan and the level of payout if targets are met, including setting any maximum payout under the STI plan, and minimum levels of performance to trigger payment of STI.

The Remuneration Committee is responsible for assessing whether the KPIs are met. The Remuneration Committee also has absolute discretion to adjust short-term incentives, in light of unexpected or unintended circumstances.

The STI target annual payment is reviewed annually.

Payments made under the STI plan over the last four years have typically risen and fallen in line with the Group's financial results. For the year ended 30 June 2015, the key performance indicators (KPIs) linked to STI plans were based on the Group objectives, with the key financial metrics being consolidated Earnings before Interest, Tax, Depreciation and Amortisation.

The relationship between STI and Corporate Travel Management Ltd's performance over the last 5 years is set out in the following table:

	2015	2014	2013 restated	2012	2011
Profit for the year attributable to owners of Corporate Travel Management Ltd ($'000)	26,367	15,845	11,268	11,798	8,268
Basic earnings per share (cents)	28.1	19.0	14.0	16.3	13.5
Dividend payments ($'000)	12,609	9,129	7,497	5,813	750
Dividend payout ratio (%)	47.8%	57.6%	66.5%	49.3%	9.1%
Increase / (decrease) in share price %	60.6%	56.6%	111.3%	(0.5%)	100%
Total KMP STI as a percentage of profit / (loss) for the year (%)	2.7%	0.9%	2.6%	1.9%	3.4%

Long-term incentives

Currently, the Group has a long term incentive scheme using a Share Appreciation Rights Plan.

The plan is designed to focus executives on delivering long-term shareholder returns. Under the plan, participants are granted shares only if performance conditions pertaining to the earnings per share growth are met and the employee is still employed at the end of the vesting period.

Participation in the plan is at the Board's absolute discretion and no individual has a contractual right to participate in the plan.

Details of remuneration

Details of the remuneration of the Directors and the key management personnel of the Group are set out in the following tables.

2015	Cash salary and fees	Short-term benefits: Short-term incentive	Short-term benefits: Annual leave^	Short-term benefits: Non-monetary benefits	Long-term benefits: Super-annuation	Long-term benefits: Long service leave^	Long-term benefits: Share apprecia-tion rights	Total
Non-executive Directors								
Tony Bellas	117,308	-	-	-	11,144	-	-	128,452
Stephen Lonie	97,308	-	-	-	9,244	-	-	106,552
Greg Moynihan	97,308	-	-	-	9,244	-	-	106,552
Admiral Robert J. Natter	111,487	-	-	-	-	-	-	111,487
Total Non-Executive Remuneration	**423,411**	**-**	**-**	**-**	**29,632**	**-**	**-**	**453,043**
Executive Directors								
Jamie Pherous	403,982	221,145	1,409	2,539	38,378	4,535	-	671,988
Claire Grey	107,327	-	-	-	-	-	-	107,327
Total Executive Remuneration	**511,309**	**221,145**	**1,409**	**2,539**	**38,378**	**4,535**	**-**	**779,315**
Other key management personnel of the Group								
Laura Ruffles	391,666	220,000	16,392	-	43,828	9,265	59,661	740,812
Steve Fleming	298,000	175,000	(1,306)	-	32,110	9,087	41,973	554,864
Larry Lo	430,948	92,346	(3,542)	-	2,770	-	35,295	557,817
Romeo Cuter	533,252	-	-	-	-	-	-	533,252
Chris Thelen *	260,619	-	(1,002)	3,840	38,948	-	-	302,405
Total KMP Remuneration	**1,914,485**	**487,346**	**10,542**	**3,840**	**117,656**	**18,352**	**136,929**	**2,689,150**
Total Remuneration	**2,849,205**	**708,491**	**11,951**	**6,379**	**185,666**	**22,887**	**136,929**	**3,921,508**

* Romeo Cuter resigned as Chief Executive Officer – North America on 15 May 2015. Chris Thelen was appointed as Chief Executive Officer - Europe on 2 January 2015. The amounts presented in the previous table represent remuneration paid to/from the respective dates.

^ Annual leave and long service leave represents the movement in the leave provision balances. The accounting value may be negative, for example, when an Executive's leave balance decreases as a result of taking more than the entitlement accrued during the year.

2014	Cash salary and fees	Short-term benefits: Short-term incentive	Short-term benefits: Annual leave^	Short-term benefits: Non-monetary benefits	Long-term benefits: Super-annuation	Long-term benefits: Long service leave^	Long-term benefits: Share apprecia-tion rights	Total
Non-executive Directors								
Tony Bellas	99,769	-	-	-	9,229	-	-	108,998
Stephen Lonie	77,212	-	-	-	7,142	-	-	84,354
Greg Moynihan	77,212		-	-	7,142	-	-	84,354
Admiral Robert J. Natter**	35,804	-	-	-	3,649	-	-	39,453
Total Non-Executive Remuneration	**289,997**	**-**	**-**	**-**	**27,162**	**-**	**-**	**317,159**
Executive Directors								
Jamie Pherous	300,000	-	6,635	2,172	27,750	(18,129)	-	318,428
Claire Grey	94,747	-	-	-	-	-	-	94,747
Total Executive Remuneration	**394,747**	**-**	**6,635**	**2,172**	**27,750**	**(18,129)**	**-**	**413,175**
Other key management personnel of the Group								
Laura Ruffles*	293,269	100,000	(284)	-	38,227	3,786	24,338	459,336
Steve Fleming	260,000	40,000	393	-	27,750	4,101	6,659	338,903
Larry Lo**	165,748	-	4,420	-	929			171,097
Romeo Cuter**	95,572	-	-	-	-			95,572
Total KMP Remuneration	**814,589**	**140,000**	**4,529**	**-**	**66,906**	**7,887**	**30,997**	**1,064,908**
Total Remuneration	**1,499,333**	**140,000**	**11,164**	**2,172**	**121,818**	**(10,242)**	**30,997**	**1,795,242**

* Balances include a prior period incentive of $30,000 paid to Laura Ruffles, in excess of amounts previously provided.

** Larry Lo was appointed as Chief Executive Officer - Asia on 29 January 2014 and Romeo Cuter was appointed as Chief Executive Officer - North America on 2 April 2014. Admiral Robert J. Natter was appointed as Director on 5 February 2014. The amounts presented in the previous table represent remuneration paid from the dates of these respective appointments.

^ Annual leave and long service leave represents the movement in the leave provision balances. The accounting value may be negative, for example, when an Executive's leave balance decreases as a result of taking more than the entitlement accrued during the year.

The relative proportions of remuneration that are fixed or linked to performance are as follows:

Directors' Report CONTINUED

	Fixed remuneration		At risk – STI		At risk - LTI	
	2015 %	2014 %	2015 %	2014 %	2015 %	2014 %
Non-executive Directors						
Tony Bellas	100%	100%	-	-	-	-
Stephen Lonie	100%	100%	-	-	-	-
Greg Moynihan	100%	100%	-	-	-	-
Admiral Robert J. Natter	100%	100%	-	-	-	-
Executive Directors						
Jamie Pherous	65%	100%	35%	-	-	-
Claire Grey	100%	100%	-	-	-	-
Other key management personnel of the Group						
Laura Ruffles	58%	70%	33%	24%	9%	6%
Steve Fleming	58%	85%	34%	13%	8%	2%
Larry Lo	77%	100%	17%	-	6%	-
Romeo Cuter	100%	100%	-	-	-	-
Chris Thelen	100%	-	-	-	-	-

Directors and other key management personnel of the Group are included in this disclosure for the period they held the applicable roles.

Service agreements

There are no fixed-term service agreements with Directors or other key management personnel. Standard contracts are in place for key executive employees and are reviewed annually. Employees can terminate employment with the Group in accordance with statutory notice periods.

Short term incentive bonus

For each short term incentive included in the tables on page 36, the percentage of the available bonus that was paid in the financial year, and the percentage that was forfeited, is disclosed in the following section. No part of the bonus is payable in future years.

	2015		2014	
	Awarded %	Forfeited %	Awarded %	Forfeited %
Laura Ruffles	100%	-	51%	49%
Steve Fleming	100%	-	37%	63%
Jamie Pherous	100%	-	-	-
Larry Lo	100%	-	-	-

Long-term incentives

Currently, the Group has a long term incentive scheme via a Share Appreciation Rights Plan (SARs).

The plan is designed to focus executives on delivering long-term shareholder returns. Under the plan, SARs will only vest if performance conditions pertaining to the earnings per share growth are met and the employee is still employed at the end of the vesting period.

Participation in the plan is at the Board's absolute discretion and no individual has a contractual right to participate in the plan. Once vested, a participant will be deemed to have automatically exercised all vested SARs and CTM will settle its obligation in line with the SARs Plan. There is no consideration payable by the participant upon exercising of vested SARs. Upon vesting, the conversion of a SAR to an equity or cash based settlement, is determined using a formula referencing the relevant share prices of CTM, the number of SARs exercised, and is at the Board's sole discretion.

Grants made during 2015 will vest on a scaled basis as follows:

- 75% vest at 80% target achievement;
- 100% at 100% target achievement.

Grants made to key management personnel that have not yet vested as at 30 June 2015 are as follows:

	Year of grant	Year in which rights may vest	Number of rights granted	Value per right at grant date	Number of rights vested during the year	Vested %	Forfeited %	Max value yet to vest $
Laura Ruffles	2015	2018	100,000	$1.06	-	-	-	106,274
	2014	2017	75,000	$0.41	-	-	-	30,075
	2013	2016	75,000	$0.57	-	-	-	43,050
Steve Fleming	2015	2018	100,000	$1.06	-	-	-	106,274
	2014	2017	50,000	$0.41	-	-	-	20,050
	2013	2016	-	-	-	-	-	-
Larry Lo	2015	2018	100,000	$1.06	-	-	-	106,274
	2014	2017	-	-	-	-	-	-
	2013	2016	-	-	-	-	-	-
Romeo Cuter ^	2015	2018	100,000	$1.06	-	-	100%	-
	2014	2017	-	-	-	-	-	-
	2013	2016	-	-	-	-	-	-

^ Romeo Cuter resigned as Chief Executive Officer – North America on 15 May 2015. All share appreciation rights were forfeited upon resignation.

No Directors or other key management personnel hold any share appreciation rights.

Loans to Directors and Executives

Information on loans to Directors and Executives, including amounts, interest rates and repayment terms are set out in Note 25 to the financial statements.

Shares under option

There are currently no unissued ordinary shares of CTM under option.

Directors' Report CONTINUED

Equity instruments held by key management personnel

(i) Share appreciation rights

During the financial year, share appreciation rights were issued to Laura Ruffles, Steve Fleming, Larry Lo and Romeo Cuter, as listed in the Directors' Report.

No share options were granted as equity compensation benefits during the financial year (2014: nil).

(ii) Shares held by key management personnel

Ordinary shares	Balance at 30 June 2014	Purchased	Disposed	Other changes during the year	Balance at 30 June 2015
Non-Executive Directors					
Tony Bellas	229,630	13,122*	(10,000)	-	232,752
Stephen Lonie	229,630	13,122*	-	-	242,752
Greg Moynihan	229,630	13,122*	-	-	242,752
Admiral Robert J. Natter	92,000	24,000	-	-	116,000
Executive Directors					
Jamie Pherous	23,000,000	500,000*	(2,000,000)	-	21,500,000
Claire Gray	5,003,624	-	(26,385)	-	4,977,239
Other key management personnel of the Group					
Laura Ruffles	153,956	1,056*	-	-	155,012
Steve Fleming	43,955	2,512*	-	-	46,467
Larry Lo	25,000	-	-	-	25,000
Romeo Cuter	-	-	-	-	-
Chris Thelen	-	-	-	905,547**	905,547

* Shares were acquired as part of participating in the rights issue December 2014.

** Received shares as part of Chambers acquisition.

Ordinary shares	Balance at 30 June 2013	Purchased	Disposed	Other changes during the year	Balance at 30 June 2014
Non-Executive Directors					
Tony Bellas	200,000	29,630	-	-	229,630
Stephen Lonie	200,000	29,630	-	-	229,630
Greg Moynihan	200,000	29,630	-	-	229,630
Admiral Robert J. Natter	35,000	32,000	-	25,000	92,000
Executive Directors					
Jamie Pherous	24,000,000	500,000	(1,500,000)	-	23,000,000
Claire Gray	5,424,999	-	(421,375)	-	5,003,624
Other key management personnel of the Group					
Laura Ruffles	150,000	3,956	-	-	153,956
Steve Fleming	150,000	3,955	(110,000)	-	43,955
Larry Lo	-	-	-	25,000 ^	25,000

^ A total of 25,000 shares were issued on 31 January 2014 to Mr Larry Lo to assist in his reward and retention.

All equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Other transactions and balances with key management personnel

During the year, $382,929 (2014: $359,324) has been paid to a party related to Mr Jamie Pherous for rent and outgoings in relation to an office lease. The balance payable at 30 June 2015 is $nil (2014: $24,756).

Directors of the Group hold other directorships in public corporations, as detailed in the Directors' Report. Where any of these related entities are clients of the Group, the arrangements are on similar terms to other clients.

Insurance of officers and indemnities

An Officers' Deed of Indemnity, Access and Insurance is in place for Directors, key management personnel, the Company Secretaries and some other key executives. The liabilities covered by the insurance include legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as Officers of the Company or its controlled entities. Disclosure of premiums paid is prohibited under the insurance contract.

Proceedings on behalf of the company

No person has applied to the Court, under section 237 of the Corporations Act 2001, for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services

The Group may decide to employ the auditor on assignments in addition to its statutory audit duties, where the auditor's expertise and experience with the Group are important.

The Board has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 as none of the services undermine the general principles relating to auditor independence as set out in APES110 Code of Ethics for Professional Accountants.

Directors' Report CONTINUED

During the year, the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the consolidated entity, its related practices and non-related audit firms:

Amounts received or due and receivable by:

	2015 $	2014 $
PricewaterhouseCoopers Australia:		
Audits and review of the financial reports of the entity and any other entity in the consolidated group	465,300	361,000
Other services in relation to the entity and any other entity in the consolidated group:		
Tax compliance	151,362	165,984
Tax services – acquisitions	42,218	88,904
Other advisory services	18,832	39,619
Total remuneration of PricewaterhouseCoopers Australia	**677,712**	**655,507**
Other PricewaterhouseCoopers network firms:		
Other services in relation to the entity and any other entity in the consolidated group:		
Audit and review of the financial report	394,716	269,059
Tax compliance	104,326	52,594
Tax services – acquisitions	37,283	98,566
Total remuneration of PricewaterhouseCoopers network firms	**536,325**	**420,219**

Auditor's independence declaration

A copy of the auditors' independence declaration, as required under section 307C of the Corporations Act 2001, is appended to this Directors' Report.

Rounding of amounts

The Group is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the ''rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars or in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the Directors.

Tony Bellas

Mr Tony Bellas
Chairman

Mr Jamie Pherous
Managing Director

Brisbane, 26 August, 2015

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Corporate Travel Management Limited for the year ended 30 June 2015, I declare that 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; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Corporate Travel Management Limited and the entities it controlled during the period.

Michael Shewan
Partner
PricewaterhouseCoopers

Brisbane
26 August 2015

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Corporate Governance Statement

Corporate Travel Management Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Corporate Travel Management Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2015 corporate governance statement is dated as at 30 June 2015 and reflects the corporate governance practices in place throughout the 2015 financial year. The 2015 corporate governance statement was approved by the Board on 26 August 2015. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at www.travelctm.com/resources/investor-relations/corporate-governance/.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Revenue	2	197,725	110,014
Other income		200	463
Total revenue and other income		**197,925**	**110,477**
Operating expenses			
Employee benefits		(113,549)	(63,988)
Occupancy		(10,931)	(5,328)
Depreciation and amortisation	6	(7,540)	(3,599)
Information technology and telecommunications		(9,911)	(5,847)
Travel and entertainment		(3,424)	(2,029)
Administrative and general		(12,355)	(6,068)
Total operating expenses		**(157,710)**	**(86,859)**
Finance costs	6	(959)	(640)
Profit before income tax		**39,256**	**22,978**
Income tax expense	5	(10,162)	(6,399)
Profit for the year		**29,094**	**16,579**
Profit attributable to:			
Owners of Corporate Travel Management Limited		26,367	15,845
Non-controlling interests	24(b)	2,727	734
		29,094	**16,579**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		25,186	(4,136)
Other comprehensive income for the period, net of tax		**25,186**	**(4,136)**
Total comprehensive income for the year		**54,280**	**12,443**
Total comprehensive income for the year attributable to:			
Owners of Corporate Travel Management Limited		49,503	12,275
Non-controlling interests		4,777	168
		54,280	**12,443**
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company			
Basic (cents per share)	3	28.1	19.0
Diluted (cents per share)	3	27.9	18.8

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Note	2015 $'000	2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents	9	40,663	32,000
Trade and other receivables	10	153,398	101,286
Financial assets at fair value		17	18
Other current assets	20	3,242	1,961
Income tax receivable		1,384	648
Total current assets		**198,704**	**135,913**
Non-current assets			
Plant and equipment	21	3,697	3,371
Intangible assets	8	237,925	109,031
Deferred tax assets	5	82	98
Total non-current assets		**241,704**	**112,500**
TOTAL ASSETS		**440,408**	**248,413**
LIABILITIES			
Current liabilities			
Trade and other payables	11	148,385	94,126
Income tax payable		5,729	3,215
Provisions	12	11,275	8,343
Total current liabilities		**165,389**	**105,684**
Non-current liabilities			
Trade and other payables	11	30,285	4,151
Provisions	12	1,997	1,766
Deferred tax liabilities	5	6,826	3,928
Total non-current liabilities		**39,108**	**9,845**
TOTAL LIABILITIES		**204,497**	**115,529**
NET ASSETS		**235,911**	**132,884**
EQUITY			
Contributed equity	13(a)	161,675	99,823
Reserves	13(b)	21,609	(1,944)
Retained earnings	13(c)	40,207	26,449
Capital and reserves attributed to owners of the company		**223,491**	**124,328**
Non-controlling interests – equity	24(b)	12,420	8,556
TOTAL EQUITY		**235,911**	**132,884**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Note	Contributed Equity $'000	Retained Earnings $'000	Other Reserves $'000	Total $'000	Non-Controlling Interests $'000	Total Equity $'000
Balance at 30 June 2013		**47,856**	**19,733**	**1,530**	**69,119**	**-**	**69,119**
Profit for the period as reported in 2014 financial statements		-	15,845	-	15,845	734	16,579
Other comprehensive income		**-**	**-**	**(3,570)**	**(3,570)**	**(566)**	**(4,136)**
Total comprehensive income for the year		**-**	**15,845**	**(3,570)**	**12,275**	**168**	**12,443**
Transactions with owners in their capacity as owners:							
Shares issued	13(a)	51,967	-	-	51,967	-	51,967
Dividends paid	4	-	(9,129)	-	(9,129)	-	(9,129)
Non-controlling interest on acquisition of subsidiary		-	-	-	-	8,388	8,388
Share based payments		-	-	96	96	-	96
		51,967	(9,129)	96	42,934	8,388	51,322
Balance at 30 June 2014		**99,823**	**26,449**	**(1,944)**	**124,328**	**8,556**	**132,884**
Profit for the period as reported in 2015 financial statements		-	26,367	-	26,367	2,727	29,094
Other comprehensive income (net of tax)		-	-	23,136	23,136	2,050	25,186
Total comprehensive income for the year		**-**	**26,367**	**23,136**	**49,503**	**4,777**	**54,280**
Transactions with owners in their capacity as owners:							
Shares issued	13(a)	61,852	-		61,852		61,852
Dividends paid	4	-	(12,609)		(12,609)	(913)	(13,522)
Non-controlling interest on acquisition of subsidiary		-	-	-	-	-	-
Share based payments		-	-	417	417	-	417
		61,852	**(12,609)**	**417**	**49,660**	**(913)**	**48,747**
Balance at 30 June 2015		**161,675**	**40,207**	**21,609**	**223,491**	**12,420**	**235,911**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		198,863	112,092
Payments to suppliers and employees (inclusive of GST)		(164,951)	(94,737)
Transaction costs relating to acquisition of subsidiary		(1,032)	(792)
Dividends received		5	2
Interest received		102	255
Finance costs		(219)	(235)
Income tax (paid) / received		(8,332)	(4,750)
Net cash flows from operating activities	9	**24,436**	**11,835**
Cash flows from investing activities			
Payment for plant and equipment	21	(1,275)	(797)
Payment for intangibles	8	(1,792)	(1,285)
Proceeds from sale of plant and equipment		6	4
Loans to related parties		-	(21,140)
Repayment of loans by related parties		-	20,196
Distributions received from joint ventures and associates		-	430
Proceeds from disposal of joint ventures		-	274
Purchase of controlled entities, contingent consideration		(6,613)	(2,203)
Purchase of controlled entities, net of cash acquired	7	(42,547)	(25,151)
Net cash flows from investing activities		**(52,221)**	**(29,672)**
Cash flows from financing activities			
Proceeds from issue of new shares	13	45,549	53,335
Share issue transaction costs		(1,514)	(2,326)
Proceeds from borrowings		35,900	29,040
Repayments of borrowings		(35,900)	(32,856)
Dividends paid to company's shareholders	4	(12,609)	(9,129)
Dividends paid to non-controlling interests in subsidiaries		(914)	-
Net cash flows from financing activities		**30,512**	**38,064**
Net increase / (decrease) in cash and cash equivalents		2,727	20,227
Effects of exchange rate changes on cash and cash equivalents		5,936	(1,762)
Cash and cash equivalents at beginning of year		32,000	13,535
Cash and cash equivalents at end of year	9	**40,663**	**32,000**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

CONTENTS

BASIS OF PREPARATION 52

PERFORMANCE 53

This section explains the results and performance of the Group. It provides a breakdown of those individual line items in the financial statements, that the Directors consider most relevant in the context of the operations of the Group, or where there have been significant changes that required specific explanations. It also provides detail on how the performance of the Group has translated into returns to shareholders.

1. SEGMENT REPORTING 53
2. REVENUE 55
3. EARNINGS PER SHARE 56
4. DIVIDENDS PAID AND PROPOSED 57
5. INCOME TAX EXPENSE 58
6. EXPENSES 62

GROUP STRUCTURE 63

This section explains significant aspects of the Group structure and how changes have affected the financial position and performance of the Group.

7. BUSINESS COMBINATIONS 63
8. INTANGIBLE ASSETS 70

CAPITAL 72

Maintaining a strong financial position and low levels of external debt is a core part of the Group's operations. This section explains how the Group has performed in areas relating to capital management.

9. CASH AND CASH EQUIVALENTS 72
10. TRADE AND OTHER RECEIVABLES 73
11. TRADE AND OTHER PAYABLES 75
12. PROVISIONS 76
13. CONTRIBUTED EQUITY, RESERVES AND RETAINED EARNINGS 78
14. BORROWINGS 81

RISK 82

This section discusses the Group's exposure to various financial risks, explains how these affect the Group's financial position and performance, and what the Group does to manage these risks.

15. IMPAIRMENT TESTING OF GOODWILL 82
16. FINANCIAL RISK MANAGEMENT 84

UNRECOGNISED ITEMS 87

This section provides information about items that are not recognised in the financial statements, but could potentially have a significant impact on the Group's financial position and performance.

17. CONTINGENT LIABILITIES 87
18. COMMITMENTS 87
19. EVENTS OCCURRING AFTER THE REPORTING PERIOD 88

OTHER ITEMS 89

This section provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements, however are not considered critical in understanding the financial performance of the Group.

20. OTHER CURRENT ASSETS 89
21. PLANT AND EQUIPMENT 90
22. FAIR VALUE MEASUREMENT 91
23. SHARE-BASED PAYMENTS 93
24. INTEREST IN OTHER ENTITIES 94
25. RELATED PARTY TRANSACTIONS 97
26. PARENT ENTITY FINANCIAL INFORMATION 99
27. DEED OF CROSS GUARANTEE 101
28. AUDITORS' REMUNERATION 103
29. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES 103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: CONTENTS

BASIS OF PREPARATION

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Corporate Travel Management Limited and its controlled entities ("CTM" or "the Group").

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has ability to affect those returns through its power to direct the activities of the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in each of the Group entities' financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss in the Consolidated Statement of Comprehensive Income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in profit or loss in the Consolidated Statement of Comprehensive Income as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in other comprehensive income.

(iii) Foreign operations

The results and financial position of all the foreign operations that have functional currencies different to the presentation currencies are translated into the presentation currency as follows:

- Assets and liabilities for each Consolidated Statement of Financial Position item presented are translated at the closing rate at the date of that statement;
- Income and expenses for each profit and loss item in the Consolidated Statement of Comprehensive Income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising from the translation of any net investment in foreign operations and of borrowings and other financial instruments designated as hedges of such investments are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is recognised in the profit and loss in the Consolidated Statement of Comprehensive Income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as the foreign operations' assets and liabilities and translated at the closing rate.

CRITICAL ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are considered to be reasonable under the circumstances.

In the process of applying the Group's accounting policies management is required to exercise judgement. Those judgements involving estimations that may have an effect on the amounts recognised in the financial statements.

The Group makes estimates, assumptions and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in this report, as follows:

- *Value of intangible assets relating to acquisitions*
  Refer note 7 – Business combinations.
- *Impairment of goodwill*
  Refer note 15 – Impairment testing of goodwill.
- *Contingent consideration*
  Refer note 7 – Business combinations.
- *Allowance for doubtful debts*
  Refer note 10 – Trade and other receivables.
- *Override revenue*
  Refer note 2 – Revenue.

PERFORMANCE

This section explains the results and performance of the Group. It provides a breakdown of those individual line items in the financial statements, that the Directors consider most relevant in the context of the operations of the Group, or where there have been significant changes that required specific explanations. It also provides detail on how the performance of the Group has translated into returns to shareholders.

1. SEGMENT REPORTING

(a) Description of segments

The operating segments are based on the reports reviewed by the group of key senior managers who assess performance and determine resource allocation.

During the period, Laura Ruffles was appointed the position of Global Chief Operating Officer. The Chief Operating Decision Makers ("CODM") are now considered to be Managing Director Jamie Pherous (MD), Global Chief Financial Officer Steve Fleming (CFO) and Global Chief Operating Officer Laura Ruffles (COO).

The CODM considers, organises and manages the business from a geographic perspective. Since the acquisition of Chambers Travel Group (refer note 7), the CODM has identified four operating segments being Travel Services Australia and New Zealand, Travel Services North America, Travel Services Asia, and Travel Services Europe. There are currently no non-reportable segments.

(b) Segment information provided to the Chief Operating Decision Makers

The CODM assess the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes the effects of the costs of acquisitions and any acquisition related adjustments during the year.

The segment information provided to the CODM for the reportable segments for the year ended 30 June 2015 is as follows:

2015	Travel services Australia and New Zealand $'000	Travel services North America $'000	Travel services Asia $'000	Travel services Europe $'000	Other* $'000	Total $'000
Revenue from the sale of travel services	74,415	47,526	57,272	17,226	-	196,439
Revenue from other sources	1,392	106	(12)	-	-	1,486
Total revenue from external parties	**75,807**	**47,632**	**57,260**	**17,226**	**-**	**197,925**
Adjusted EBITDA	**25,698**	**9,451**	**15,854**	**2,925**	**(4,833)**	**49,095**
Interest revenue	96	2	5	-	-	103
Interest expense	362	131	-	86	380	959
Depreciation and amortisation	2,270	2,538	1,600	1,132	-	7,540
Income tax expense	6,655	1,808	2,284	500	(1,085)	10,162
Total segment assets	**77,681**	**94,125**	**171,783**	**96,809**	**10**	**440,408**
Total assets include:						
Non-current assets						
- Plant and equipment	1,933	652	728	384	-	3,697
- Intangibles	44,560	74,530	40,985	77,850	-	237,925
Total segment liabilities	**27,594**	**33,368**	**92,865**	**17,020**	**33,650**	**204,497**

*The other segment includes the Group support service, which is a new department, created to support the operating segments and growth of the global business.

1. SEGMENT REPORTING continued

2014	Travel services Australia and New Zealand $'000	Travel services North America $'000	Travel services Asia $'000	Unallocated / Eliminated $'000	Total $'000
Revenue from the sale of travel services	66,220	22,792	20,244	-	109,256
Revenue from other sources	2,160	2	1	(1,405)	758
Total revenue	**68,380**	**22,794**	**20,245**	**(1,405)**	**110,014**
Adjusted EBITDA	**18,974**	**5,145**	**4,745**	**-**	**28,864**
Interest revenue	628	-	1	(374)	255
Interest expense	477	534	3	(374)	640
Depreciation and amortisation	2,326	570	703	-	3,599
Income tax expense	4,566	1,154	679	-	6,399
Total segment assets	**79,937**	**36,483**	**131,993**	**-**	**248,413**
Total assets include:					
Non-current assets					
- Plant and equipment	2,538	118	715	-	3,371
- Intangibles	44,132	30,463	34,436	-	109,031
Total segment liabilities	**25,623**	**14,868**	**75,038**	**-**	**115,529**

(c) Other segment information

(i) Adjusted EBITDA

The reconciliation of adjusted EBITDA to operating profit before income tax is provided as follows:

	2015 $'000	2014 $'000
Adjusted EBITDA	**49,095**	**28,864**
Interest revenue	103	255
Finance costs	(959)	(640)
Depreciation	(1,920)	(1,492)
Amortisation	(5,620)	(2,107)
Acquisition / non-recurring costs	(1,443)	(1,902)
Profit before income tax from continuing operations	**39,256**	**22,978**

Accounting policy

AASB 8 Operating Segments requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are reported in a manner that is consistent with the internal reporting provided to the Chief Operating Decision Makers (CODM). The CODM has been identified as a group of executives, which is the steering committee that makes strategic decisions.

Goodwill is allocated by management to groups of cash-generating units on a segment level.

2. REVENUE

	2015 $'000	2014 $'000
Revenue from the sale of travel services	**196,439**	**109,256**
Revenue from other sources		
Rental income	148	148
Interest	103	255
Other revenue	1,035	355
	1,286	**758**
Total revenue	**197,725**	**110,014**

Accounting policy

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria set out are met. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

- *Revenue from sale of travel services*
  Revenue from sale of travel services represents net revenue earned via commissions and fees, and also includes any commission payable by suppliers after completion of the transaction. Commission and fees from the sale of travel services is recognised when a travel booking is received and travel documents are issued. Commission payable by suppliers includes PDC's, which is recognised upon receipt, the point at which it can be reliably measured, and it is probable that future economic benefits will flow to the entity.

  Revenue relating to volume incentives (override revenue) is recognised at the amount receivable when annual targets are likely to be achieved.
- *Rental income*
  Rental income is recognised when the right to receive revenue is established.
- *Interest revenue*
  Interest income is recognised using the effective interest method.
- *Dividends*
  Revenue is recognised when the Group's right to receive the payment is established.
- *Other revenue*
  Other revenue is recognised when the right to receive the revenue is established.

Critical estimates, assumptions and judgements

- *Override revenue*
  In addition to commission payments, the Group is eligible for override payments from its suppliers. These overrides are negotiated with individual suppliers and will typically include a combination of guaranteed payments and volume incentives. The volume incentives are recognised at the amount receivable when annual targets are likely to be achieved. The override revenue accrual process is inherently judgemental and is impacted by factors which are not completely under Group's control. These factors include:
  - *Year-end differences*
    As supplier contract periods do not always correspond to the Group's financial year, judgements and estimation techniques are required to determine anticipated future flown revenues over the remaining contract year and the associated override rates applicable to these forecast levels.

2. REVENUE continued

- *Timing*
  Where contracts have not been finalised before the start of the contract period, override and commission earnings may have to be estimated until agreement has been reached.
- *Re-negotiations*
  Periodic re-negotiation of terms and contractual arrangements with suppliers may result in additional volume incentives, rebates or other bonuses being received. These payments may not be specified in existing contracts.

3. EARNINGS PER SHARE

The following information reflects the income and share data used in the basic and diluted earnings per share computations:

	2015 $'000	2014 $'000
Net profit attributable to ordinary equity holders of Corporate Travel Management Limited	26,367	15,845

	2015 Shares	2014 Shares
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	93,813,273	83,467,543
Adjustments for calculation of diluted earnings per share:		
Share appreciation rights (i)	570,053	132,850
Deferred shares on acquisitions (ii)	-	566,448
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	94,383,326	84,166,841

(i) *Share appreciation rights*
Share Appreciation Rights (SARs) are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required hurdles would have been met based on the Group's performance up to the reporting date, and to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 23.

(ii) *Deferred shares*
A number of shares are offered as part of the contingent consideration payable component of a business combination. They have been included in the determination of diluted earnings per share if the required hurdles would have been met based on the Group's performance up to the reporting date, and to the extent to which they are dilutive. The deferred shares have not been included in the determination of basic earnings per share.

Accounting policy

Basic earnings per share are calculated as net profit attributable to owners of the Group, adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number or ordinary shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit attributable to members of the parent, divided by the weighted average number or ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element, and adjusted for:

- Costs of servicing equity (other than dividends);
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the conversion into potential ordinary shares.

4. DIVIDENDS PAID AND PROPOSED

Ordinary shares	2015 $'000	2014 $'000
Final franked dividend paid for the year ended 30 June 2014 of 7.5 cents (2013: 6.5 cents) per fully paid share	6,789	5,084
Interim franked dividend for the year ended 30 June 2015 of 6.0 cents (2014: 4.5 cents) per fully paid share	5,820	4,045
	12,609	**9,129**
Approved by the Board of Directors on 26 August 2015 (not recognised as a liability as at 30 June 2015)		
Final franked dividend for the year ended 30 June 2015 of 10.0 cents (2014: 7.5 cents) per fully paid share	**9,699**	**6,745***

* *This dividend does not include shares issued post balance date as part of the R&A Travel and Travelcorp contingent consideration payments.*

Franking credit balance	2015 $'000	2014 $'000
The amount of franking credits available for the subsequent financial year are:		
Franking account balance as at the end of the financial year at 30% (2014: 30%)	5,358	5,493
Plus:		
Franking credits that will arise from the income tax payable/(the receipt of income tax receivable) as at the end of the financial year	2,639	1,863
Equals:		
The amount of franking credits available for future reporting periods	**7,997**	**7,356**
Less:		
The impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period	(4,157)	(2,891)
Balance of franking credits available for subsequent years	**3,840**	**4,465**

Accounting policy

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance dates.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

5. INCOME TAX EXPENSE

	2015 $'000	2014 $'000
Income tax expense		
Current income tax		
Current income tax charge	10,216	6,503
Adjustments in respect of current income tax of previous years	(359)	73
Deferred income tax		
Relating to origination and reversal of temporary differences	305	(177)
Income tax expense reported in the Consolidated Statement of Comprehensive Income	**10,162**	**6,399**
(Increase) decrease in deferred tax assets	(1,121)	(100)
Increase (decrease) in deferred tax liabilities	1,426	(77)
	305	**(177)**
Numerical reconciliation of income tax expense to prima facie tax payable		
Accounting profit before income tax	39,256	22,978
Tax at the Australian tax rate of 30% (2014: 30%)	11,777	6,893
Tax effect of amounts which are not deductible/(assessable) in calculating taxable income:		
Non-deductible amounts	538	192
Other amounts	(164)	(24)
	374	**168**
Recognition of temporary differences previously not brought to account	54	(347)
Difference in overseas tax rates	(1,619)	(341)
Adjustments for current tax of prior periods	(359)	73
Research and development tax credit	(200)	(90)
Unrecognised tax losses	135	43
	(1,989)	**(662)**
Income tax expense	**10,162**	**6,399**

5. INCOME TAX EXPENSE continued

	2015 $'000	2014 $'000
Deferred income tax		
Deferred tax assets		
Provisions and expenses not yet deductible	3,715	2,205
Other	30	30
	3,745	**2,235**
Set off against deferred tax liabilities	(3,663)	(2,137)
Net deferred tax assets	**82**	**98**
Deferred tax liabilities		
Difference tax to accounting depreciation / amortisation	4,269	2,842
Accrued income assessable in year of receipt	5,241	3,264
Other	979	(41)
	10,489	**6,065**
Set off against deferred tax assets	(3,663)	(2,137)
Net deferred tax liabilities	**6,826**	**3,928**
Deferred tax assets expected to be recovered within 12 months	2,837	1,801
Deferred tax assets expected to be recovered after more than 12 months	908	434
	3,745	**2,235**
Deferred tax liabilities expected to be recovered within 12 months	5,946	3,590
Deferred tax liabilities expected to be recovered after more than 12 months	4,543	2,475
	10,489	**6,065**

5. INCOME TAX EXPENSE continued

	At 1 July $'000	Transfer from income tax receivable $'000	(Charged) / credited in year via P&L $'000	(Charged) / credited in year via equity $'000	Acquisition of subsidiaries $'000	Change in FX rates $'000	At 30 June $'000
Deferred tax assets							
2015							
Provisions and expenses not yet deductible	2,205	-	1,121	348	-	41	3,715
Other	30	-	-	-	-	-	30
	2,235	**-**	**1,121**	**348**	**-**	**41**	**3,745**
2014							
Provisions and expenses not yet deductible	1,992	-	130	-	92	(9)	2,205
Tax losses carried forward	26	-	(26)	-	-	-	-
Other	32	-	(4)	-	-	2	30
	2,050	**-**	**100**	**-**	**92**	**(7)**	**2,235**
Deferred tax liabilities							
2015							
Difference tax to accounting depreciation / amortisation	2,842	-	(446)	(65)	1,255	683	4,269
Accrued income assess-able in year of receipt	3,264	-	1,873	-	-	104	5,241
Other	(41)	-	(1)	1,026	-	(5)	979
	6,065	**-**	**1,426**	**961**	**1,255**	**782**	**10,489**
2014							
Difference tax to accounting depreciation / amortisation	192	188	314	-	2,215	(67)	2,842
Accrued income assess-able in year of receipt	3,802	-	(537)	-	-	(1)	3,264
Other	-	-	(42)	-	-	1	(41)
	3,994	**188**	**(265)**	**-**	**2,215**	**(67)**	**6,065**

5. INCOME TAX EXPENSE continued

Accounting policy

Tax consolidation

Corporate Travel Management Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 July 2008. Corporate Travel Management Limited is the head entity of the tax consolidated group. Members of the Group have entered into a tax sharing agreement in order to enable Corporate Travel Management Limited to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. In addition, the agreement provides for the allocation of income tax liabilities amongst the entities should the head entity default on its tax payment obligations.

Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group in accordance with their accounting profit for the period, while deferred taxes are allocated to members of the tax consolidated group in accordance with the principles of AASB 112 Income Taxes. Allocations under the tax funding agreement are made at the end of each quarter.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' inter-company accounts with the tax consolidated group head company, Corporate Travel Management Limited.

The income tax expense (or revenue) for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates and laws that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

6. EXPENSES

Profit before income tax includes the following specific expenses:	2015 $'000	2014 $'000
Depreciation and amortisation		
Depreciation of non-current assets – plant and equipment note 21	1,920	1,492
Amortisation of non-current assets – intangibles note 8	5,620	2,107
	7,540	**3,599**
Finance costs		
Bank loans	225	235
Net exchange differences	(226)	(45)
Other interest	960	450
	959	**640**
Other expense disclosures		
Defined contribution superannuation expense	3,151	2,862
Rental expense relating to operating leases	8,455	4,211

Accounting policy

Depreciation expense

Depreciation is calculated over plant and equipment using the following estimated useful lives and methods:

Item	Years	Method
Plant and equipment:		
Leasehold improvements	5	Straight line
Computer hardware	2.5 – 3	Straight line
Furniture, fixture and equipment	4 – 5	Diminishing value or straight line

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted, if appropriate, at each financial year end.

Amortisation expense

The useful lives of these intangible assets are assessed to be finite.

A summary of the amortisation policies applied to the Group's intangible assets is as follows:

Item	Method	Internally generated / acquired
Client contracts and relationships	Straight line – ranging between two and seventeen years	Acquired
Intellectual property	5.00% - straight line	Acquired
Software	40.00% - straight line	Acquired/ Internally generated

Where amortisation is charged on assets with finite lives, this expense is taken to the profit and loss in the Consolidated Statement of Comprehensive Income in the expense category 'depreciation and amortisation'.

Finance costs

This expense is recognised as interest accrues, using the effective interest method. This method calculates the amortised cost of a financial liability and allocates the interest expense over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount of the financial liability.

GROUP STRUCTURE

This section explains significant aspects of the Group structure and how changes have affected the financial position and performance of the Group.

7. BUSINESS COMBINATIONS

Chambers Travel Group Limited ("Chambers")

On 2 January 2015, the Group acquired 100% of the shares of Chambers Travel Group Limited ("Chambers"), a travel management company headquartered in London, with operations in England, Scotland, France, Germany, the Netherlands, Switzerland, Sweden and the Czech Republic. The initial cost of the acquisition was $45,744,352 (GBP 24,166,761), paid in both cash $35,094,340 (GBP 18,600,000) and shares $10,650,012 (GBP 5,566,761), with further contingent consideration payable in three tranches, as set out in this note.

The potential undiscounted amounts of future payments that the Group could be required to make, in cash and shares of up to $27,624,585 (GBP 15,400,000), based on the financial criteria relating to the earn-out period, is as follows:

- Tranche 1 is payable based on Chambers achieving annual EBITDA from the period ending 31 March 2016 of greater than $5,643,773 (GBP 2,950,000) ("FY2016 excess") based on a multiplier of FY2016 excess;
- Tranche 2 is payable based on the excess over the EBITDA from the period ending 31 March 2016 Chambers achieves on the annual EBITDA from period ending 31 March 2017 ("FY2017 excess") based on a multiplier of FY2017 excess; and
- Tranche 3 is payable based on the excess over Chambers achieves on the annual EBITDA from period ending 31 March 2017 Chambers achieves on the annual EBITDA from period ending 31 March 2018 ("FY2018 excess") based on a multiplier of FY2018 excess.

At the acquisition date, the projected result for the earn-out period, from 1 April 2015 to 31 March 2018, was assessed to determine the acquisition date fair value of this contingent consideration, as set out in the following table.

Purchase consideration	$'000
Initial cash and shares paid / payable *	45,744
Acquisition date fair value contingent consideration – earn out **	27,625
Total acquisition date fair value consideration	**73,369**

* $35,094,340 (GBP 18,600,000) in cash and $10,650,012 (GBP 5,566,761) in shares paid on 2 January 2015.

** The contingent consideration has been accrued in the Statement of Financial Position within the Trade and other payables classification. Management has not changed its expectation of contingent consideration payable.

7. BUSINESS COMBINATIONS continued

The provisional fair values of the assets and liabilities of the Chambers Travel Group Limited business, acquired as at the date of acquisition, are as follows:

	Fair Value $'000
Cash and cash equivalents	2,939
Trade and other receivables	9,543
Other current assets	370
Property, plant and equipment	351
Intangible assets: Client contracts and relationships	4,235
Deferred tax liability on intangibles	(868)
Goodwill	
Trade and other payables	(12,716)
Provisions	(45)
Deferred revenue	(37)
Income tax (payable)/receivable	74
Net identifiable assets / (liabilities) acquired	**3,846**
Goodwill on acquisition	69,523
Net assets acquired	**73,369**

The consideration payable for the combination effectively includes amounts in relation to the benefit of expected synergies, revenue growth and the assembled workforce of the acquiree, which has resulted in goodwill of $69,523,000 (GBP 36,340,000).

(i) Acquisition costs
Acquisition-related costs of $860,000 (GBP 461,712) are included in administrative and general expenses in the Statement of Comprehensive Income.

(ii) Acquired receivables
The fair value of the acquired trade receivables is $9,543,000 (GBP $4,988,000). The gross contractual amount for trade receivables due is $9,617,000 (GBP 5,027,000), of which $74,000 (GBP 39,000) is expected to be uncollectable.

(iii) Revenue and profit contribution
The acquired business contributed revenues of $17,226,000 (GBP 8,837,000) and net profit after tax of $1,668,000 (GBP 872,000) to the Group for the period 2 January 2015 to 30 June 2015. If the acquisition had occurred on 1 July 2014, consolidated revenue and profit for the year ended 30 June 2015 would have been $210,642,000 and $29,701,000.

Purchase consideration – cash outflow:
Outflow of cash to acquire subsidiary, net of cash acquired:

Purchase consideration	$'000
Cash consideration	35,094
Less: cash balances acquired	(2,939)
Outflow of cash – investing activities (net of cash acquired)	**32,155**

7. BUSINESS COMBINATIONS continued

TMC Group Inc. trading as Diplomat Travel Services ("Diplomat")

On 2 January 2015, the Group acquired 100% of the shares of Diplomat Travel Services ("Diplomat"), a travel management company headquartered in Washington DC, USA. The initial cost of the acquisition was $9,533,512 (US $7,747,885), paid in both cash $7,459,579 (US $6,062,400) and shares $2,073,933 (US $1,685,485), with further contingent consideration payable at 31 March 2016, as set out in this note.

The potential undiscounted amounts of future payments that the Group could be required to make, in cash, based on the financial criteria relating to the earn-out period, is as follows:

- A multiple of net profit before tax (NPBT) for the year ending 31 December 2015, with the maximum payment being a capped value of $2,364,956 (US $1,922,000) adjusted for the final working capital over the target working capital of $369,140 (US $300,000). The expected adjustment at year end is $680,310 (US $552,888).

At the acquisition date, the projected result for the earn-out period, 12 months ending December 2015, was assessed to determine the acquisition date fair value of this contingent consideration, as set out in the following table.

Purchase consideration	$'000
Initial cash and shares paid / payable *	9,533
Acquisition date fair value contingent consideration – earn out **	2,365
Working capital adjustment	680
Total acquisition date fair value consideration	**12,578**

* $7,459,579 (US $6,062,400) in cash and $2,073,933 (US $1,685,485) in shares paid on 2 January 2015.

** The contingent consideration has been accrued in the Statement of Financial Position within the Trade and other payables classification. Management has not changed its expectation of contingent consideration payable.

The provisional fair values of the assets and liabilities of the Diplomat business, acquired as at the date of acquisition, are as follows:

	Fair Value $'000
Cash and cash equivalents	861
Trade and other receivables	399
Intangible assets: Client contracts and relationships	1,533
Trade and other payables	(200)
Provisions	(5)
Deferred revenue	(5)
Net identifiable assets / (liabilities) acquired	**2,583**
Goodwill on acquisition	9,995
Net assets acquired	**12,578**

The consideration payable for the combination effectively includes amounts in relation to the benefit of expected synergies, revenue growth and the assembled workforce of the acquiree, which has resulted in goodwill of $9,995,000 (US $8,123,000). The full value of the goodwill and client intangibles is expected to be tax deductible for USA tax purposes.

7. BUSINESS COMBINATIONS continued

(i) Acquisition costs
Acquisition-related costs of $52,220 (US $43,770) are included in administrative and general expenses in the Statement of Comprehensive Income.

(ii) Acquired receivables
The fair value of the acquired trade receivables is $399,000 (US $324,000). The gross contractual amount for trade receivables due is $399,000 (US $324,000), of which no balances are expected to be uncollectable.

(iii) Revenue and profit contribution
The acquired business contributed revenues of $1,670,440 (US $1,308,633) and net profit after tax of $699,875 (US $551,511) to the Group for the period 2 January 2015 to 30 June 2015. If the acquisition had occurred on 1 July 2014, consolidated revenue and profit for the year ended 30 June 2015 would have been $199,595,000 and $29,793,000 respectively.

Purchase consideration – cash outflow:
Outflow of cash to acquire subsidiary, net of cash acquired:

Purchase consideration	$'000
Cash consideration	7,460
Less: cash balances acquired	(861)
Outflow of cash – investing activities	**6,599**

Forestieri Interests Corp (Company) trading as Avia International Travel ("Avia")

On 1 September 2014, the Group acquired 100% of the shares of Avia International Travel. ("Avia"), a company based in Houston, Texas. The initial cost of the acquisition was $4,558,973 (US $4,125,000), paid in both cash $2,219,412 (US $2,062,500) and shares $2,339,561 (US $2,062,500), with further contingent consideration payable at 30 November 2015, as set out in this note.

The potential undiscounted amounts of future payments that the Group could be required to make, in cash and shares, based on the financial criteria relating to the earn-out period, is as follows:

- A multiple of NPBT for the period 1 September 2014 to 31 August 2015, with the maximum payment being a capped value of $5,245,884 (US $4,875,000) adjusted for the final working capital amount in relation to the target working capital of $258,807 (US $240,509).

At the acquisition date, the projected results for the earn-out period, ending 31 August 2015, was assessed to determine the acquisition date fair value of this contingent consideration, as set out in the following table.

Purchase consideration	$'000
Initial cash and shares paid / payable *	4,559
Acquisition date fair value contingent consideration – earn out **	5,246
Working capital adjustment	(259)
Total acquisition date fair value consideration	**9,546**

* $2,219,412 (US $2,062,500) in cash and $2,339,561 (US $2,062,500) in shares paid on 2 September 2014.

** The contingent consideration has been accrued in the Statement of Financial Position within the Trade and other payables classification. Management has not changed its expectation of contingent consideration payable.

7. BUSINESS COMBINATIONS continued

The fair values of the assets and liabilities of Avia International Travel, acquired as at the date of acquisition, are as follows:

	Fair Value $'000
Cash and cash equivalents	206
Trade and other receivables	560
Other current assets	147
Intangible assets: Client contracts and relationships	1,043
Client creditors	(164)
Other payables	(372)
Deferred tax liability	(387)
Net identifiable assets / (liabilities) acquired	1,033
Goodwill on acquisition	8,513
Net assets acquired	**9,546**

The consideration payable for the combination effectively includes amounts in relation to the benefit of expected synergies, revenue growth and the assembled workforce of the acquiree, which has resulted in goodwill of $8,513,000 (US $7,911,000).

(i) Acquisition costs
Acquisition-related costs of $79,268 (US $69,815) are included in administrative and general expenses in the Statement of Comprehensive Income.

(ii) Acquired receivables
The fair value of the acquired trade receivables is $559,999 (US $507,722). The gross contractual amount for trade receivables due is $559,999 (US $507,722) of which $nil is expected to be uncollectable.

(iii) Revenue and profit contribution
The acquired business contributed revenues of $5,039,649(US $4,120,798) and net profit after tax of $1,093,524 (US $930,625) to the Group for the period 1 September 2014 to 30 June 2015. If the acquisition had occurred on 1 July 2014, consolidated revenue and net profit after tax for the full-year ended 30 June 2015, would have been $198,933,000 and $29,313,000 respectively.

Purchase consideration – cash outflow:
Outflow of cash to acquire subsidiary, net of cash acquired:

Purchase consideration	$'000
Cash consideration	2,291
Less: cash balances acquired	(206)
Outflow of cash – investing activities	**2,013**

USTravel Alaska, LLC. ("UST")

On 1 July 2014, the Group acquired 100% of the shares of USTravel Alaska, LLC ("UST"), a travel company based in Alaska and the Pacific Northwest (PNW) in America. The initial cost of the acquisition was $5,551,672 (US $5,250,000), paid in both cash $5,291,336 (US $5,004,572) and shares $260,336 (US $245,428), with further contingent consideration payable at 31 August 2015, as set out in this note.

7. BUSINESS COMBINATIONS continued

The potential undiscounted amounts of future payments that the Group could be required to make, in cash and shares, based on the financial criteria relating to the earn-out period, is as follows:

- A multiple of NPBT for the period 1 July 2014 to 30 June 2015, with the maximum payment being a capped value of $2,907,591 (US $2,750,000) adjusted for the final working capital adjustment capital amount in relation to the target working capital of $581,748 (US $550,218).

At the acquisition date, the projected result for the earn-out period, from 1 July 2014 to 30 June 2015, was assessed to determine the acquisition date fair value of this contingent consideration, as set out in the following table.

Purchase consideration	$'000
Initial cash and shares paid / payable *	5,550
Acquisition date fair value contingent consideration – earn out **	2,908
Working capital adjustment	582
Total acquisition date fair value consideration	**9,040**

* $5,291,336 (US $5,004,572) in cash and $260,336 (US $245,428) in shares paid on 2 July 2014.

** The contingent consideration has been accrued in the Statement of Financial Position within the Trade and other payables classification. Management has reclassified the balance to acquisition payable based on UST meeting the earn-out criteria during the earn-out period.

The fair values of the assets and liabilities of the US Travel Inc. business, acquired as at the date of acquisition, are as follows:

	Fair Value $'000
Cash and cash equivalents	3,511
Trade and other receivables	5,367
Other current assets	115
Property, plant and equipment	353
Intangible assets: Client contracts and relationships	1,182
Trade and other payables	(12,572)
Provisions	(77)
Deferred revenue	(428)
Income tax payable	18
Net identifiable assets / (liabilities) acquired	**(2,531)**
Goodwill on acquisition	11,571
Net assets acquired	**9,040**

The consideration payable for the combination effectively includes amounts in relation to the benefit of expected synergies, revenue growth and the assembled workforce of the acquiree, which has resulted in goodwill of $11,571,000 (US $10,944,000). The full value of the goodwill and client intangibles is expected to be tax deductible for USA tax purposes.

7. BUSINESS COMBINATIONS continued

(i) Acquisition costs
Acquisition-related costs of $40,848 (US $35,203) are included in administrative and general expenses in the Statement of Comprehensive Income.

(ii) Acquired receivables
The fair value of the acquired trade receivables is $5,367,319 (US $5,076,410). The gross contractual amount for trade receivables due is $5,545,518 (US $5,244,950) of which $178,199 (US $168,541) is expected to be uncollectable.

(iii) Revenue and profit contribution
The acquired business contributed revenues of $14,020,524 (US $11,742,358) and net profit after tax of $1,490,638 (US $1,348,736) to the Group for the period 1 July 2014 to 30 June 2015.

Purchase consideration – cash outflow:
Outflow of cash to acquire subsidiary, net of cash acquired:

Purchase consideration	$'000
Cash consideration	5,291
Less: cash balances acquired	(3,511)
Outflow of cash – investing activities	**1,780**

Accounting policy
The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred is measured as the fair value of the assets acquired, shares issued or liabilities incurred or assumed at the date of exchange, and, for acquisitions prior to 1 July 2009, included costs directly attributable to the combination. For acquisitions after 1 July 2009, acquisition-related costs are expensed in the period in which the costs are incurred, rather than being added to the cost of the business combination, as required by revised AASB 3 Business Combinations.

Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange. Transaction costs arising on the issue of equity instruments are recognised directly in equity. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

With limited exceptions, all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the consideration transferred of the acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the profit and loss in the Consolidated Statement of Comprehensive Income, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the cash consideration is deferred, the amounts payable in the future are discounted to their present value, as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in other income or other expenses in the Consolidated Statement of Comprehensive Income. Any subsequent adjustment to the final contingent consideration, based on actual results as at 30 June 2015, will be reflected in the Statement of Comprehensive Income.

The Group recognises any non-controlling interest, in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share of the acquired entity's net identifiable assets.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity.

Critical estimates, assumptions and judgements

- *Value of intangible assets relating to acquisitions*
  The Group has allocated portions of the cost of acquisitions to client contracts and relationships intangibles, valued using the multi-period excess earnings method. These calculations require the use of assumptions including future customer retention rates and cash flows.

8. INTANGIBLE ASSETS

	Client contracts and relationships $'000	Intellectual property $'000	Software $'000	Goodwill $'000	Total $'000
Year ended 30 June 2015					
Cost	26,445	244	5,774	215,831	248,294
Accumulated depreciation	(6,942)	(130)	(3,021)	(276)	(10,369)
	19,503	**114**	**2,753**	**215,555**	**237,925**
Opening net book amount	12,478	99	2,194	94,260	109,031
Additions	-	25	1,766	-	1,791
Additions through the acquisition of entities / businesses [note 7]	7,993	-	-	99,602	107,595
Disposals	-	-	-	-	-
Depreciation charge	(4,363)	(20)	(1,237)	-	(5,620)
Exchange differences	3,395	10	30	21,693	25,128
Closing net book amount	**19,503**	**114**	**2,753**	**215,555**	**237,925**
Year ended 30 June 2014					
Cost	17,114	219	4,147	94,474	115,954
Accumulated depreciation	(4,636)	(120)	(1,953)	(214)	(6,923)
	12,478	**99**	**2,194**	**94,260**	**109,031**
Opening net book amount	759	79	2,000	72,876	75,714
Additions	-	7	1,278	-	1,285
Additions through the acquisition of entities / businesses	13,587	-	14	23,605	37,206
Transfers/reallocations	-	22	(22)	(366)	(366)
Disposals	-	-	-	-	-
Amortisation charge	(1,011)	(9)	(1,079)	(8)	(2,107)
Exchange differences	(857)	-	3	(1,847)	(2,701)
Closing net book amount	**12,478**	**99**	**2,194**	**94,260**	**109,031**

8. INTANGIBLE ASSETS continued

Customer contracts

The customer contracts were acquired as part of a business combination (see note 7 for details). They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives.

Accounting policy

Acquired from a business combination

Intangible assets from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

Software acquired not as part of a business combination

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit and loss in the Consolidated Statement of Comprehensive Income when the asset is derecognised.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are then written down to their recoverable amount.

Intangible assets are tested for impairment where an indicator of impairment exists, and, in the case of indefinite life intangibles, annually, either individually or at the cash-generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Goodwill

Goodwill acquired on a business combination is initially measured at cost, being the excess of the consideration transferred for the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment, annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units that are expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Disposed goodwill in this circumstance is measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit retained.

CAPITAL

Maintaining a strong financial position and low levels of external debt is a core part of the Group's operations. This section explains how the Group has performed in areas relating to capital management.

9. CASH AND CASH EQUIVALENTS

	2015 $'000	2014 $'000
Cash at bank and on hand	14,013	14,416
Client accounts	26,650	17,584
	40,663	**32,000**

Cash at bank earns interest at floating rates based on daily bank deposit rates: 2015: 0.00%-2.45% (2014: 0.00%-2.95%).

The client accounts earn interest at floating rates based on daily bank deposit rates: 2015: 0.00%-2.05% (2014: 0.00%-1.40%).

The weighted average interest rate for the year was 0.21% (2014: 1.49%).

A bank overdraft facility of $1,000,000 (2014: $1,000,000) was in place but unused at 30 June 2015. The overdraft incurs interest at floating rates based on daily bank overdraft rates: 2015: 2.99% (2014: 3.42%).

Security for the bank overdrafts is detailed in note 14.

Accounting policy

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and on hand and short-term deposits, with an original maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Client cash represents amounts from clients held before release to service and product suppliers, with a maturity of three months or less.

For the purpose of the Consolidated Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined, net of outstanding bank overdrafts.

Reconciliation of profit after income tax to net cash inflow from operating activities	2015 $'000	2014 $'000
Profit for the year	29,094	16,579
Adjustments for:		
Depreciation and amortisation	7,540	3,599
Appreciation in value of investments	-	1
Make-good provision accretion	3	2
Non-cash interest	254	334
Net exchange differences	(671)	95
Net loss on disposal of non-current assets	(3)	(4)
Changes in operating assets and liabilities		
(Increase) in trade and other receivables	(14,819)	(13,625)
(Increase) in prepayments	(162)	363
(Decrease in deferred tax balances	1,146	(178)
Decrease in current tax liability / (receivable)	1,204	1,366
Increase in payables and provisions	850	3,303
Net cash flow from operating activities	**24,436**	**11,835**
Disclosure of financing facilities		
Refer note 14		

10. TRADE AND OTHER RECEIVABLES

	2015 $'000	2014 $'000
Current		
Trade receivables (i)	25,230	17,823
Client receivables (i)	100,820	69,169
Allowance for doubtful debts	(1,345)	(591)
	124,705	**86,401**
Deposits (ii)	26,053	12,129
Other receivables (iii)	2,640	2,756
	153,398	**101,286**

(i) Trade and client receivables are non-interest bearing and are generally on terms ranging from 1 to 30 days.

(ii) Deposits relate to advance deposits to suppliers and deposits made on behalf of clients for leisure travel which will occur at a future date. Supplier deposits within the Westminster Travel business pertains to securing access during high sales periods, which is the business practise in Hong Kong.

(iii) Included within other receivable are balances due from related parties, refer note 25.

As of 30 June 2015, trade and client receivables of $27,474,000 (2014: $19,394,000) were past due but not impaired. Operating units are following up on these receivables with the relevant debtors and are satisfied that payment will be received in full.

	2015 $'000	2014 $'000
The ageing analysis of these trade and client receivables is as follows:		
0 – 31 days	15,196	14,637
31 – 60 days	4,893	2,381
60+ days	7,385	2,376
Balance at 30 June	**27,474**	**19,394**

Other balances within trade, client and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

Detail regarding risk exposure relating to credit, market and interest rate risk have been disclosure in note 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: CAPITAL

10. TRADE AND OTHER RECEIVABLES continued

Accounting policy

Trade and client receivables, which generally have 7-30 day terms, are recognised initially at fair value and, subsequently, measured at amortised cost using the effective interest method, less an allowance for impairment.

Client receivables result from the provision of travel services to clients. Trade receivables result from other activities relating to the provision of travel services, such as commissions payable by suppliers.

Collectability of trade and client receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

The amount of the impairment loss is recognised in the profit and loss in the Consolidated Statement of Comprehensive Income within administration expenses. When a trade receivable, for which an impairment allowance had been recognised, becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against administration expenses in the profit and loss in the Consolidated Statement of Comprehensive Income.

Critical estimates, assumptions and judgements

- *Allowance for doubtful debts*
  The Group determines whether client and trade receivables are collectable on an ongoing basis. This assessment requires estimations of the individual recoverability of each debt and, if considered uncollectable, is subject to an impairment provision.

11. TRADE AND OTHER PAYABLES

	2015 $'000	2014 $'000
Current		
Trade payables (i)	12,034	984
Client creditors (i)	97,697	72,370
Other payables and accruals (ii)	20,834	9,268
Acquisition payable (iii)	9,245	11,466
Contingent consideration payable (note 22)	8,575	38
	148,385	**94,126**
Non-current		
Other payables and accruals	423	4,130
Contingent consideration payable (note 22)	29,862	19
	30,285	**4,149**

(i) Trade payables and client creditors are non-interest bearing and are normally settled on terms ranging from 7 to 30 days.

(ii) Included within other payables and accruals are amounts due to related parties.

(iii)This balance represents amounts payable relating to business combinations which are no longer contingent on performance hurdles.

Fair value
Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Interest rate risk and liquidity risk
Information regarding interest rate risk and liquidity risk exposure is set out in note 16.

Accounting policy

Trade and other payables and client creditors are carried at original invoice amount and represent liabilities for goods and services provided to the Group to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. These amounts are unsecured and are paid within terms ranging from 7 to 30 days from recognition.

Client creditors result from provision of travel services and products to clients. Trade payables result from other activities required to provide those travel services, such as corporate services.

12. PROVISIONS

Movements in provisions	Employee entitlements $'000	Make-good provision $'000	Provision for other liabilities and charges $'000	Total $'000
At 1 July 2014	**3,015**	**712**	**6,382**	**10,109**
Arising during the year	4,684	56	24,493	29,233
Acquisition of subsidiary	127	-	-	127
Utilised	(4,115)	(33)	(22,239)	(26,387)
Write back of provision	-	-	(1,653)	(1,653)
Changes due to change in foreign currency	196	99	1,548	1,843
At 30 June 2015	**3,907**	**834**	**8,531**	**13,272**
2015				
Current	2,593	151	8,531	11,275
Non-current	1,314	683	-	1,997
	3,907	**834**	**8,531**	**13,272**
2014				
Current	1,933	28	6,382	8,343
Non-current	1,082	684	-	1,766
	3,015	**712**	**6,382**	**10,109**

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes accrued annual leave, vesting sick leave and long service leave. For long service leave, it covers all unconditional entitlements where employees have completed the required period of service and also those circumstances where employees are entitled to pro-rata payments. The entire balance of the annual leave provision of $2,077,000 (2014: $1,536,000) is presented as a current liability, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that may not to be expected to be taken or paid within the next 12 months:

	2015 $'000	2014 $'000
Current leave obligations expected to be settled after 12 months	86	51
	86	**51**

12. PROVISIONS continued

Accounting policy
Provisions are 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 resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit and loss in the Consolidated Statement of Comprehensive Income, net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee benefits

(i) Short term obligations
Liabilities for wages and salaries including non-monetary benefits, expected to be settled within 12 months of the reporting period, are recognised in other payables and accruals in respect of employees' services up to the reporting date. Liabilities for annual leave and accumulated sick leave, expected to be settled within 12 months of the reporting period, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulated sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Other long term obligations
Liabilities for long service leave are recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date, using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds, with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations
Contributions to defined contribution funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

(iv) Bonus plans
The Group recognises a provision for future bonus payments where it is contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

Make-good provision
In accordance with the Group's contractual obligations under tenancy lease agreements, the Group is required to restore the leased premises on the expiry of the lease term.

Provision for other liabilities and charges
Provisions for other liabilities and charges are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

13. CONTRIBUTED EQUITY, RESERVES AND RETAINED EARNINGS

(a) Contributed equity

	2015 $'000	2014 $'000
Ordinary shares		
Issued and fully paid	161,675	99,823
	161,675	**99,823**

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

On a show of hands, every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Movement in ordinary share capital			Number of shares	$'000
	Opening balance as at 1 July 2013		**78,081,184**	**47,856**
2 September 2013	Shares issued (i)	Contingent consideration payment for the R&A Travel Inc. business combination.	140,061	613
12 September 2013	Shares issued (ii)	Provision of consultancy service to Admiral Robert J. Natter – refer Remuneration Report.	25,000	116
24 January 2014	Shares issued (iii)	Renounceable rights issue to fund the Westminster Travel business combination.	11,366,052	52,284
29 January 2014	Shares issued (iv)	Renounceable rights issue, to fund the Westminster Travel business combination.	228,466	1,051
31 January 2014	Shares issued (v)	Reward and retention of two senior management executives of Westminster Travel.	50,000	230
	Total shares issued		**11,809,579**	**54,294**
	Less: transaction costs arising on share issue			(2,327)
	At 30 June 2014		**89,890,763**	**99,823**
	Opening balance as at 1 July 2014		**89,890,763**	**99,823**
2 July 2014	Shares issued (vi)	Initial consideration for the USTravel Alaska, LLC. business combination – refer note 7.	40,614	260
3 September 2014	Shares issued (vii)	Contingent consideration payment for the TravelCorp LLC business combination – refer note 7.	170,650	1,305
3 September 2014	Shares issued (viii)	Contingent consideration payment for the R&A Travel Inc. business combination – refer note 7.	109,770	840
3 September 2014	Shares issued (ix)	Initial consideration for the Avia International Travel business combination – refer note 7.	305,825	2,340
31 December 2014	Shares issued (x)	Used for the proposed acquisitions of Chambers Travel Group Limited and Diplomat Travel Services.	5,176,046	45,549
5 January 2015	Shares issued (xi)	Initial consideration for the Chambers Travel Group Limited business combination – refer note 7.	1,087,846	10,650
5 January 2015	Shares issued (xii)	Initial consideration for the Diplomat Travel Services business combination – refer note 7.	211,842	2,074
	Total shares issued		**7,102,593**	**63,018**
	Less: transaction costs arising on share issue			(1,514)
	Deferred tax credit recognised directly in equity			348
	At 30 June 2015		**96,993,356**	**161,675**

13. CONTRIBUTED EQUITY, RESERVES AND RETAINED EARNINGS continued

Capital management

The Group maintains a conservative funding structure that allows it to meet its operational and regulatory requirements, while providing sufficient flexibility to fund future strategic opportunities.

The Group's capital structure includes a mix of debt (refer note 14), general cash (refer note 9) and equity attributable to the parent's equity holders.

When determining dividend returns to shareholders the Board considers a number of factors, including the Group's anticipated cash requirements to fund its growth, operational plan, and current and future economic conditions. The Group is not bound by externally imposed capital requirements.

While payments may vary from time to time, according to these anticipated needs, the Board's current policy is to return between 50% to 60% of net profit after tax to shareholders.

	2015 $'000	2014 $'000
Total borrowings	-	-
Total equity	235,911	132,844
Gearing ratio	**0%**	**0%**

(b) Reserves

The following table shows a breakdown of the 'reserves' line item as per the Consolidated Statement of Financial Position, and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	FX translation $'000	Share based payment $'000	Total $'000
At 30 June 2013	1,530	-	1,530
Currency translation differences – current period	(3,570)	-	(3,570)
Other comprehensive income	**(3,570)**	**-**	**(3,570)**
Share-based payment expenses	-	96	96
At 30 June 2014	**(2,040)**	**96**	**(1,944)**
Currency translation differences – current period	24,097	-	24,097
Deferred tax	(961)	-	(961)
Other comprehensive income	**23,136**	**-**	**23,136**
Share-based payment expenses	-	417	417
At 30 June 2015	**21,096**	**513**	**21,609**

13. CONTRIBUTED EQUITY, RESERVES AND RETAINED EARNINGS continued

Nature and purpose of other reserves

Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is recognised in the Consolidated Statement of Comprehensive Income when the net investment is sold.

Share-based payments

The share-based payments reserve is used to recognise the grant date fair value of deferred shares granted to employees but not yet vested.

(c) Retained earnings

Movements in retained earnings were as follows:	2015 $'000	2014 $'000
Balance at 1 July	**26,449**	**19,733**
Net profit for the year	26,367	15,845
Dividends	(12,609)	(9,129)
Balance at 30 June	**40,207**	**26,449**

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

14. BORROWINGS

Financial facilities

Australia and New Zealand

The Group's facility with ANZ includes accessible lines of credit totalling $15.2m. In addition, there are facilities for overdraft, merchant facilities and bank guarantees. The total facility is $27.6m and has terms ranging from 5 months to 3 years. The amount of this facility used, which relates mainly to bank guarantees, as at 30 June 2015, was $1.8m (2014: $1.5m). The facility is fully secured by a fixed and floating charge over all existing and future assets and undertakings of Corporate Travel Management Group Ltd.

The interest rates applicable to these facilities are 2.49% - 4.09% (2014: 3.12%-4.72%). Line fees in addition to interest are 1.00%-1.75% (2014: 1.00%-1.75%). The weighted average interest rate for all borrowings, including line fees, was 4.56% (2014: 4.76%).

Fair values

The carrying amount of the Group's current and non-current borrowings approximate their fair value. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates varying from 2.49%-4.09% (2014: 3.12%-4.72%), depending on the type of borrowing.

Interest rate and liquidity risk

Details regarding interest rate and liquidity risk are disclosed in note 16.

Asia

There are two available bank loan facilities totalling $10.1m (2014: $4.8m) consisting of $5.0m (2014: $0.7m) from HSBC and $5.0m (2014: $4.1m) Standard Chartered Bank. The amount of these facilities used as at 30 June 2015 was $nil (2014: $nil). Interest rates applicable to these facilities range from 1.49%-4.24% (2014: 3.21%-4.66%).

Additional facilities are held for bank guarantees totalling $26.9m (2014: $25.2m) consisting of $17.4m (2014: $13.2m) from HSBC, $8.4m (2014: $11.1m) Standard Chartered Bank and First Bank, $1.0m (2014: $0.9m). The amount of these facilities used as at 30 June 2015 was $24.6m (2014: $17.5m). Interest rates applicable to these facilities range from 0.5%-1.1% (2014: 3.21%-4.66%). Refer note 16.

Accounting policy

All loans and borrowings are initially recognised at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs

Borrowing costs are recognised as an expense using the effective interest method. The Group does not currently hold qualifying assets but, if it did, the borrowing costs directly associated with this asset would be capitalised, including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing.

Borrowings are removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Consolidated Statement of Comprehensive Income, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

RISK

This section discusses the Group's exposure to various financial risks, explains how these affect the Group's financial position and performance, and what the Group does to manage these risks.

15. IMPAIRMENT TESTING OF GOODWILL

For the purposes of impairment testing, the cash generating unit has been defined as the lowest level of travel services operations to which goodwill relates, where individual cash flows can be ascertained for the purposes of discounting future cash flows..

	2015 $'000	2014 $'000
The carrying amount of goodwill allocated to the cash generating unit:		
Travel services - Australia and New Zealand	41,841	41,879
Travel services - North America	72,230	30,247
Travel services - Asia	27,142	22,134
Travel services - Europe	74,342	-
	215,555	**94,260**

The recoverable amount of the cash generating unit has been determined based on financial budgets set for the next financial year and management's cash flow projections for subsequent years.

	Travel services			
	Australia and New Zealand	**North America**	**Asia**	**Europe**
2015				
Pre-tax discount rate applied to the cash flow projection	17.78%	17.05%	15.09%	14.78%
Cash flows beyond the next financial year, up to year 5, are extrapolated using a growth rate of:				
Revenue (years 2 - 5)	3.50%	3.50%	3.50%	6.68%
Operating expenses (years 2 - 5)	3.00%	2.50%	3.00%	3.00%
Terminal multiple of EBITDA in year 5	5.79	6.02	6.70	7.53
2014				
Pre-tax discount rate applied to the cash flow projection	18.12%	17.05%	14.62%	-
Cash flows beyond the next financial year, up to year 5, are extrapolated using a growth rate of:				
Revenue (years 2 - 5)	3.5%	5.0%	3.5%	-
Operating expenses (years 2 - 5)	3.0% - 4.0%	4.0% - 5.0%	3.0% - 4.0%	-
Terminal multiple of EBITDA in year 5	6.03	6.49	7.22	-

15. IMPAIRMENT TESTING OF GOODWILL continued

Key assumptions used for value-in-use calculations for the years ended 30 June 2015 and 30 June 2014

The following key assumptions were applied to the cash flow projections when determining the value-in-use:

- *Budgeted revenue* – the basis used to determine the amount assigned to the budgeted sales volume is the average value achieved in the year immediately before the budgeted year, adjusted for growth and other known circumstances.
- *Budgeted operating expenses* – the basis used to determine the amount assigned to the budgeted costs is the average value achieved in the year immediately before the budgeted year, adjusted for growth and other known circumstances.
- *Terminal multiple* – calculated based on a multiple of estimated Year 5 earnings before interest, tax, depreciation and amortisation.

Sensitivity to changes in assumptions

Management recognises that there are various reasons the estimates used in these assumptions may vary. For cash generating units, there are possible changes in key assumptions that could cause the carrying value of the unit to exceed its recoverable amount. The changes required to each of the key assumptions to cause the carrying value of a unit to exceed its recoverable amount are shown as follows:

	Possible change considered	Change required to indicate an impairment
Growth rates – Travel services – Australia and New Zealand		
Revenue	Reduction in yield, rates, client retention	Decrease to (2.90%)
Operating expenses	Higher labour and / or other support costs	Increase to 10.50%
Growth rates – Travel services – North America		
Revenue	Reduction in yield, rates, client retention	Decrease to 1.42%
Operating expenses	Higher labour and / or other support costs	Increase to 5.09%
Growth rates – Travel services – Asia		
Revenue	Reduction in yield, rates, client retention	Decrease to 1.53%
Operating expenses	Higher labour and / or other support costs	Increase to 5.48%
Growth rates – Travel services – Europe		
Revenue	Reduction in yield, rates, client retention	Decrease to 6.06%
Operating expenses	Higher labour and / or other support costs	Increase to 3.80%

15. IMPAIRMENT TESTING OF GOODWILL continued

Accounting policy

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value les costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

For the purposes of impairment testing, the cash generating unit has been defined as the lowest level of travel services operations to which goodwill relates, where individual cash flows can be ascertained for the purposes of discounting future cash flows.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those cash flows from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Critical estimates, assumptions and judgements

- *Impairment of goodwill*
  The Group determines whether goodwill is impaired on an annual basis. This assessment requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated.

16. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise deposits with banks, overdraft facilities and borrowings.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risk arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk and foreign exchange risk. The Board reviews and agrees policies for managing each of these risks, which are summarised in the note. The Group is not exposed directly to commodity trading risks.

(a) Interest rate risk

As at 30 June 2015, the Group had no interest bearing borrowings, therefore the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has interest bearing assets (cash and cash equivalents) with a short turnover period. The interest earned from these assets is not considered material to the Group. The Group considers that there is an immaterial risk exposure as a result of interest rate returns on these assets.

16. FINANCIAL RISK MANAGEMENT continued

(b) Credit risk

The Group trades only with creditworthy third parties and the Group's policy is that all clients which wish to trade on credit terms are subject to credit verification procedures, and subsequent risk limits, which are set for each individual client in accordance with the Group's policies. For some client receivables, the Group may also obtain security in the form of deposits. In addition, receivable balances are monitored on an ongoing basis, with the result that the Group's exposure to bad debts is not considered to be significant.

With respect to credit risk arising from the other financial assets of the Group, comprising of cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Group's cash (refer note 9), is held at financial institutions with the following credit ratings:

	2015 $'000	Moody's Investor Service Rating
Australia and New Zealand	7,769	Aa2
North America	7,283	A3
Asia	21,970	Aa1 – Ba2
Europe	3,641	A1 – Baa1
Total	**40,663**	

Client and Trade receivables are held with predominantly un-rated entities.

(c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and hire purchase contracts.

The Group manages liquidity risk by monitoring cash flows and estimating future operational draws on cash reserves. The following table reflects all contractually fixed repayments and interest resulting from recognised financial liabilities as at 30 June 2015.

The Group's financial liabilities comprise of trade and other payables only, and no derivative financial instruments are held. The respective undiscounted cash flows for the respective upcoming fiscal years are included in the following table. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing at 30 June 2015.

The remaining non-derivative contractual maturities of the Group's financial liabilities are:

	Contractual cash flows		Carrying amount	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
1 year or less	148,385	94,126	148,385	94,126
1 – 5 years	31,525	4,270	30,285	4,151
Over 5 years	-	-	-	-
Total trade and other payables	**179,910**	**98,396**	**178,670**	**98,277**

16. FINANCIAL RISK MANAGEMENT continued

(d) Foreign exchange risk

The Group operates internationally and is subject to foreign exchange risk arising from exposure to foreign currencies.

Forward exchange contracts are used to reduce foreign currency risk. The Group adopts various procedures and policies to manage foreign currency risk where practicable. These procedures include the use of natural hedges arising from trading operations and subsidiaries' results, forecasting of future cash flows by currency, and can include the use of forward exchange contracts where abnormal transactions outside of operating activities could give rise to a material exposure – e.g. initial and contingent consideration payments made in relation to acquisitions (note 11). Additionally, the Group has a multi-currency debt facility which allows for borrowings in the relevant entity's functional currency. At 30 June 2015, there are no forward exchange contracts in place.

The table includes the financial assets and liabilities denominated in currencies other than the functional currency of the respective entities. This represents the Group's exposure to foreign exchange risk at the end of the reporting period, expressed in Australian dollars.

2015	Cash and cash equivalents $'000	Trade and Other receivables $'000	Related party loans $'000	Trade and Other payables $'000	Total $'000
USD	1,368	6,810	-	(6,951)	1,227
HKD	691	-	-	(45)	646
NZD	-	-	1,336	-	1,336
SGD	443	220	-	(1,323)	(660)
THB	1,066	-	-	(2,496)	(1,430)
JPY	32	501	-	(3,531)	(2,998)
EUR	1,778	1,937	-	(2,966)	749
SEK	197	7	-	(136)	68
CHF	282	21	-	(65)	238
Others	312	361	-	(1,691)	(1,018)
Total	**6,169**	**9,857**	**1,336**	**(19,204)**	**(1,842)**

2014	Cash and cash equivalents $'000	Trade and Other receivables $'000	Related party loans $'000	Trade and Other payables $'000	Total $'000
USD	75	2,434	402	(12,950)	(10,039)
HKD	40	-	-	-	40
NZD	-	-	1,308	-	1,308
SGD	2,116	3,686	-	(2,973)	2,829
NTD	507	1,324	-	(478)	1,353
CNY	362	1,032	-	(1,837)	(443)
MOP	393	1,095	-	(125)	1,363
Others	1,217	-	-	-	1,217
Total	**4,710**	**9,571**	**1,710**	**(18,363)**	**(2,372)**

Based on the 2015 balances, a 10% stronger / (weaker) Australian dollar against the currencies held, would result in movement of $167,303/ ($204,482).

UNRECOGNISED ITEMS

This section provides information about items that are not recognised in the financial statements, but could potentially have a significant impact on the Group's financial position and performance.

17. CONTINGENT LIABILITIES

Guarantees / Letter of credit facilities

The Group has provided bank guarantees and letters of credit in relation to various facilities with vendors and in accordance with local travel agency licensing and International Air Transport Association regulations. Guarantees provided by the parent are held on behalf of other Group entities.

	2015 $'000	2014 $'000
Guarantees provided for:		
Various vendors	26,176	19,278
Total	**26,176**	**19,278**

Guarantees, as part of the overall facilities including term loans, overdraft, merchant facilities and bank guarantees, are full secured by a fixed and floating charge over all existing and future assets and undertakings of Corporate Travel Management Group Ltd for Australia and New Zealand. There are no assets pledged as security for facilities held in Asia (refer note 14).

There were no other contingencies as at reporting date (2014: $nil).

18. COMMITMENTS

(a) Operating lease commitments – Group as lessee

The Group has entered into commercial leases for the rental of premises. These leases have an average life of between one and three years. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	2015 $'000	2014 $'000
Within one year	8,268	5,818
After one year but not more than five years	13,690	7,095
More than five years	-	28
Total	**21,958**	**12,941**

18. COMMITMENTS continued

(b) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2015 $'000	2014 $'000
Intangible assets	143	-

Accounting policy

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a rights to use the asset.

Operating lease payments, which do not transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are recognised as an expense in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

Incentives for entering into operating leases are recognised on a straight-line basis over the term of the lease.

Lease income from operating leases, where the Group is a lessor, is recognised in income on a straight-line basis over the lease term.

19. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no other matters or circumstances not otherwise dealt with in this report, that will significantly affect the operation of the Group, the results of those operations or the state of affairs of the Group or subsequent financial years.

OTHER ITEMS

This section provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements, however are not considered critical in understanding the financial performance of the Group.

20. OTHER CURRENT ASSETS

	2015 $'000	2014 $'000
Prepayments	3,242	1,961
	3,242	**1,961**

21. PLANT AND EQUIPMENT

	Furniture, fixtures and equipment $'000	Computer equipment $'000	Leasehold improve-ments $'000	Other $'000	Total $'000
Year ended 30 June 2015					
Cost	4,818	3,154	3,750	414	12,136
Accumulated depreciation	(3,747)	(2,350)	(2,101)	(241)	(8,439)
	1,071	**804**	**1,649**	**173**	**3,697**
Opening net book amount	593	627	1,943	208	3,371
Additions	525	501	205	67	1,298
Additions through the acquisition of entities / businesses [note 7]	296	177	177	54	704
Disposals	(2)	-	-	-	(2)
Depreciation charge	(390)	(642)	(766)	(122)	(1,920)
Exchange differences	49	141	90	(34)	246
Closing net book amount	**1,071**	**804**	**1,649**	**173**	**3,697**
Year ended 30 June 2014					
Cost	3,572	2,635	3,980	689	10,876
Accumulated depreciation	(2,979)	(2,008)	(2,037)	(481)	(7,505)
	593	**627**	**1,943**	**208**	**3,371**
Opening net book amount	626	543	1,868	129	3,166
Additions	64	370	332	31	797
Additions through the acquisition of entities / businesses	215	226	385	133	959
Disposals	-	-	-	-	-
Depreciation charge	(299)	(493)	(621)	(79)	(1,492)
Exchange differences	(13)	(19)	(21)	(6)	(59)
Closing net book amount	**593**	**627**	**1,943**	**208**	**3,371**

No additions during the year (2014: $nil) were financed under lease agreements.

Additions of $56,000 (2014: $31,306) relate to a lease make-good asset recognised under AASB 137 Provisions, contingent liabilities and contingent assets.

Accounting policy

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the item. All other repairs and maintenance costs are charged to the profit and loss in the Consolidated Statement of Comprehensive Income during the reporting period in which they are incurred.

21. PLANT AND EQUIPMENT continued

Impairment of non-financial assets, other than goodwill and intangible assets

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in profit or loss in the year the asset is derecognised.

22. FAIR VALUE MEASUREMENT

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Contingent consideration.

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level according to the following hierarchy:

a. Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

b. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and

c. Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following information represents the Group's assets and liabilities measured and recognised at fair value at 30 June 2015:

Liabilities: Level 3 – Contingent Consideration $38,436,486 (30 June 2014: $58,000).

22. FAIR VALUE MEASUREMENT continued

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the year ended 30 June 2015:

	Contingent Consideration $'000
Opening balance 1 July 2014	57
Additions	38,144
Paid out (cash and shares)	(16)
Transfer to other payables	(3,581)
Foreign exchange movement	3,534
Discount unwind	299
Closing balance 30 June 2015	**38,437**

There were no changes made to any of the valuation techniques applied as of 30 June 2015.

Valuation inputs and relationships to fair value quantitative information about the significant unobservable inputs used in level 3 fair value measurements is summarised as follows:

Description:	Contingent consideration
Fair Value at 30 June 2015:	$38,437,000
Valuation technique used:	Discounted cash flows
Unobservable inputs:	Forecast EBITDA
Discount rate:	3.51%

The main level 3 inputs used by the Group in measuring the fair value of financial instruments are derived and evaluated as follows:

- Discount rates: these are determined using a model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset.
  An increase/ (decrease) in the discount rate by 100 bps would (decrease)/ increase the fair value by ($437,972)/ $452,017
- Forecast EBITDA, the entity's knowledge of the business and how the current economic environment is likely to impact it.
  If forecast EBITDA were 5% higher or lower, the fair value would increase/decrease by $146,034/ ($3,334,085)

Fair values of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the Statement of Financial Position. For these instruments, their carrying value was considered to be a reasonable approximation of their fair value.

Due to their short-term nature, the carrying amounts of the current receivables, current payables and current borrowings are assumed to approximate their fair value.

Valuation processes

The finance department of the Group performs the valuations of assets required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussions of valuation processes and results are held between the CFO, AC, and the finance team at least once every six months, in line with the Group's reporting dates.

23. SHARE-BASED PAYMENTS

Share appreciation rights

The establishment of the CTM Share Appreciation Rights (SARs) Plan was approved by the Board on 19 October 2012. The SARs Plan is designed to provide long-term incentives for senior executives to deliver long-term shareholder returns. Under the plan, participants are granted SARs which only vest if certain performance standards are met, and the employee remains in service. Participation in the plan is at the Board's absolute discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Once vested, a participant will be deemed to have automatically exercised all vested SARs and CTM will settle its obligation in line with the SARs Plan. There is no consideration payable by the participant upon exercising of vested SARs. When exercised, the conversion of a SAR to an equity or cash based settlement, is determined using a formula referencing the relevant share prices of CTM, the number of SARs exercised, and is at the Board's sole absolute discretion.

Grants made during 2015 will vest on a scaled basis as follows:

- 75% vest at 80% target achievement; and
- 100% at 100% target achievement.

For equity based settlements, the calculation is as follows:

- Equity Settlement Amount = ((SMV – BP) / SMV) x PQSR

For cash based settlements, the calculation is as follows:

- Cash Settlement Amount = (SMV – BP) x PQSAR

Where:

- *Equity Settlement Amoun*t – is the number of shares to be issued or transferred to the relevant participant in equity settlement of the performance qualified SAR at exercise;
- *Cash Settlement Amount* – is the amount paid to a participant in cash settlement of a performance qualified SAR at exercise;
- *SMV* – the Subsequent Market Value is the market value of a CTM Ltd share as at the performance qualification date in connection with that SAR;
- *BP* – the Base Price of the SAR as determined by the Board; and
- *PQSAR* – is the total number of performance qualified SARs with the same Base Price held by the relevant participant.

SARs granted under the plan carry no dividend or voting rights.

The following table are summarises the SARs granted under the plan:

	2015		2014	
	Average exercise price per share right	Number of SARS	Average exercise price per share right	Number of SARS
As at 1 July	-	495,000	-	150,000
Granted during the year	-	1,215,000	-	345,000
Exercised during the year	-	-	-	
Forfeited during the year	-	(235,000)	-	
As at 30 June	**-**	**1,475,000**	**-**	**495,000**
Vested and exercisable at 30 June	**-**	-	-	-

No SARs expired during the periods covered by this table.

23. SHARE-BASED PAYMENTS continued

SARs outstanding at the end of the year have the following expiry date and share base prices:

Grant date	Expiry date	Base price	SARS 30 June 2015	SARS 30 June 2014
5 November 2012	5 November 2015	$4.00	125,000	150,000
1 July 2013	1 July 2016	$5.00	310,000	345,000
1 July 2014	1 July 2017	$7.00	1,040,000	
			1,475,000	**495,000**

Fair value of SARs granted

The assessed fair value at grant date of the SARs granted during the year ended 30 June 2015 was $1.06 per SAR (2014 - $0.40). The fair value at grant date has been determined using a Black-Scholes pricing model that takes into account the share price at the time of the grant, the exercise price, the term of the SAR, the expected dividend yield, the expected price volatility of the underlying share and the risk free interest rate for the term of the SAR.

The fair value model inputs for SARs granted during the year ended 30 June 2015 included:

- SARs are granted for no consideration and vest based on Corporate Travel Management Limited's Earnings per Share growth over a 3 year vesting period.
- Base price: $7.00 (2014 - $5.00).
- Grant Date: 1 July 2014 (2014 – 1 July 2013).
- Expiry Date: 1 July 2017 (2014 – 1 July 2016).
- Share Price at Grant Date: $6.39 (2014 - $4.05).
- Expected price volatility of the Group's shares: 32.26% (2014 – 25%).
- Expected dividend yield: 3.0% (2014 – 2.7%).
- Risk-free interest rate: 2.64% (2014 – 4.0%).

The expected price volatility is based on the historic volatility, based on the remaining life of the SARS, adjusted for any expected changes to future volatility due to publicly available information.

Expenses arising from SARS

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense relating to share appreciation rights is $417,000 (2014: $96,000).

Accounting policy

Share-based compensation benefits are provided to employees by way of a SARs. The fair value of SARs granted is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of SARs that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the CTM revises its estimates of the number of SARs that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

24. INTERESTS IN OTHER ENTITIES

(a) Material subsidiaries

The Group's principal subsidiaries at 30 June 2015 are set out in the following table. Unless otherwise stated, each entity has share capital consisting solely of ordinary shares that are held by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

24. INTERESTS IN OTHER ENTITIES continued

Name of entity	Place of business/ country of incorporation	Ownership interest held by The Group		Ownership interest held by non-controlling interest		Principal activities
		2015	2014	2015	2014	
		%	%	%	%	
Corporate Travel Management Group Pty Ltd*	Australia	100	100	-	-	Travel services
Sainten Pty Ltd*	Australia	100	100	-	-	Travel services
Floron Nominees Pty Ltd*	Australia	100	100	-	-	Travel services
WA Travel Management Pty Ltd*	Australia	100	100	-	-	Travel services
Travelogic Pty Ltd*	Australia	100	100	-	-	Travel services
Corporate Travel Management (New Zealand) Limited*	Australia	100	100	-	-	Travel services
Travelcorp Holdings Pty Ltd*	Australia	100	100			Travel services
Travelcorp (Aust) Pty Ltd*	Australia	100	100			Travel services
ETM Travel Pty Ltd*	Australia	100	100	-	-	Travel services
Corporate Travel Management North America Limited*	United States of America	100	100	-	-	Investment holding
R&A Travel Inc.*	United States of America	100	100	-	-	Travel services
Travelcorp LLC*	United States of America	100	100	-	-	Travel services
USTravel Alaska, LLC*	United States of America	100	-	-	-	Travel services
Forestieri Interests Corp (Company)* (trading as Avia International Travel)	United States of America	100	-	-	-	Travel services
Avia International Travel Ltd*	United Kingdom	100	-	-	-	Travel services
TMC Group Inc* (trading a Diplomat Travel Services)	United States of America	100	-	-	-	Travel services
Corporate Travel Management (UK) Limited	United Kingdom	100	100	-	-	Investment holding
Wealthy Aim Investments Limited	British Virgin Islands	75.1	75.1	24.9	24.9	Investment holding
Westminster Travel Limited	Hong Kong	100	100	-	-	Travel services
Jecking Tours & Travel Limited	Hong Kong	100	100	-	-	Travel services
Westminster Travel (China) Limited	Hong Kong	100	100	-	-	Investment holding
Westminster Travel (Guangzhou) Limited	People's Republic of China	100	100	-	-	Investment holding
Westminster Travel Consultancy (Guangzhou) Limited	People's Republic of China	100	100	-	-	Travel services
Beijing Westminster Air Service Company Limited	People's Republic of China	100	100	-	-	Travel services / sale of air tickets
Westminster Travel Limited	Macau	100	100	-	-	Travel services
Wincastle Travel (HK) Limited	Hong Kong	75	75	25	25	Travel services
Westminster Travel Limited	Taiwan	100	100	-	-	Travel services

24. INTERESTS IN OTHER ENTITIES continued

Name of entity	Place of business/ country of incorporation	Ownership interest held by The Group		Ownership interest held by non-controlling interest		Principal activities
		2015	2014	2015	2014	
Far Extent Investments Limited	Hong Kong	100	100	-	-	Leasing of properties
Westminster Travel (S) Pte. Ltd	Singapore	100	100	-	-	Travel services
S Travel Holdings Limited	British Virgin Islands	70	70	30	30	Investment holding
S Travel Limited	Hong Kong	70	70	30	30	Travel services
Profit Shine Holdings Limited	British Virgin Islands	100	100	-	-	Investment holding
TLX Travel Limited	Hong Kong	100	100	-	-	Travel services
TLX Overseas Education Centre Limited	Hong Kong	100	100	-	-	Overseas educational consultancy service
MIATravel International Limited	Hong Kong	60	60	40	40	Travel service
Chambers Travel Group Limited	England and Wales	100	-	-	-	Investment holding
Chambers Travel Management Limited	United Kingdom	100	-	-	-	Travel service
Chambers Travel Management Sweden AB	Sweden	100	-	-	-	Travel service
Chambers Travel Netherlands B.V.	Netherlands	100	-	-	-	Travel service
Chambers Reise Management GmbH	Switzerland	100	-	-	-	Travel service
Chambers Travel management GmbH	Germany	100	-	-	-	Travel service
Chambers Travel Europe SAS	France	60	-	40	-	Travel service

* These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/14 issued by the Australian Securities and Investments Commission. For further information refer to note 27.

(b) Non-controlling interests (NCI)

The following table summarises the financial information for Wealthy Aim Investments Limited ("Westminster Travel"), which has a non-controlling interest which is material to the Group.

The Westminster Travel Group and Chambers Travel Group Limited both includes non-controlling interests which are not material to the Group.

The amounts disclosed are before inter-company eliminations.

Summarised Statement of Financial Position	2015 $'000	2014 $'000
Current assets	129,940	92,746
Current liabilities	(90,454)	(72,112)
Current net assets	**39,486**	**24,634**
Non-current assets	18,442	15,747
Non-current liabilities	(1,108)	(1,368)
Non-current net assets	**17,334**	**14,361**
Net assets	**56,820**	**38,995**
Accumulated NCI	**12,420**	**8,556**

24. INTERESTS IN OTHER ENTITIES continued

Summarised statement of Comprehensive Income	2015 $'000	For the five nmonths to 30 June 2014 $'000
Revenue	57,261	20,245
Profit for the period	11,808	3,540
Other comprehensive income	9,747	(107)
Total comprehensive income	**21,555**	**3,433**
Profit / (loss) allocated to NCI	**2,727**	**734**
Dividends paid to NCI	**913**	**-**
Summarised statement of Cash Flows		
Cash flows from operating activities	2,863	(3,049)
Cash flows from investing activities	(390)	630
Cash flows from financing activities	(3,135)	(1,412)
Net increase / (decrease) in cash and cash equivalents	**(662)**	**(3,831)**

25. RELATED PARTY TRANSACTIONS

(a) Parent entities

The ultimate parent entity within the Group is Corporate Travel Management Limited.

(b) Subsidiaries

Interest in subsidiaries are set out in note 24.

(c) Key management personnel compensation

	2015 $'000	2014 $'000
Short-term	3,576,026	1,652,669
Post-employment	185,666	121,818
Long-term benefits	22,887	(10,242)
Share-based payments	136,929	30,997
	3,921,508	**1,795,242**

Detailed remuneration disclosures are provided in the Remuneration Report on pages 33 to 41.

(d) Transactions with other related parties

The following transactions occurred with related parties:	2015 $'000	2014 $'000
Expenses Payment for rent and outgoings in relation to an office lease paid to a party related to Mr Jamie Pherous	383	359
Payment for rent in relation to an accommodation lease paid to a related party Mr Chris Thelen	27	-
Payment for consultancy services paid to Admiral Robert J. Natter	7	-
Dividend revenue Other related parties	-	1,098
Subscription for new ordinary shares by key management personnel as a result of: Consideration for consultancy services	-	116
Reward and retention	-	115
Other Working capital advance	194	277

25. RELATED PARTY TRANSACTIONS continued

(e) Outstanding balances arising from other related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2015 $'000	2014 $'000
Other receivables Key management personnel	48	-
Other related parties	-	825
Other payables Parties related to key management personnel	-	25
Other related parties	471	277

(f) Loans to / from related parties

Loans to key management personnel	2015 $'000	2014 $'000
Beginning of the year	-	-
Loans advanced	-	3,868
Loan repayments received	-	(3,868)
Interest charged	-	58
Interest received	-	(58)
End of year	**-**	**-**

Loans to other related parties	2015 $'000	2014 $'000
Beginning of the year	-	-
Loans advanced	-	17,272
Loan repayments received	-	(17,272)
Interest charged	-	46
Interest received	-	(46)
End of year	**-**	**-**

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

(g) Terms and conditions

Directors for the Group hold other directorships as detailed in the Directors' Report. Where any of these related entities are clients of the Group, the arrangements are on similar terms to other clients.

All transactions were made on normal commercial terms and conditions and at market rates.

Outstanding balances are unsecured and are repayable in cash.

26. PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements of the parent entity show the following aggregate amounts:

Statement of financial position	2015 $'000	2014 $'000
Current assets	1,348	6,601
Total assets	**205,606**	**131,017**
Current liabilities	1,572	1,840
Total liabilities	**2,835**	**1,840**
Net assets	**202,771**	**129,177**
Shareholders' equity		
Issued capital	182,080	120,227
Reserves	8,887	1,158
Retained earnings	11,804	7,792
Shareholders' equity	**202,771**	**129,177**
Profit for the year	**16,621**	**7,339**
Total comprehensive income	**16,621**	**7,339**

(b) Guarantees entered into by the parent entity

The parent entity is party to the overall financing arrangements and related security as detailed in note 14 and note 17.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2015 or 30 June 2014.

(d) Contractual commitments

The parent did not have any contractual commitments at 30 June 2015 or 30 June 2014.

Accounting policy

The financial information for the parent entity, Corporate Travel Management Limited, has been prepared on the same basis as the consolidated financial statements, except as follows:

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of Corporate Travel Management Limited.

(ii) Tax consolidation legislation

Corporate Travel Management Limited and its wholly-owned Australian controlled entities have implemented tax consolidation legislation. The head entity, Corporate Travel Management Limited and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Corporate Travel Management 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 tax consolidated group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: OTHER ITEMS

26. PARENT ENTITY FINANCIAL INFORMATION continued

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Corporate Travel Management Limited for any current tax payable assumed and are compensated by Corporate Travel Management Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Corporate Travel Management Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts, to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to or distribution from wholly-owned tax consolidated entities.

(iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for.

27. DEED OF CROSS GUARANTEE

Corporate Travel Management Limited, Corporate Travel Management Group Pty Ltd, Floron Nominees Pty Ltd, Sainten Pty Limited, Travelogic Pty Limited, WA Travel Management Pty Ltd, Travelcorp Holdings Pty Ltd, Travelcorp (Aust) Pty Ltd, ETM Travel Pty Ltd and Corporate Travel Management (New Zealand), Corporate Travel Management North America Limited, R&A Travel Inc., Travelcorp LLC, USTravel Alaska LLC, Forestieri Interests Corp and TMC Group, Inc. are parties to a Deed of Cross Guarantee, under which each company guarantees the debts of the other companies.

By entering into the Deed, the wholly owned Australian entities have been relieved from the requirement to prepare a Financial report and Directors' Report under Class Order 98/1418 (as amended by Class Orders 98/2017, 00/0321, 01/1087, 02/0248 and 02/1017) issued by the Australian Securities and Investments Commission.

These companies represent a 'closed group' for the purposes of the Class Order and, as there are no other parties to the deed of cross guarantee that are controlled by Corporate Travel Management Limited, they also represent the 'extended closed group'.

The following table presents a consolidated income statement, a Consolidated Statement of Comprehensive Income and a summary of movements in consolidated retained earnings for the year ended 30 June 2015 of the closed Group.

(a) Consolidated Statement of Comprehensive Income

	2015 $'000	2014 $'000
Revenue	129,083	89,770
Other income	-	163
Total revenue and other income	**129,083**	**89,933**
Operating expenses		
Employee benefits	(72,244)	(52,204)
Occupancy	(5,116)	(3,390)
Depreciation and amortisation	(4,809)	(2,896)
Information technology and telecommunications	(8,610)	(5,659)
Travel and entertainment	(2,235)	(1,844)
Administrative and general	(7,229)	(4,664)
Total operating expenses	**(100,243)**	**(70,657)**
Finance costs	(928)	(637)
Profit before income tax	**27,912**	**18,639**
Income tax expense	(7,585)	(5,720)
Profit for the year	**20,327**	**12,919**
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	12,266	(3,551)
Other comprehensive income for the period, net of tax	**12,266**	**(3,551)**
Total comprehensive income for the year	**32,593**	**9,368**

27. DEED OF CROSS GUARANTEE continued

(b) Consolidated Statement of Financial Position

	2015 $'000	2014 $'000
ASSETS		
Current assets		
Cash and cash equivalents	15,054	13,496
Trade and other receivables	32,636	24,365
Financial assets at fair value	18	18
Other current assets	1,046	641
Related party receivable	1,279	-
Total current assets	**50,033**	**38,520**
Non-current assets		
Plant and equipment	2,584	2,657
Intangible assets	119,089	74,593
Investment in related parties	94,649	48,905
Related party receivable	806	-
Total non-current assets	**217,128**	**123,040**
TOTAL ASSETS	**267,161**	**161,560**
LIABILITIES		
Current liabilities		
Trade and other payables	54,692	29,915
Income tax payable	1,284	1,205
Provisions	2,253	1,803
Total current liabilities	**58,229**	**32,923**
Non-current liabilities		
Trade and other payables	425	4,149
Provisions	1,112	954
Deferred tax liabilities	3,808	1,813
Total non-current liabilities	**5,345**	**6,916**
TOTAL LIABILITIES	**63,574**	**39,839**
NET ASSETS	**203,587**	**124,836**
EQUITY		
Contributed equity	161,705	102,938
Reserves	10,632	(1,634)
Retained earnings	31,250	23,532
TOTAL EQUITY	**203,587**	**124,836**

28. AUDITORS' REMUNERATION

The auditor of the Group is PricewaterhouseCoopers.

	2015 $'000	2014 $'000
Amounts received or due and receivable by:		
PricewaterhouseCoopers Australia:		
Audits and reviews of the financial reports of the entity and any other entity in the consolidated group	465,300	361,000
Other services in relation to the entity and any other entity in the consolidated group:		
Tax compliance	151,362	165,984
Tax services – acquisitions	42,218	88,904
Other advisory services	18,832	39,619
Total remuneration of PricewaterhouseCoopers Australia	**677,712**	**655,507**
Other PricewaterhouseCoopers network firms:		
Other services in relation to the entity and any other entity in the consolidated group:		
Audit and review of financial report	394,716	269,059
Tax compliance	104,326	52,594
Tax services – acquisitions	37,283	98,566
Total remuneration of PricewaterhouseCoopers network firms	**536,325**	**420,219**

29. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Corporate Travel Management Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000), unless otherwise stated.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities, fair value through profit or loss.

(b) New and amended standards

The group has applied the following standards and amendments for first time for their annual reporting period commencing 1 July 2014:

- AASB 132 Financial Instruments: Presentation and AASB 2012-3 Offsetting Financial Assets and Financial Liabilities.
- AASB 136 Impairment of Assets and AASB 2013-3 Limited amendment of impairment disclosures.
- AASB 139 Financial Instruments: Recognition and measurement and AASB 2013-4 Novation of derivatives and hedge accounting.

The adoption of these standards only affected the disclosures in the notes to the financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period ending 30 June 2015 and have not been adopted early by the Group. The Group's assessment of the impact of these new standards and interpretations is set out in the following table.

29. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES continued

(b) New and amended standards continued

Title of standard	Nature of change	Impact	Mandatory application date / date of adoption by the Group
AASB 9 Financial instruments	AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	The new hedging rules align hedge accounting closely with the Group's risk management practices. As a general rule, it will be easier to apply hedge accounting in the future. The new standard also introduces expanded disclosure requirements and changes in presentation. The Group is still considering its full impact.	Mandatory for financial years commencing on or after 1 January 2018. Expected date of adoption by the Group: 1 July 2017.
AASB 15 Revenue from contracts with customers	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118, which covers standard contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach, entities will recognise transitional adjustments in retained earnings on the date of initial application, without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.	The Group has not yet considered the impact of the new rules on its revenue recognition policies. It will undertake a detailed assessment in the near future.	Mandatory for financial years commencing on or after 1 January 2017. Expected date of adoption by the Group: 1 July 2017.

Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with policies adopted by the Group.

(c) Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Directors' Declaration

In the Directors' opinion:

a. The financial statements and notes set out on pages 46 to 104 are in accordance with the Corporations Act 2001, including:
   i Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   ii Giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; 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 members of the extended closed group identified in note 27 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 27.

Note 29 confirms that the 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.

Tony Bellas

Mr Tony Bellas
Chairman

Jamie Pherous
Managing Director

Brisbane, 26 August, 2015

Independent auditor's report to the members of Corporate Travel Management Limited

Report on the financial report

We have audited the accompanying financial report of Corporate Travel Management Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Corporate Travel Management Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 29, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757
Riverside Centre, 123 Eagle Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

Auditor's opinion

In our opinion:

(a) the financial report of Corporate Travel Management Limited is in accordance with the *Corporations Act 2001*, including:

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

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

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 29.

Report on the Remuneration Report

We have audited the remuneration report included in pages 33 to 41 of the directors' report for the year ended 30 June 2015. 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.

Auditor's opinion

In our opinion, the remuneration report of Corporate Travel Management Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

Michael Shewan
Partner

Brisbane
26 August 2015

Shareholder information

The shareholder information set out below was applicable at 29 July 2015.

a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Number of shareholders
1 – 1,000	3,967
1,001 – 5,000	3,802
5,001 – 10,000	709
10,001 – 100,000	490
100,001 and over	50
	9,018

b) Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed as follows:

	2015 $'000	Percentage of issued shares
Pherous Holdings Pty Ltd	21,500,000	22.17%
HSBC Custody Nominees (Australia) Ltd	8,294,497	8.55%
J P Morgan Nominees Australia Limited	7,823,680	8.07%
Claire Lesley Gray	4,977,239	5.13%
National Nominees Limited	4,581,203	4.72%
Matthew Michael Cantelo	2,295,072	2.37%
BNP Paribas Noms Pty Ltd	2,203,563	2.27%
Steven Craig Smith	2,107,572	2.17%
Citicorp Nominees Pty Ltd	1,933,526	1.99%
Mr Matthew Dalling	1,404,796	1.45%
Matimo Pty Ltd	1,221,197	1.26%
Ms Helen Logas	1,113,729	1.15%
RBC Investor Services, Australia Nominees Pty Limited	986,457	1.02%
Christopher Alexander Thelen	905,547	0.93%
Doobie Investments Pty Limited	882,893	0.91%
Lyndall Mccabe	604,539	0.62%
RBC Investor Services Australia Nominees P/L	601,621	0.62%
Mr Michael Pherous & Mrs Diane Pherous	538,488	0.56%
Murdoch Investments Pty Ltd	499,254	0.51%
Citicorp Nominees Pty Limited	424,120	0.44%
	64,898,993	**66.91%**

c) Substantial holders

Substantial holders (including associate holdings) in the Company are set as follows:

	Number held	Percentage of shares issued
Pherous Holdings Pty Ltd	21,500,000	22.17%
HSBC Custody Nominees (Australia) Ltd	8,294,497	8.55%
J P Morgan Nominees Australia Limited	7,823,680	8.07%
Claire Lesley Gray	4,977,239	5.13%

Ordinary shares voting rights

On a show of hands, every member present at a meeting in person or by proxy shall have one vote. Upon a poll, each share shall have one vote. There are currently no options held.

Corporate Directory

DIRECTORS	Tony Bellas Stephen Lonie Greg Moynihan Jamie Pherous Claire Gray Admiral Robert J. Natter, U.S. Navy (Ret.)
SECRETARY	L. McCabe S. Fleming
NOTICE OF ANNUAL GENERAL MEETING	The annual general meeting of Corporate Travel Management will be held in Sydney on Tuesday 27 October 2015 at 11 am.
PRINCIPAL REGISTERED OFFICE IN AUSTRALIA	27a / 52 Charlotte Street Brisbane QLD 4000
SHARE REGISTER	LINK Market Services Ph: 1300 554 474
AUDITOR	PricewaterhouseCoopers Australia 123 Eagle Street Brisbane QLD 4000
STOCK EXCHANGE LISTING	Corporate Travel Management shares are listed on the Australian Securities Exchange (ASX).
WEBSITE ADDRESS	www.travelctm.com
ABN	17 131 207 611

corporate travel management

REGISTERED OFFICE:
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Brisbane QLD 4000
www.travelctm.com