



30 August 2022

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

Dear Sir/Madam,

Please find attached the Helloworld Travel Limited 2022 Annual Report, incorporating the Corporate Governance Statement.

Yours faithfully,

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

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

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

ANNUAL REPORT

2022

Helloworld Travel Limited and Controlled Entities
Annual Report for the year ended 30 June 2022

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only
helloworld
TRAVEL LIMITED



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CORPORATE INFORMATION

DIRECTORS

Garry Hounsell (Chairman)

Andrew Burnes, AO (Chief Executive Officer)

Cinzia Burnes

Rob Dalton

Andrew Finch

GROUP COMPANY SECRETARY

Sylvie Moser

REGISTERED AND PRINCIPAL OFFICE

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

AUDITOR

Ernst & Young

8 Exhibition Street
Melbourne VIC 3000

STOCK EXCHANGE

Australian Securities Exchange Limited

Level 4
20 Bridge Street
Sydney NSW 2000

ASX CODE

ASX code: HLO

SHARE REGISTRY

Automic Pty Ltd

Level 5, 126 Phillip Street
Sydney NSW 2000
hello@automic.com.au
1300 288 664 (within Australia) or
+61 2 9698 5414 (outside Australia)

WEBSITE

www.helloworldlimited.com.au



The following terms have been used through this Annual Report:

AGM	Annual General Meeting
AOT	AOT Group Pty Limited and its controlled entities
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COMPANY	The parent entity, Helloworld Travel Limited
DMC	Destination Management Company
EBITDA	Earnings before interest expense, tax, depreciation and amortisation
EPS	Earnings per share
FAR	Fixed Annual Remuneration
FY21	Financial Year ended 30 June 2021
FY22	Financial Year ended 30 June 2022
FY23	Financial Year ended 30 June 2023
GROUP	The Helloworld Travel Group, comprising Helloworld Travel Limited and its controlled entities
HELLOWORLD TRAVEL	Helloworld Travel Limited
HLO	Helloworld Travel Limited
KMP	Key Management Personnel
LTIP	Long Term Incentive Plan
MTA	Mobile Travel Holdings Pty Limited and its controlled entities
PCP	Prior Comparative Period
QANTAS	Qantas Airways Limited
STIP	Short Term Incentive Plan
TTV	Total Transaction Value
VFR	Visiting Friends and Relatives
VH	Viva Holidays

HELLOWORLD TRAVEL LIMITED - OUR BRANDS

RETAIL



Travel agencies who adopt full Helloworld branding and reinforce the brand message in the marketplace.



Agencies with loyal high-end clients managing their own brand and marketing while leveraging the buying benefits of the Helloworld Travel Group.



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



Australia's leading group of mobile travel agents for leisure and corporate travel. With over 470+ agents utilising our technology and group buying powers.



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



With over 100 mobile travel specialists, the Travel Brokers is one of New Zealand's leading Travel Broker networks.



Independent buying network affiliated to Helloworld Group, able to leverage the strength of our supplier relationships and maintain their independence.



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

WHOLESALE



One of the largest wholesale brands in Australia with over 40 years' experience, offering an extensive range of products covering most destinations throughout the world.



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



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



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



Cruiseco is a specialist cruise package wholesaler that provides access to over 40,000 products from 50 cruise lines, and creates exclusive fly/cruise products and specialised charters to help members grow their cruise business.

DMC



A leading inbound tour operator in Australia, offering an excellent booking platform and staff to service both the FIT and Group markets from UK, Europe, USA and other long-haul Western markets.



The leading Australian inbound tour operator specializing in Asia, with offices in Shanghai, Singapore, Hong Kong and Jakarta.



A leading inbound tour operator with offices in Australia, New Zealand and Fiji. ATS Pacific provides specialty inbound services in all three destinations for FIT and Groups. Markets include UK, Europe, USA, Western long haul and Japan.



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

ONLINE

need it now right price, right location, right now!

Last minute accommodation website providing consumers with access to over 120,000 accommodation options around the world.

skiddoo A click away

An online travel agency providing consumers with access to discounted domestic and international airline tickets.

CONSOLIDATION

air tickets

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

smart tickets POWERED BY TICKETING WIZARD

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

TOUR OPERATING

TTf TOURIST TRANSPORT FIJI

Tourist Transport Fiji operates a fleet of 65 vehicles providing transfer services throughout Fiji with sightseeing tours and adventure packages under the Great Sights and Feejee Experience brands.

ENTERTAINMENT LOGISTIX

Entertainment Logistix Freight are the industry leaders in providing specialised and dedicated purpose built equipment for local and international touring artists.





TRAVEL REBOUNDING AS IT ALWAYS DOES

“Over the years the global travel industry has shown itself to be extraordinarily resilient and once again this is ringing true.”

Having endured the massive challenges of the last two years, the last half of FY22 saw the beginnings of the much anticipated rebound in global travel, with capacity, demand and prices soaring compared to 2021 and 2020.

In Australia this was particularly so from March 2022 onwards and this is reflected in Helloworld's own performance, particularly in the fourth quarter where Helloworld Travel was able to return to operational profitability after eight quarters of relatively small but consistent losses.

The financial year just finished was a story of four quite different quarters as various COVID-19 waves came and went and with that travel restrictions came on and off again. Towards the end of the first half, we saw demand significantly increase as infection rates eased, the weather improved and domestic demand picked up, particularly through the Christmas / New Year break.

With international borders reopening at the beginning of the second half, demand for international travel improved dramatically and agents across both Australian and, not long after that, New Zealand reported a massive up-lift in demand. In some cases, this either equalled or exceeded the comparative levels in 2019. Today there are very few restrictions for both vaccinated and unvaccinated travellers in any country around the world and what restrictions remain in place are being slowly eased.

We continue to be both grateful to and in awe of the extraordinary resilience of the travel agents who make up the various networks Helloworld Travel operates in both Australia and New Zealand. Despite over two years of either restricted or totally closed trading conditions, agents have been able to find a pathway through the extraordinary financial and emotional challenges COVID-19 has created and despite the roller coaster conditions the majority of the agents in Helloworld's networks have survived and are now thriving on serving the needs of, not only their existing customers, but also many new customers who now understand even better the exceptional benefits that using a professional travel agent brings to their travel experience.

I want to take this opportunity to thank my Board colleagues for their efforts across the last financial year and right across the period since February 2020 when COVID-19 first arrived on the scene. No one could have anticipated the dramatic impact this would have on our business, on our industry and on the entire economy and it has been a credit to the Board, Management, all the personnel at Helloworld and right across every single agency that is part of our networks to see us now emerging out the other side of this pandemic with our business largely intact, our networks largely intact and with the continued support and respect of our customers on both sides of the Tasman and around the world.



Garry Hounsell

Chairman
Helloworld Travel Limited
Melbourne, 30 August 2022



Q4 - THE TURNING POINT

We didn't know how long the pandemic would impact our industry, but it's safe to say the demand for both local and international travel is recovering rapidly.

Helloworld Travel has successfully managed to weather the storm of COVID-19 over the last 2 1/2 years. Australia's borders closed indefinitely on 20 March 2020 with New Zealand, Fiji and much of the world also shutting their borders to all international arrivals and departures.

From the dark days of March 2020, when we were forced to rapidly reduce our workforce we are now seeing much better days and over the last few months have been able to bring many people back into the business to manage the increased demand for our services and the services of our agents from our customers.

We are in awe of the way the agents in our networks, our supplier partners, our international wholesale partners and our amazing team at Helloworld Travel Limited have been able to maintain their businesses throughout this period of sustained lockdowns and restrictions and it is exciting to see them emerging from the COVID-19 nightmare.

Since the announcement of border re-openings in Australia and New Zealand late last year, booking numbers have increased steadily to be at approximately 50-80% of pre-COVID-19 levels in terms of new bookings. This has really warmed our

spirits and renewed our enthusiasm as the demand for travel is still very much there and our supplier partners around the world have been outstanding in facilitating increased availability as demand has grown.

With New Zealand borders re-opening, we have seen bookings for trans-Tasman travel pick up significantly and we expect this coming summer period will be extremely busy in both directions.

In the meantime, Fiji which has been open since December 2021, has seen a steady increase in inbound bookings. It's fantastic to see the Fijian industry coming back to life as international arrivals flock back and the economic benefits of our wonderful industry start to flow to the people who make it so great.

The lifting of the ban on international cruise ships effective 17 April 2022 was welcome news. It had been a long time coming and agents and their clients across Australia were both relieved and thrilled this ban was finally lifted. Pre-COVID-19, cruise sales made up on average a third or more of most Helloworld network agents' leisure sales and also contributed significantly to their air and land sales and the rebounding cruise market is driving our leisure total transaction value ("TTV") across the board.

On 1 April 2022, we announced the completion of the Helloworld Corporate and Entertainment Travel businesses sale in Australia and New Zealand to Corporate Travel Management Limited (ASX: CTD). Consideration for the sale totaling \$184.8 million (excluding working capital adjustments) and comprising \$100.0 million in cash and \$84.8 million in CTD shares (3,571,429 shares) was received.

The net outcome of this was that HLO recorded a significant profit on the sale of these operations which resulted in a net profit after tax of \$90 million for the year.

As supply chain disruptions diminish and leisure travel demand continues to rebound from the COVID-19 disruption, Helloworld is well positioned to focus on emerging opportunities in this market. Furthermore, as a major shareholder in CTM and with our Helloworld Business Travel agency network, our Magellan Travel corporate members and our corporate specialists in New Zealand, Helloworld will also continue to actively participate in the strong rebound in the corporate travel market in Australia.

Throughout the COVID-19 pandemic we have not been sitting idle. We have made significant enhancements

to our systems, most particularly our wholesale and inbound systems ("Mango" and "Ready Rooms"), our Air Tickets booking engine ("Smart Tickets") and our retail agency mid-office platform, "ResWorld".

These enhancements are designed to render our business and the businesses of our agents more productive and are already delivering better outcomes across our distribution platforms.

I am very pleased to say that our supplier relationships have remained intact throughout COVID-19, and we thank all of you that continue to engage with the various parts of the Helloworld business to ensure that we have sufficient inventory and attractive commercial terms to drive our networks to sell your products.

Many of these relationships span 20 years or more and we look forward to continuing with those long-term relationships and to working with new partners as our industry continues to rebuild.

We are also grateful for the ongoing support of many State Tourism Authorities and National Tourism Organisations supporting our sales and marketing activities. These have never been as important to our wholesale operations than in this post-COVID-19 world.

In FY22, Helloworld, including our Corporate and Entertainment Travel businesses, achieved just over \$1.56 billion in TTV, with revenue and other income of \$92 million.

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

We continued to maintain very tight cost management across all of our businesses keeping our operating losses to a minimum throughout the period, achieving an EBITDA loss of \$7.0 million in FY22 for the total business and \$10.6 million on a continuing operations basis, a significant improvement on FY21's \$24.5 million EBITDA loss for continuing operations.

Capital management and dividends

When the pandemic struck and borders closed in February / March 2020 Helloworld had ~\$100 million of external bank debt. During the pandemic we repaid \$30 million of that debt from surplus cash after completing an equity raising of ~\$50 million in August 2020. In order to minimize the dilutive

REPORT FROM OUR CEO AND MANAGING DIRECTOR

impact of this equity issuance, we kept this raising to a minimum, issuing 30 million new shares at \$1.65.

Following on from the sale of our Corporate and Entertainment Travel businesses, we repaid the remaining \$70 million of external bank debt. With the exception of some minor bank guarantees, mainly to our commercial landlords, as at 30 June 2022 Helloworld has no external debt.

An outcome of this has been a reduction in our interest expense and an increase in our interest income with prudent cash management of our surplus cash. In addition to this, Helloworld's shareholding in CTM is a significant asset.

Helloworld is now in an excellent position in relation to potential future acquisitions and / or possible distributions to shareholders through various mechanisms. We believe macro economic challenges aside, the demand for travel will remain strong in the coming 12-24 months, particularly as airfares begin to normalise and supply side constraints are addressed.

With the sale of the Corporate and Entertainment Travel businesses, a reduction in our external debt to zero and a strong balance sheet, we are pleased to announce a fully franked dividend of 10 cents per share, payable on 23 September, 2022.

Helloworld maintained growing dividend payments from 2016 to 2019, returning profits to shareholders and while this was not appropriate during COVID-19 we are now confident that our business and our industry has turned the corner and that travel, particularly leisure travel, will continue to recover over the medium term.

Industry and staff resilience

Helloworld is now emerging from the toughest period in its history and the incredible efforts of our team members across Australia, New Zealand, Fiji and other parts of the world has been extraordinary.

The support Helloworld had from both Federal and State Governments via both JobKeeper and other assistance grants, together with a long-term call centre contract from the Victorian Government were crucial to our long-term survival and we say thank you.

Travel agents across Australia also benefited from three rounds of industry support totaling \$258 million via the Travel Agents Consumer Support Scheme and this was critical in promoting the survival of this essential sector of our industry. This is evidenced by the strong demand for travel agent services and we see that only increasing in the years ahead.

Our personnel in Australia, New Zealand, Fiji and elsewhere made a lot of sacrifices throughout

the pandemic including reduced salaries, reduced hours, being stood down and then being put under enormous pressure as demand skyrocketed at various times, including the last four months. It's been a huge effort to meet the latent demand that is now manifesting itself across the market and to manage the constant cancellations and re-bookings coming through our Air Tickets business.

The demand for personnel in Australia has never been greater. With unemployment at a record lows in Australia and New Zealand attracting new personnel is a challenge for just about every business around the country. Since December we have successfully recruited over 130 new personnel and in May 2022 Helloworld announced the launch of the Helloworld Academy to attract and train retail agency consultants across Australia. This is going very well, with 145 new trainees now enrolled across Australia. Attracting new entrants into our retail agency industry is essential for the recovery and we are confident that we can continue to attract new participants.

A return to profitability in Q4 and FY23 guidance

As reported in the first half of FY22, we were expecting a "break-even position or slightly better" outcome in the June quarter for our trading operations and I am pleased to report that the business returned to operational profitability in the June quarter.

In the June quarter, on a continuing operations basis, Helloworld recorded TTV of \$448 million up 156% on pcip and 30% of the value recorded in the corresponding period in FY19.

Following on from this, I am pleased to announce that we expect a continued recovery in FY23 with EBITDA in the range of \$22.0 to \$26.0 million, subject to no material adverse change in operating conditions impacting our business and the continued recovery from the COVID-19 pandemic.

Assuming conditions continue to recover and there are no further COVID-19 relapses, we remain confident that the leisure travel market will recover to pre-COVID-19 levels on a full-year basis by FY25.



Andrew Burnes, AO

Chief Executive Officer and Managing Director
Helloworld Travel Limited
Melbourne, 30 August 2022



TRAVEL IS BACK!

Helloworld has a wide footprint across Australia, New Zealand and Fiji.

There has been considerable activity over the past 12 months with national campaigns launched in support of Tourism Australia initiatives and international campaigns in first half of calendar 2022, all generating strong interest and positive results.

There are many national campaigns planned for the second half of calendar 2022, in support of the 'Holiday Here This Year' message. Across the Tasman there will be ongoing activity in New Zealand where we will showcase a broad range of travel options which ask our clients to embrace the 'Tiaki Promise' and treat New Zealand with care.

Campaigns for Fiji, Singapore, the UK and Canada were also very well received. The trend for luxury accommodation interest remains high as does demand for Premium Economy and Business Class for long haul international flights. New Zealand is by far the number one destination for confidence and intent to travel in the next 12 months, followed by the United Kingdom and Fiji.

The demand for domestic cruises is strong, however, customers are looking to cruise further afield with international cruises to Europe and the United States now bouncing back.

Like many companies, the past two years has provided an opportunity to review product offerings for our wholesale brands, culminating in the launch of Ultimate Journeys by Viva Holidays. Offering a range of bespoke journeys catering for the discerning traveller. Tailoring for small groups to private air charters, and luxury holidays for those who prefer to explore independently, with unique itineraries that include bucket-list destinations and highly coveted experiences, such as Scandinavia, Canada, New Zealand, Australia, the Northern Lights, Polar Bears and a White Christmas.

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FREIGHT – ENTERTAINMENT LOGISTIX

HLO acquired Show Travel in December 2018 and with that came Show Freight, a specialist freight operator in the entertainment field. Show Freight was not part of the corporate disposal.

Following on from the purchase of ATS Logistics business in 2021, the merged business was renamed earlier this year to Entertainment Logistix and the company is now operating over 100 vehicles, specialising in Live Entertainment, Theatre, TV

and Movie Production and other related fields. Helloworld owns 70% of the business and the remaining 30% is owned by our partner, David Fox. HLO is investing into the business to acquire new equipment and are moving our headquarters to new premises in Western Sydney in September, 2022.

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

HELLOWORLD RETAIL NETWORKS

Helloworld Travel Group has emerged from the COVID-19 pandemic with most of its business intact, although smaller, and with over 2,000 agencies and brokers throughout Australia and New Zealand in our agency and broker networks.

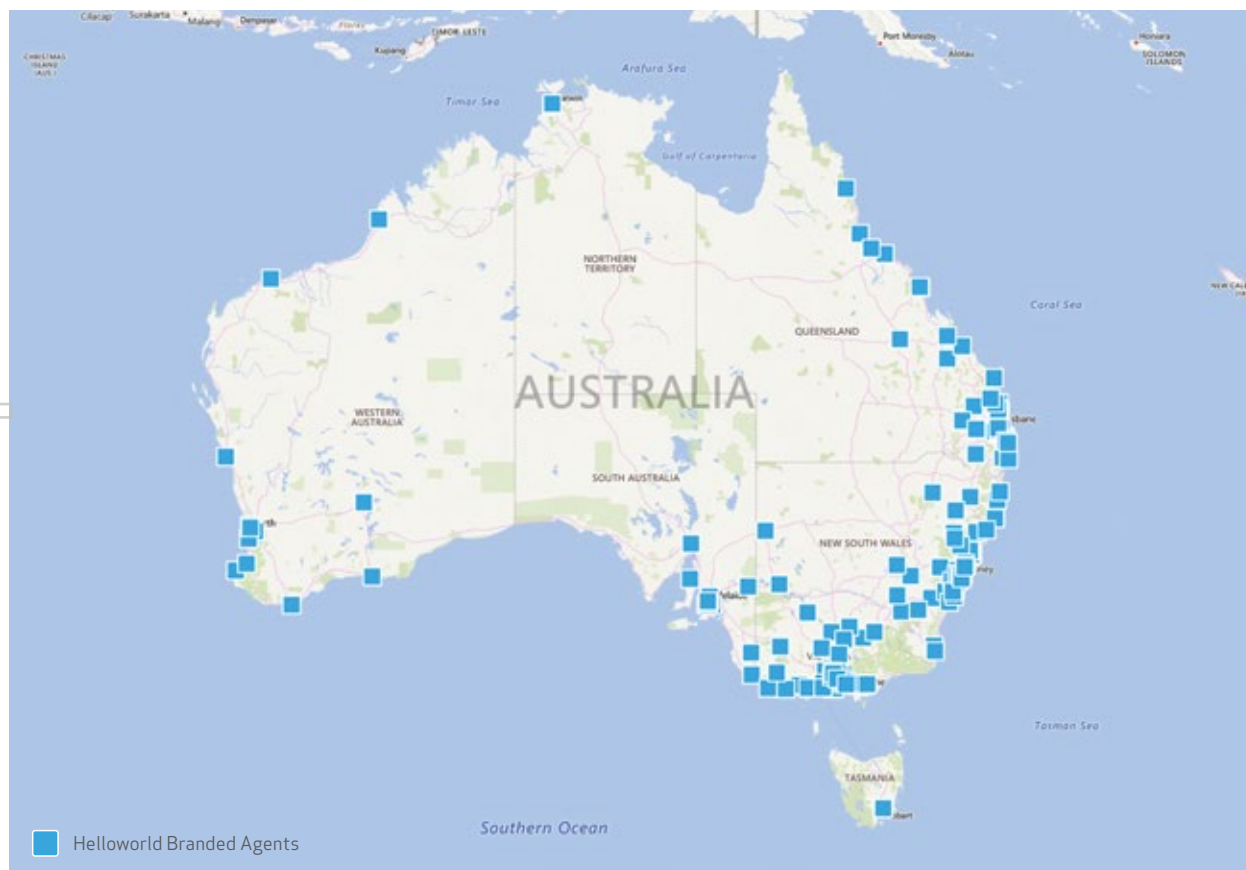
This includes a number of agents who took advantage of the end of their leases throughout the ravages of COVID-19 are now looking to get back into retail locations and Helloworld is working with them to help facilitate that. Across our networks on both sides of the Tasman, agents report the demand for their services is extremely strong and, while there is no doubt agents are finding it challenging to bring new staff on board, the launch of the Helloworld Travel Academy in Australia in May, 2022 has been very well received with 145 trainees now enrolled and working in agencies at the same time as they are completing a Certificate III in Travel and Tourism.

The challenges of both domestic and international travel, particularly in terms of flight cancellations, schedule changes, communications generally

with airlines and other suppliers and a range of other issues has made travel a more challenging experience than it was in the past and travel agents have, time and again proven themselves to be an absolutely essential service for travellers to utilise.

As part of our retail division, our Air Tickets operation continues to service the booking and ticketing needs for a huge number of agents across both sides of the Tasman and, with 96% of ticket issuance now automated, our customer service agents are again focussing on the needs of clients with more complex itineraries together with processing cancellations and refunds, which are much more a part of the everyday environment in air sales at present.

We anticipate our retail networks will continue to grow their businesses throughout FY23 as demand for travel continues to expand while complexity and challenging service propositions from suppliers remains.





WHOLESALE AND INBOUND

Our Wholesale and Inbound divisions were both dramatically affected by COVID-19, with Inbound grinding to a halt in Australia, New Zealand and Fiji, and our wholesale businesses focussing most of their efforts on Australian domestic travel across the last two years.

With the opening of international borders however, we have seen our wholesale numbers to destinations such as New Zealand, Fiji and Bali increase dramatically across the second half of FY22 and we are now seeing demand improve for longer haul destinations including North America, Europe and the UK.

At the same time, sales for our Inbound division and for our wholesale partners around the world, have

also increased and are now back at over 60% of 2019 levels with forward bookings in Australia and New Zealand for the coming summer months are strong. We expect that as air capacity to Australia increases and the cost of flights starts to normalise, this will increase back to 80-100% of pre-COVID-19 levels by the beginning of 2023.

There are continuing challenges in relation to supplier staffing numbers, with hotels, resorts and other facilities operating at less than 100% capacity but we believe that as FY23 progresses things will eventually return to their pre-COVID-19 state and operators generally will be able to return to offering full capacity.

CORPORATE

Helloworld's Corporate Travel Management division offered travel management services to corporate and government customers through a range of brands including QBT, AOT Hotels, Show Group, Traveledge and APX in New Zealand.

In FY19 these businesses, on a pro forma basis, generated \$1.4 billion worth of transaction values. In FY21, despite the challenges of COVID-19, our corporate division continued to deliver significant revenues in TTV throughout FY21 and FY22.

Following on the receipt of an offer to purchase the business from Corporate Travel Management (ASX: CTD) in September 2021, an agreement was reached for HLO to sell the corporate division to CTD for \$100 million (excluding working capital adjustments)

in cash and \$85 million of CTD shares valued as at the completion date, 31 March 2022.

The deal completed as scheduled on 31 March 2022 and as a result the previously owned corporate businesses of HLO transferred to CTM.

Helloworld continues to be actively involved in corporate travel via our stake in Corporate Travel Management and via the network members from our Helloworld Business Travel and Magellan Travel agency networks in Australia and our Associate network in New Zealand who specialise in or as part of a combined leisure business have significant corporate customers and operations.



FIJI

HLO's Fijian operations comprising our inbound businesses and our Tourism Transport Fiji business were effectively moth-balled throughout much of the COVID-19 pandemic with Fiji closed to both inbound and outbound travel.

Since the re-opening of the borders into Fiji with the rest of the world numbers have steadily increased for both of our businesses in Fiji and we have also expanded our Shared Services operations in Nadi, opening a new office in the town centre and providing for up to 160 personnel in that office together with the 100+ personnel we employ in our TTF business at our depot adjacent to Nadi airport.

Much of the previous shared services operations located in our Mumbai office are now being relocated to Nadi and the quality of staff we have been able to attract to the business has been extremely good. Fiji will continue to be a very important part of HLO's overall business and we will continue to invest in our vehicle fleet there and our capabilities both in inbound tour operator perspective but also from the administrative shared services that are also provided from within our facilities there.



A QUICK LOOK AT THE YEAR



EMPLOYEE NUMBERS

2019: **1,824** 2022: **600**



TRAVEL AGENTS IN THE HELLOWORLD NETWORKS

2019: **2,447** 2022: **2,000+**



AIR TICKETS SOLD

2019: **3.3M** 2022: **1.3M**



AGENCIES SERVICED BY WHOLESALE DIVISION

2019: **3,000+** 2022: **2000+**



SUPPLIERS IN OUR DATABASE

2019: **10,000** 2022: **25,000+**



DESTINATION MANAGEMENT SERVICES TO

2019: **73** COUNTRIES 2022: **80** COUNTRIES



REVENUE & OTHER INCOME

2019: **\$358M** 2022: **\$92M***

*including \$23 million for discontinued operations.



DIRECTORS' REPORT

The Directors of Helloworld Travel Limited (Helloworld Travel), present their Report together with the Financial Statements of the Consolidated Entity (Group) being Helloworld Travel Limited and the entities that it controlled at the end of, or during, the year ended 30 June 2022 and the Independent Auditor's Report.

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



Garry Hounsell

B Bus, FAICD, FCA

Non-Executive Director and Chairman

Appointment

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

Experience and Expertise

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

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

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

Other current directorships of listed entities:

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

Former directorships of listed entities in the last 3 years:

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

Other current directorships:

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

Special Responsibilities:

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

Interests in Shares:

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



Melbourne, Victoria



Andrew Burnes, AO

LLB, B Comm. (Melb)

Chief Executive Officer and Managing Director

Appointment

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

Experience and Expertise

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

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

Andrew was appointed a Director and subsequently Deputy Chairman of Tourism Australia in July 2004 and chaired the Audit and Finance Committee during this period. He was a Trustee of the Travel Compensation Fund from 2005 to 2009 and a Board member of the Australian Tourism Export Council ('ATEC') from 1998 and served as the organisation's National Chairman from 1999 to 2003.

Andrew served as Honorary Federal Treasurer of the Liberal Party from 2015 to 2019 and honorary State Treasurer of the Victorian Liberal Party From 2009 to 2011.

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

Special Responsibilities:

- Chief Executive Officer and Managing Director.

Interests in Shares:

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



Cinzia Burnes

Group General Manager – Wholesale & Inbound,
Executive Director

Appointment

Cinzia Burnes was appointed Group General Manager – Wholesale & Inbound, Helloworld Travel Limited and to the Board on 1 February 2016.

Experience and Expertise

Cinzia brings extensive sector and management experience to the Board.

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

Cinzia was a Director of Tourism Victoria from 2013 to 2015. She has also served as a Board member of Health Services Australia from 2005 to 2007 and the Australian Tourist Commission from 2001 to 2004.

Special Responsibilities:

- Group General Manager – Wholesale & Inbound.

Interests in Shares:

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



Rob Dalton

B Bus, FCA

Non-Executive Director

Appointment

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

Experience and Expertise

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

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

Until recently, Rob has been Acting Chief Executive of Sports Australia and the Australian Sports

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

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

Current directorships of listed entities:

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

Other current directorships:

- Blue Cross Community Care Services Pty Ltd (since 7 June 2022).

Special Responsibilities:

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



Andrew Finch

B Comm, LLB (UNSW), LLM (Hons 1 USYD),
MBA (Exec) AGSM)

Non-Executive Director

Appointment

Andrew Finch was appointed to the Board on 1 January 2017.

Experience and Expertise

Andrew is General Counsel and Group Executive, Office of the CEO and Group Company Secretary at Qantas Airways Limited and is a member of the Qantas Group Management Committee. He was previously a partner with Allens Linklaters where he specialized in mergers and acquisitions, equity capital markets and general corporate advice.

Special Responsibilities:

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



Sylvie Moser

B Bus, CPA, MBA, LLB, GAICD, LLM

Group Company Secretary

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

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

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

DIRECTORS' REPORT

DIRECTORS' MEETINGS

During the year, 10 meetings of the Board, five meetings of the Audit & Risk Committee, three meetings of the Remuneration Committee and two meetings of the Nominations & Governance Committee were held.

Attendance at Board and Board Committee Meetings during FY22 is set out in the table below:

DIRECTOR	Board		Audit & Risk Committee		Remuneration Committee		Nominations & Governance Committee	
	A	B	A	B	A	B	A	B
Garry Hounsell	10	10	5	5	3	3	2	2
Andrew Burnes AO	10	10	5	5	3	3	2	2
Cinzia Burnes	10	10	5	5	3	3	2	2
Rob Dalton – (appointed 9 November 2021)	6	6	3	3	2	2	2	2
Andrew Finch	10	10	5	5	3	3	2	2
Mike Ferraro – (resigned 26 October 2021)	3	3	2	2	1	1	-	-

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

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

COMMITTEE MEMBERSHIP

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

During the year, the members of the Committees were:

AUDIT & RISK COMMITTEE

Rob Dalton (Chairman), appointed effective 9 November 2021

Andrew Finch

Garry Hounsell

Mike Ferraro, resigned effective 26 October 2021

REMUNERATION COMMITTEE

Garry Hounsell (Chairman)

Andrew Finch

Rob Dalton, appointed effective 9 November 2021

Mike Ferraro, resigned effective 26 October 2021

NOMINATIONS & GOVERNANCE COMMITTEE

Garry Hounsell (Chairman)

Andrew Burnes, AO

Cinzia Burnes

Rob Dalton, appointed effective 9 November 2021

Andrew Finch

Mike Ferraro, resigned effective 26 October 2021

RETIREMENT IN OFFICE OF DIRECTORS

In accordance with the Company's Constitution and the ASX Listing Rules, Garry Hounsell and Cinzia Burnes, being the longest serving Directors are retiring by rotation and, being eligible, offer themselves for re-election at the 2022 Annual General Meeting. Rob Dalton having been appointed to the Board since the 2021 Annual General Meeting, stands for election at the 2022 Annual General Meeting.

DIVIDEND

The Board declared that the Company will pay a fully franked final dividend of 10 cents per share, with a planned payment date of 23 September 2022.

EARNINGS PER SHARE

Basic earnings per share were negative 18.1 cents and in the prior year were negative 25.7 cents.

Diluted earnings per share were negative 18.1 cents and in the prior year were negative 25.7 cents.

PRINCIPAL ACTIVITIES

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

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

Helloworld's retail distribution operations include Helloworld Travel, Australia and New Zealand's

largest network of branded and co-branded franchised travel agents, Magellan Travel, Helloworld Business Travel, the My Travel Group, NZ Travel Brokers and our 50% investment in MTA (Mobile Travel Agents).

Helloworld's wholesale travel businesses in Australia include Viva Holidays, Ultimate Journeys, Ready Rooms, and in New Zealand Go Holidays and Willimments Travel.

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

Helloworld Travel's corporate divisions in Australia included QBT, AOT Hotels, TravelEdge, Show Travel and in New Zealand included APX and Atlas Travel. The sale of these businesses to Corporate Travel Management was completed on 31 March 2022.

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

HELLOWORLD RETAIL NETWORKS

Helloworld Travel Group has emerged from the COVID-19 pandemic with most of its business intact, although smaller, and with over 2,000 agencies and brokers throughout Australia and New Zealand in our agency and broker networks.

OPERATING AND FINANCIAL REVIEW

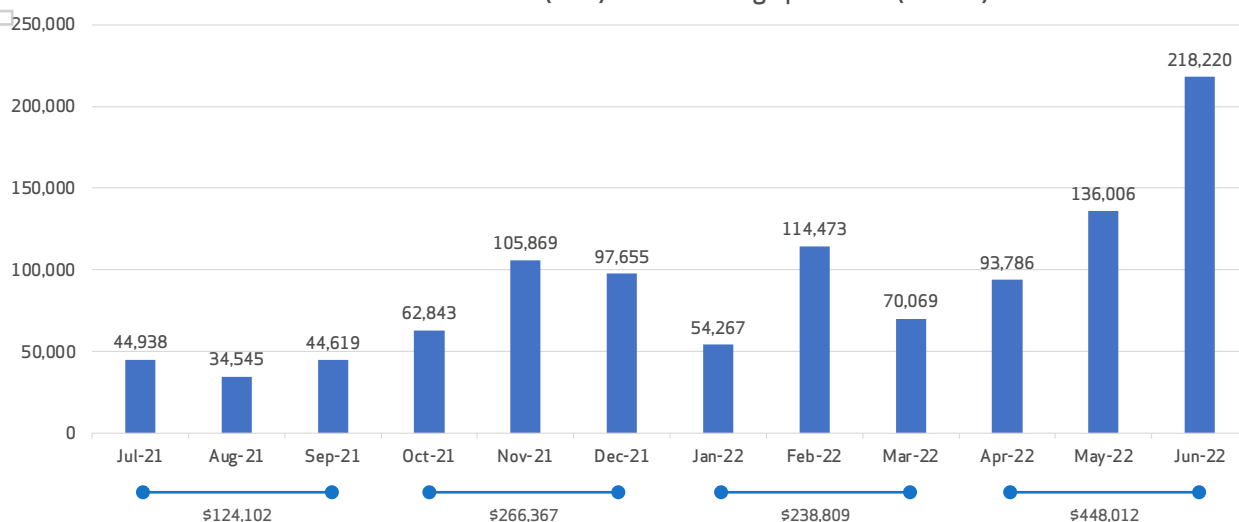
SUMMARY OF RESULTS

	For the year ended 30 June 2022 \$'000's	For the year ended 30 June 2021 \$'000's	Change \$'000's	Change %
Total Transaction Value (TTV)	1,077,289	448,833	628,456	140.0
Revenue and other income	69,270	57,498	11,772	20.5
Expenses	(79,828)	(81,217)	1,389	1.7
Equity accounted losses	(73)	(783)	710	90.7
EBITDA loss	(10,631)	(24,502)	13,871	56.6
EBITDA margin %	-15.3%	-42.6%	-	-
Depreciation and amortisation	(22,747)	(26,225)	3,478	13.3
Impairment expense	-	(426)	426	100.0
Finance expense	(2,721)	(3,575)	854	23.9
Loss before income tax from continuing operations	(36,099)	(54,728)	18,629	34.0
Income tax benefit	7,314	15,176	(7,862)	-51.8
Loss after income tax from continuing operations	(28,785)	(39,552)	10,767	27.2
EBITDA profit from discontinued operations (9 months)	3,593	8,294	(4,701)	-56.7
Profit after tax from discontinued operations (9 months)	1,099	3,667	(2,568)	-70.0
Gain on disposal of discontinued operations	117,532	-	117,532	-
Profit/(loss) after tax for the year	89,846	(35,885)	125,731	-
Profit/(loss) attributable to the owners of Helloworld Travel Limited	90,527	(35,496)	126,023	-
	For the year ended 30 June 2022 Cents	For the year ended 30 June 2021 Cents	Change Cents	Change %
Basic earnings per share				
Continuing operations	(18.1)	(25.7)	7.6	29.6
Discontinuing operations	76.5	2.4	74.1	-
Diluted earnings per share				
Continuing operations	(18.1)	(25.7)	7.6	29.6
Discontinuing operations	76.5	2.4	74.1	-
Final dividend per share	10.0	-	10.0	-

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

Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA): EBITDA is a financial measure which is not prescribed by Australian Accounting Standards but is the measure used by the Board to assess the financial performance of the Group and operating segments and it is not subject to auditor review.

Total Transaction Value (TTV) for continuing operations (\$'000's)



For personal use only





London, United Kingdom

YEAR IN REVIEW

OVERVIEW OF RESULTS

Helloworld Travel's FY22 full year results improved on FY21, delivering strong growth to TTV and improvement in EBITDA as a result of progressive release of domestic and international border controls and the return of tourism to Australia. The second half of the year saw solid growth in bookings which delivered a strong quarter four with availed TTV from continuing operations of \$448 million. This result is equivalent to that achieved for the whole of FY21 from continuing operations.

Helloworld's key financial results for the year ended 30 June 2022 (FY22) compared with the prior year ended 30 June 2021 (FY21) are:

- Full year TTV from continuing operations was \$1.077 billion, up 140% on FY21. Including discontinued operations, the Group TTV was \$1.561 billion, up 44% on FY21. The opening of international and state borders, increased vaccination levels, and a desire by people to travel following long periods of lockdown drove this improvement.
- Revenue and other income from continuing operations increased to \$69.3 million up from \$57.5 million, an improvement of 20.5% on the prior year.

- Helloworld's careful management of costs during the pandemic allowed us to respond quickly to the lockdowns in the early part of the financial year and ramp up in response to demand for travel related products and services.
- Share of losses from associates for the year was \$0.1 million, compared to losses in the prior year of \$0.8 million.
- The EBITDA loss from continuing operations for the current year was \$10.6 million, a significant improvement from the prior year, which saw an EBITDA loss from continuing operations of \$24.5 million. Quarter four of the current year delivered a return to profitability on the back of a solid June.
- Key technology investments to support many elements of the Helloworld business and our travel agents continued during the year.
- The loss after income tax from continuing operations for FY22 was \$28.8 million, being a 27.2% reduction on the prior year.
- EBITDA profit from discontinued operations was \$3.6 million in FY22 (FY21: \$8.3 million). Profit after tax from discontinued operations for FY22 was \$1.1 million (FY21: \$3.7 million).
- During the year, Helloworld sold its corporate and entertainment travel business to Corporate Travel Management Limited. This resulted in a gain on disposal of \$117.5 million.
- Profit/(loss) attributable to the owners of Helloworld Travel Limited was a profit of \$90.5 million for FY22 (FY21: loss of \$35.5 million).

SHAREHOLDER RETURNS

The Board declared that the Company will pay a final dividend of 10 cents, fully franked, with a planned payment date of 23 September 2022. The Board believes that this is an appropriate outcome at this point in the recovery cycle.

Helloworld's basic and diluted earnings per share from continuing operations improved to a negative 18.1 cents from a negative 25.7 cents in the prior year. Basic and diluted earnings per share from discontinuing operations increased to 76.5 cents from 2.4 cents in the prior year on the back on the gain on disposal of the corporate travel management business.

DISPOSALS

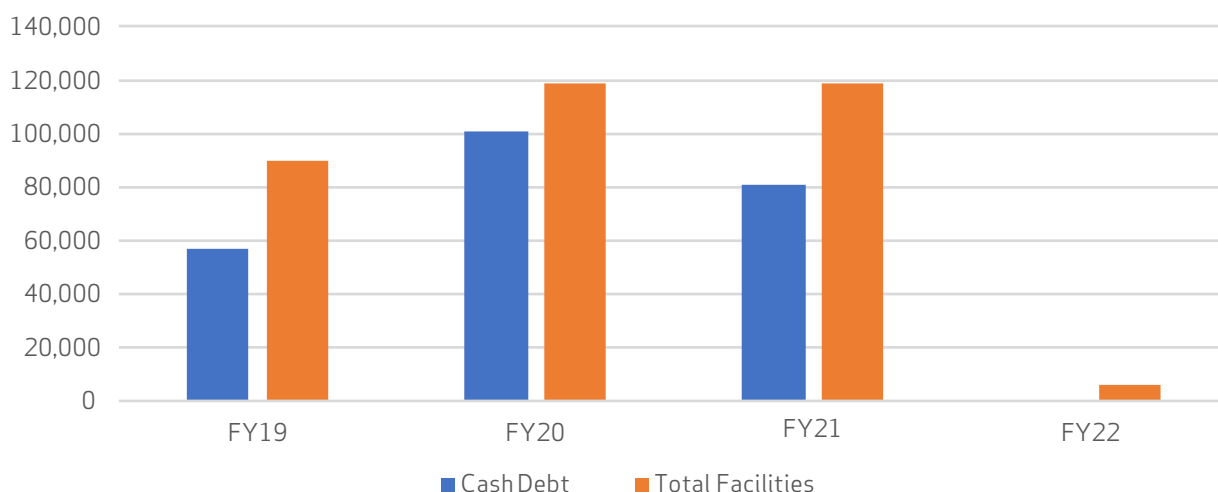
Effective 31 March 2022, Helloworld disposed of its corporate travel management business to Corporate Travel Management Limited (ASX code: CTD) for \$100 million cash (excluding working capital adjustments) and 3.57 million CTD shares. As at 31 March 2022, these shares were valued at \$84.8 million. For the year ended 30 June 2022, the Group has recorded an after tax gain on disposal of the business of \$117.5 million.

LIQUIDITY AND FUNDING

As at 30 June 2022, the Group held a total cash balance of \$122.5 million compared with \$131.0 million at 30 June 2021.

During FY22, the Group repaid \$81.0 million of external borrowings out of the proceeds received from the divestment of the corporate travel management business. At 30 June 2022, Helloworld has no external borrowings.

HLO Debt Facilities (\$'000)



Banff National Park, Canada

OUTLOOK & ECONOMIC SUSTAINABILITY

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

BUSINESS RISKS

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

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

COVID-19

The COVID-19 pandemic has continued to have a materially adverse affect the Group's financial performance and business over the past three reporting periods. In order to lessen the risks to the business created by this enduring pandemic, the Group has executed cost reduction measures which resulted in a substantial decrease in operating expenses compared to pre-COVID-19 levels.

Economic risk

Helloworld appreciates that travel, like all businesses is subject to key economic risks, such as recession, currency movements, interest rates, and consumer confidence. In the current uncertain economic environment these remain a challenge.

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

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

Supplier risk

Helloworld's supply chain comprises many travel providers and intermediaries. Credit risks is prominent in this supply chain and is increased in this uncertain environment. Any disruption in the relationship with suppliers or the failure of a supplier to honour contractual obligations could result in adverse reputational impacts on Helloworld Travel, at worse potentially affect the supplier's ability to continue trading with Helloworld.



To the extent suppliers, partners or counterparties, including international airlines, facing continued impact on their operations, may result in Helloworld seeking a change in terms of engagement. These will have an impact on the operations and financial performance of Helloworld.

Customer risk

Continued disruption in international and domestic travel due to the ongoing effects of COVID-19 has resulted in aggravating customer travel plans.

Human resources risk

The Group depends on the experience of its Directors, senior management and the staff generally. The possibility of losing key personnel and an increase in staff turnover could affect the performance of the Group's business in its recovery in the short term.

The ongoing cost reduction initiatives and the shortage of candidates could affect the operations and impact on the Group's ability to retain quality staff, operate the business in the ordinary course, manage operational risks and take advantage of the recovery in the travel sector. In addition, while preserving cash, it is important to maintain high quality service to our customers via knowledgeable staff to assist.

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

Growth strategy execution and business model disruption

The ongoing disruption to the Australian and global economy, in the travel and tourism sectors will likely continue to impact on Helloworld's ability to drive growth in the short to medium term. Financial performance of investments in the today's economic environment may result in triggering investment impairment should the recoverable amount of the investment fall below the carrying value.

Regulatory risk

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

Similarly, any change to a law or regulation requiring the Group to vary the management of customer deposits may result in financial implications for the Group.

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

Climate change and social sustainability

Transitioning to a lower-carbon economy will in turn require policy, legal, technology and market changes to address the mandated requirements related to climate change. Physical risks resulting from climate change could be event driven with longer-term shifts in global climate patterns creating financial implications for Helloworld Travel, from the disruption to the supply chain in travel patterns and habits of customers.

Helloworld Travel is cognoscente of the potential environmental and social impact that tourists have on destinations in Australia and internationally. The Group recognises that the travel industry can have a positive and negative impact on the tourism destinations and communities travellers engage with in relation to their travel experience.

Business systems risk

Helloworld Travel relies on the performance, reliability and availability of its information technology, communication and other business systems. Any damage or failure to Helloworld's key systems could result in disruptions to its business

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

The initiatives taken to reduce cost, could have an impact on the information technology, communications and other business systems.

Financial risk

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

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



Developments in global financial markets due to the continued impact of COVID-19, and the uncertainty created by Russia's war with Ukraine may adversely affect the liquidity of global credit markets and the Group's access to those market, which could impact Helloworld's future financial performance and position.

Agent network closure

Helloworld Travel's agent network remains an important part of its growth, a reduction in its agent network may adversely influence Helloworld Travel's brand and ability to generate sales and increase sales in its retail division.

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

PEOPLE

At 30 June 2022, Helloworld Travel has 600+ employees (2021:887), comprising 497 full-time equivalent employees. The decrease in the number of employees can partly be attributed to the sale of the corporate and entertainment travel business to Corporate Travel Management (CTM) and the continued impacts of the COVID-19 and a tight employment market.

Of the total number of employees across the Group at year end 51.8% (2021: 64.6%) are female.

Employee expenditure for the year ended 30 June 2022 decreased by \$12.0 million or 20% to \$45.7 million, as a result of the reduction in the number of employees, the continued reduction in working hours and salary reductions for senior executives.

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

The FTE breakdown by country as at 30 June 2022 is below:

Australia	325	65%
New Zealand	61	12%
Fiji	86	17%
Other	25	6%
TOTAL	497	100%

CAPITAL STRUCTURE

At 30 June 2022, Helloworld Travel had 155,027,845 shares on issue of which the Executive Directors, Andrew Burnes and Cinzia Burnes, along with their direct related entities, own 26.44%. Sintack Pty Limited and its associates hold 13.31%, QH Tours Limited (a subsidiary of Qantas Airways Limited) holds 12.40% and FIL Limited holds 9.34% with the remaining 38.51% being held by other shareholders including management.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 30 August 2022, the Directors declared a 10 cent per share fully franked dividend to be paid on 23 September 2022.

With this exception, the Directors are not aware of any matter or circumstance that has arisen since 30 June 2022 and the date of signing of this report that has significantly, or may significantly, affect the operations of the Group, the results of the operations of the Group or the state of the Group's affairs in future financial years.

LIKELY DEVELOPMENTS

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

REGULATION

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

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

DIRECTORS' REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification

The Company has agreed to indemnify the Directors and executive officers (or former Directors or executive officers) of the Company against

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

Insurance of Directors and Officers

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

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

INDEMNIFICATION OF AUDITORS

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





LETTER FROM THE REMUNERATION COMMITTEE CHAIRMAN

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to present the Remuneration Report for the financial year ended 30 June 2022 for Helloworld Travel Limited (the Group).

GROUP PERFORMANCE AND REMUNERATION OUTCOMES IN 2022

As a result of the continued impact of COVID-19 on the Company, salary reductions for key executives remained in place throughout FY21. In December 2021, based on improving market conditions the CEO/Managing Director and the Group General Manager - Wholesale and Inbound/Executive Director's salaries were reviewed and increased to 75% of their pre-COVID-19 level.

No STI awards were granted to KMP in FY22 as a result of the continuing financial impact of the COVID-19 pandemic on the Company. It is vital that the Company retain its key talent who have worked tirelessly in steering us through this global pandemic and their hard work will enable the Company to take advantage of the growth potential we are beginning to see as travel becomes more accessible with the easing of restrictions. There were no LTIP shares allocated to KMP in FY22. We will continue to review our remuneration arrangements going forward to ensure these are appropriate and aligned with shareholder value.

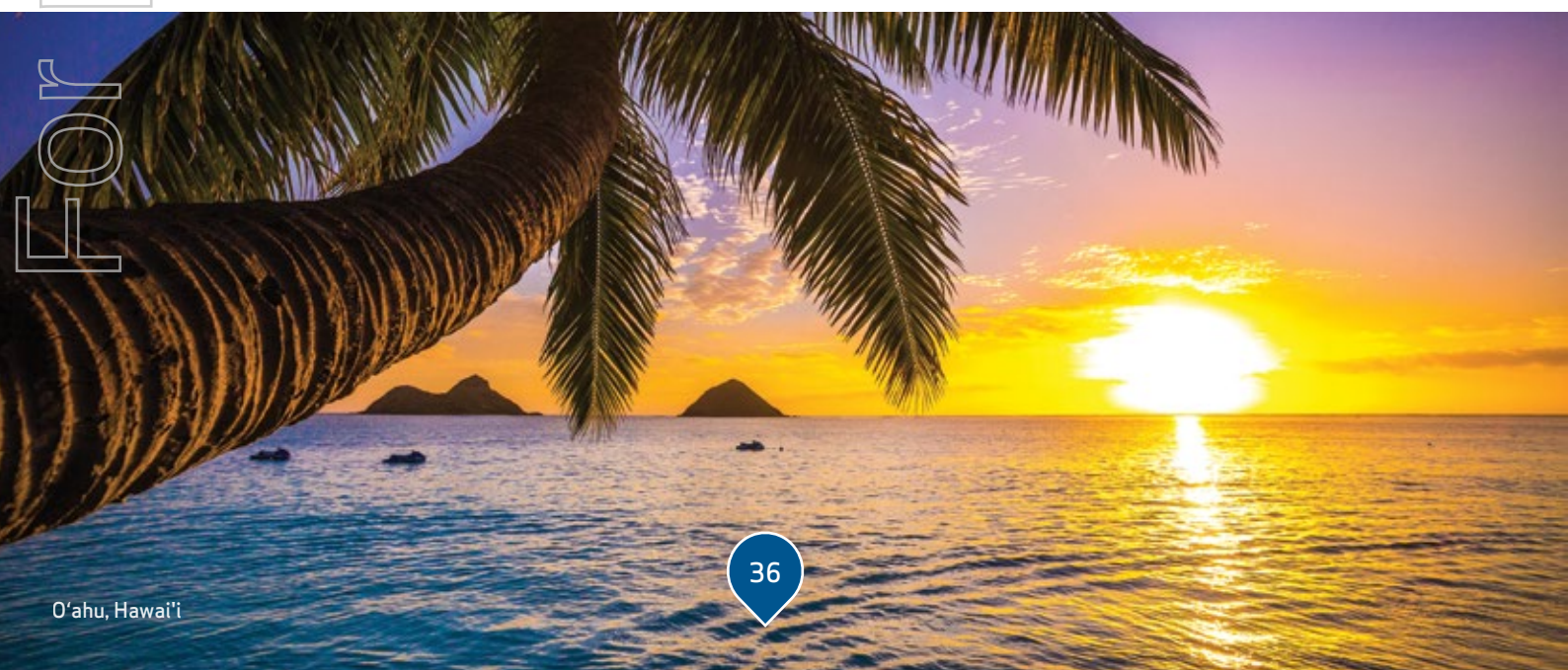
The Board thanks you for your continued support of the remuneration policies and practices adopted by the Company and recommends the Remuneration Report to you and asks that you vote in favour of this Report at our 2022 Annual General Meeting.

Yours faithfully,



Garry Hounsell

Chairman of the Remuneration Committee
Chairman of Helloworld Travel Limited
30 August 2022



REMUNERATION REPORT (AUDITED)

This 2022 Remuneration Report outlines the remuneration arrangements for the KMP of the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The report contains the following sections:

1 REMUNERATION GOVERNANCE & FRAMEWORK

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

2 EXECUTIVE REMUNERATION

- 2.1 Group performance and remuneration outcomes for 2022
- 2.2 Executive remuneration
- 2.3 Long Term Incentive Plan (LTIP)
- 2.4 Executive shareholdings
- 2.5 Executive service agreements

3 NON-EXECUTIVE DIRECTOR REMUNERATION

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

1 REMUNERATION GOVERNANCE & FRAMEWORK

1.1 PERSONS TO WHOM THIS REPORT RELATES

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

Directors and other KMP disclosed in this report are:

NAME	POSITION
NON-EXECUTIVE DIRECTORS	
Garry Hounsell	Chairman and Non-Executive Director
Robert Dalton (<i>appointed effective 9 November 2021</i>)	Non-Executive Director
Andrew Finch	Non-Executive Director
Mike Ferraro (<i>resigned effective 26 October 2021</i>)	Non-Executive Director
EXECUTIVE DIRECTORS	
Andrew Burnes AO	Chief Executive Officer and Managing Director
Cinzia Burnes	Group General Manager, Wholesale & Inbound and Executive Director
EXECUTIVE KMP	
Mike Smith (<i>appointed effective 2 May 2022</i>)	Chief Financial Officer
Nic Cola	Group General Manager – Retail & Digital Transformation
Chris Hunter	General Manager – New Zealand
David Hall (<i>resigned effective 31 March 2022</i>)	Chief Financial Officer
Rohan Moss (<i>position transferred to CTM effective 31 March 2022</i>)	General Manager – Government Services

1.2 REMUNERATION GOVERNANCE

The Remuneration Committee of the Board is responsible for reviewing and assessing the remuneration policies and making recommendations to the Board in respect of Director and KMP remuneration in line with current market conditions. The overall objective is to ensure maximum stakeholder benefit whilst retaining high performing Directors and KMP executive team. Garry Hounsell (Chairman), Mike Ferraro until his resignation on 26 October 2021, Robert Dalton from his appointment 9 November 2021 and Andrew Finch were the members of the Remuneration Committee during the year.

Under the terms of the Remuneration Committee Charter, most of the Committee members must be independent Directors and the Chair of the Committee must be an independent Director. All members of the Committee are non-executive Directors.

To ensure the Committee is fully informed when making decisions on remuneration, it may seek external remuneration advice. No external consultants were engaged in FY22.

1.3 KMP EXECUTIVE REMUNERATION FRAMEWORK

The purpose of the Group's remuneration framework for KMP executives embodies the following principles:

- provide competitive rewards to attract high calibre executives;
- structure a portion of executive remuneration to be 'at risk', dependent upon meeting agreed key performance indicators;
- link executive rewards to shareholder value; and
- establish appropriate and demanding performance hurdles in relation to variable executive remuneration.

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

Fixed Annual Remuneration (FAR)

FAR is set to attract and retain talented individuals to deliver on the Group's strategy, the Board reviews individual performance, expertise and experience whilst considering external benchmarking to determine executive's FAR.

Executives have the option of receiving FAR in a variety of forms including cash and fringe benefits. It is intended that the payment of FAR will be optimal without creating unnecessary costs for the Group.

As a result of the continued impact of COVID-19 on the Company, salary reductions for key executives remained in place into FY21. In December 2021 the CEO/Managing Director and the Group General Manager – Wholesale & Inbound, Executive Director's salaries were reviewed and increased to 75% of their pre COVID-19 levels.

Non-Executive Directors fees were reduced to 75% of pre COVID-19 level from July 2021.

Short Term Incentive ('at risk' remuneration)

The impact of the COVID-19 pandemic on the Group continued into FY22 with no STI incentives awarded to KMP.

Long Term Incentive ('at risk' remuneration)

There were no new LTIP programs implemented in FY22 for KMP.

1.4 EXECUTIVE REMUNERATION MIX

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



2 EXECUTIVE REMUNERATION

2.1 GROUP PERFORMANCE AND REMUNERATION OUTCOMES FOR 2022

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

	2022 \$'000	2021 \$'000
Net loss after tax ⁽ⁱ⁾	(28,785)	(39,552)
EBITDA ⁽ⁱ⁾	(10,631)	(24,502)
Profit/(loss) for the year attributable to the owners of Helloworld Travel	90,527	(35,496)

Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA): excludes all AASB16 Leases associated expenses.

EBITDA is a financial measure which is not prescribed by Australian Accounting Standards but is the measure used by the Board to assess the financial performance of the Group and operating segments.

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2022	2021
Basic earnings / (loss) per share (EPS cents) ⁽ⁱ⁾	(18.1)	(25.7)
Total dividends declared (cents per share)	10.0	-
Opening share price at 1 July (\$)	1.67	2.29
Closing share price at 30 June (\$)	1.69	1.67
Total shareholder return ⁽ⁱⁱ⁾ (%)	7.19	(27.1)

(i) Based on continuing operations only.

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



Penguins, Antarctica

2.2 EXECUTIVE REMUNERATION

	Short term benefits		Long term benefits		Post-employment benefits	Share based payments	
	Salary (\$)	Other ¹ (\$)	Annual Leave ² (\$)	Long Service Leave ²	Superannuation (\$)	COVID-19 Related Retention Plan ⁴ (\$)	Total (\$)
A Burnes (CEO and Managing Director)							
2022	580,769	-	93,528 ⁵	20,368 ⁵	23,568	-	718,233
2021	373,423	-	171,942 ⁵	31,375 ⁵	21,694	-	598,434
C Burnes (Group General Manager - Wholesale & Inbound and Executive Director)							
2022	524,039	-	110,219 ⁵	20,374 ⁵	23,568	-	678,200
2021	330,289	-	164,468 ⁵	27,695 ⁵	21,694	-	544,146
D Hall (CFO and Group Company Secretary) (Resigned effective 31 March 2022)							
2022	255,769	254,722	(1,000)	4,725	18,699	-	532,915
2021	360,000	6,275	7,692	6,509	21,694	184,500	586,670
M Smith (CFO) (Commenced effective 2 May 2022)							
2022	73,077	1,049	4,209	1,000	5,892	-	85,227
N Cola (Group General Manager - Retail and Digital Transformation) (Commenced effective 1 July 2021)							
2022	258,462	4,748	7,574	4,641	22,906	-	298,331
R Moss (General Manager - Government Services) (Role transferred to CTM post sale of Corporate business effective 31 March 2022)							
2022	216,538	505,359	3,063	9,548	19,707	-	754,215
2021	259,485	6,275	1,797	-	21,694	98,400	387,651
C Hunter (General Manager - New Zealand) A\$ equivalent (part-time) ³							
2022	175,037	-	8,708	-	9,352	-	193,097
2021	135,442	-	12,940	-	4,270	-	152,653
FORMER KMP (Not considered KMP for FY22)							
N Sutherland (Group General Manager - Corporate)							
2021	336,462	6,275	1,231	-	21,694	123,000	488,662
2022 TOTAL	2,083,691	765,878	226,301	60,656	123,692	-	3,260,218
2021 TOTAL	1,795,100	18,825	360,070	65,579	112,741	405,900	2,758,215

1. Other - is car parking grossed up for FBT and two discretionary payments. The discretionary payments to D Hall and R Moss are in recognition of their outstanding performance throughout the 2 1/2 years of the pandemic including significant salary sacrifice and exemplary efforts.
2. Annual leave and long service leave represents the movement in provision balances. The accounting value may be negative, for example, where a KMP leave balance decreases as a result of taking more leave than the leave entitlement accrued during the year. Annual leave and long service leave includes movements in and the revaluation of the total entitlement reflecting salary increments during the period. Annual leave and long service leave amounts for FY21 have been updated to be presented on a basis consistent with FY22.
3. Payments made to C Hunter are in New Zealand dollars and are converted into Australian dollars at the annual average exchange rates.
4. On 18 December 2020, Helloworld Travel granted shares under the COVID-19 Related Retention Benefit Plan. These shares were issued for nil consideration, vesting on 1 July 2021.
5. Annual leave and long service leave provision movements for A Burnes and C Burnes include the uplift arising from remuneration increments. During the pandemic the remuneration of A Burnes and C Burnes reduced significantly and is now at approximately 75% of their pre-COVID-19 salaries.

2.3 LONG TERM INCENTIVE PLAN (LTIP)

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

No shares have been issued or allocated to KMP under this loan funded LTIP during the current 2022 financial year (2021: nil).

2.4 EXECUTIVE SHAREHOLDINGS

The number of shares in the company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

EXECUTIVE	Number of shares at 1 July 2021	COVID-19 Related Retention Plan ⁽ⁱ⁾	No longer KMP 31 March 2022 ⁽ⁱⁱ⁾	Disposed	Number of shares at 30 June 2022
Andrew Burnes	10,495,531	-	-	-	10,495,531
Cinzia Burnes	10,138,014	-	-	-	10,138,014
The Burnes Group Pty Limited as trustee for The Burnes Group Service Trust	20,348,287	-	-	-	20,348,287
Longbush Nominees Pty Ltd as trustee for the Burnes Superannuation Fund	1,222,121	-	-	(1,212,121)	10,000
David Hall	203,333	75,000	(278,333)	-	-
Rohan Moss	9,160	40,000	(49,160)	-	-
TOTAL	42,416,446	115,000	(327,493)	(1,212,121)	40,991,832

(i) Shares vested on 1 July 2021 under the COVID-19 Related Retention Benefit Plan.

(ii) The shares held by David Hall and Rohan Moss at 31 March 2022 are still held by them as at 30 June 2022.

Andrew Burnes and Cinzia Burnes each have a beneficial interest in The Burnes Group Pty Limited which acts as the Trustee of The Burnes Group Service Trust. They also have an interest in Longbush Nominees Pty Ltd which acts as the Trustee of the Burnes Superannuation Fund of which they are both members. During the year 1,212,121 shares held in Longbush Nominees Pty Ltd as trustee for the Burnes Superannuation Fund were disposed.

2.5 EXECUTIVE SERVICE AGREEMENTS

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

EXECUTIVE		Notice period to be given by KMP	Notice period to be given by the Company	Termination payments or benefits payable if termination is by the Company
Andrew Burnes	CEO and Managing Director	6 months	6 months	In accordance with normal statutory entitlements
Cinzia Burnes	Group General Manager - Wholesale & Inbound and Executive Director	6 months	6 months	In accordance with normal statutory entitlements
Mike Smith	Chief Financial Officer	6 months	6 months	In accordance with normal statutory entitlements
Nic Cola	Group General Manager - Retail and Digital Transformation	6 months	6 months	In accordance with normal statutory entitlements
Chris Hunter	General Manager - New Zealand	3 months	3 months	In accordance with normal statutory entitlements

3 NON-EXECUTIVE DIRECTOR REMUNERATION

3.1 NON-EXECUTIVE DIRECTOR REMUNERATION GOVERNANCE

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

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

3.2 NON-EXECUTIVE DIRECTOR REMUNERATION STRUCTURE

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

ROLE	GROSS FEE	SUMMARY
Chairperson	\$200,000	From January 2021 to June 2021 the Chairman's fee was increased to the pre-COVID-19 level in recognition of the additional time and commitment required (inclusive of Committee fees). From 1 July 2021 the Chairman's fees were reduced to 75% of pre-COVID-19 levels, in line with cost management across the Company.
Non-Executive Director	\$100,000	From January 2021 to June 2021 the Non-Executive Directors' fees were increased to the pre-COVID-19 level in recognition of the time commitment and service to the Group's Board. From 1 July 2021 Non-Executive Directors' fees were reduced to 75% of pre-COVID-19 levels in line with cost management across the Company.
Committee Fee – Chairperson Audit & Risk Committee	\$25,000	In January 2021 the Committee fee was increased to the pre-COVID-19 level. From July 2021 the Committee fee was reduced to 75% of pre-COVID-19 levels in line with cost management across the Company. The additional fee paid to the Chairperson of the Audit & Risk Committee is not paid to the Board Chairman.

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

DIRECTORS' REPORT

3.3 NON-EXECUTIVE DIRECTOR REMUNERATION

NON-EXECUTIVE DIRECTOR	Short-term benefits Cash salary (\$)	Post-employment benefits Superannuation (\$)	Total (\$)
Garry Hounsell (Chairman)			
2022	157,692	15,769	173,461
2021	143,808	14,289	158,096
Mike Ferraro (resigned effective 26 October 2021)			
2022	35,096	3,510	38,606
2021	88,943	8,930	97,874
Robert Dalton (commenced effective 9 November 2021)			
2022	57,692	5,769	63,461
Andrew Finch			
2022	-	-	-
2021	-	-	-
2022 TOTAL	250,480	25,048	275,528
2021 TOTAL	232,751	23,219	255,970

Since his appointment to the Board on 1 January 2017, Andrew Finch has not received Director fees. This is by agreement where no fees are paid to Qantas Airways Limited for his Directorship.

During FY21 and FY22 changes were made to Director fees. Commencing 1 July 2021, the Chairman of the Board and the Chairman of the Audit & Risk Committee agreed to a reduction in Director's fees of 75% of the pre-COVID-19 levels.

3.4 NON-EXECUTIVE DIRECTOR SHAREHOLDINGS

NON-EXECUTIVE DIRECTOR	Number of shares at 1 July 2021	No longer Director ⁽ⁱ⁾	Number of shares at 30 June 2022
Garry Hounsell (Chairman)	153,890	-	153,890
Mike Ferraro (resigned effective 26 October 2021)	19,522	(19,522)	-
Robert Dalton	-	-	-
Andrew Finch	-	-	-
TOTAL	173,412	(19,522)	153,890

(i) The shares held by Mike Ferraro at 26 October 2021 are still held by him as at 30 June 2022.



DIRECTORS' REPORT

AUDITOR INDEPENDENCE

The Directors received the declaration of independence on page 47 from Ernst & Young, the auditor of Helloworld Travel. This declaration confirms the auditor's independence and forms part of the Directors' Report.

NON-AUDIT SERVICES

During the year the Company's auditors performed minimal other services in addition to their statutory duties. Directors have resolved and are satisfied that the provision of these non-audit services is compatible with, and did not compromise, the general standard of independence of auditors imposed by the auditor independence requirements in the Corporations Act 2001. All non-audit services were subject to the corporate governance procedures adopted by the Company and reviewed by the Audit & Risk Committee to ensure no impact on the integrity and objectivity of the auditor. The non-audit services provided do not undermine the general principles relating to auditor independence, as set out in APES 110 Codes of Ethics for Professional Accountants, as no own audit work was reviewed by the auditor. The lead auditor's independence declaration, as required

under section 307C of the Corporations Act 2001, is set out on page 47 and forms part of the Directors' Report for the financial year ended 30 June 2022. Details of the amounts paid to Ernst & Young for audit and nonaudit services are set out in note 8.6 of the Financial Statements on page 120 of the Financial Report.

ROUNDING

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

Made in accordance with a resolution of the Directors.



Garry Hounsell

Chairman of Helloworld Travel Limited
Melbourne, 30 August 2022

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Auditor's independence declaration to the directors of Helloworld Travel Limited

As lead auditor for the audit of the financial report of Helloworld Travel Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

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

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

Ernst & Young

Ernst & Young

Brett Croft
Partner

Melbourne
30 August 2022

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

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

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

This statement is current at 30 August 2022.

1 LAYING SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

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

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

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

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

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

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

Prior to a Director's appointment, the Board ensures that appropriate checks including background and reference checks are conducted, which may be conducted by external consultants and by other

Directors of the Company. Candidates also meet with each existing Director prior to the Board's decision to appoint them.

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

Senior executive performance

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

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

2 STRUCTURE OF THE BOARD

Board composition

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

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

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

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

Further detail regarding the Directors' qualifications, special responsibilities, skills, experience and expertise (including the period of office held by each Director) is set out in the Directors' Report on pages 20 to 23.

Director Independence

As at 30 June 2022, based on the factors relevant to assessing the independence of Directors included in the ASX CGP, two Directors, Garry Hounsell and Robert Dalton, are deemed as independent.

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

- Andrew Finch is an executive of Qantas, the ultimate holding company of QH Tours Ltd, a substantial shareholder of Helloworld Travel Limited and a company having a material business relationship with the Company as a supplier of product and a customer for distribution services;
- Andrew Burnes is the Company's Chief Executive Officer and Managing Director, and a substantial shareholder of the Company; and
- Cinzia Burnes is the Company's Group General Manager - Wholesale & Inbound, Executive Director and a substantial shareholder of the Company.

The length of each Directors' tenure as a Director is set out in the Directors' Report on pages 20 to 23.

Independent Decision Making

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

For the whole of the year Andrew Finch was the nominated member to the Board by QH Tours Ltd. Mr Finch brought to the Board the requisite skills which are complementary to those of the other Directors and enabled him to adequately discharge his responsibilities as a Non- Executive Director.

As Executive Directors, Andrew Burnes in his role as CEO and Managing Director and Cinzia Burnes in her role as Group General Manager - Wholesale & Inbound, are not considered by the Board to be Independent Directors.

However, all Directors bring independent judgement to their decisions.

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

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

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

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

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

Most of the Board are not independent and the Company recognises this as a departure from Recommendation 2.4 of ASX CGP.

Nominations and Governance Committee

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

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

- Garry Hounsell (Chairman)
- Andrew Burnes, AO
- Cinzia Burnes
- Robert Dalton
- Andrew Finch

Details of these Directors' qualifications, their attendance at Nominations & Governance Committee meetings, and the number of meetings held during FY22 are set out in the Directors' Report on pages 20 to 24.

The terms of reference, role and responsibility of the Nominations & Governance Committee are consistent with ASX CGP 2.1 but for, the majority are not Independent Directors. The Chairman of the Committee is an independent Director and the Committee members are considered to have appropriate experience to serve on the committee.

Remuneration Committee

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

- Garry Hounsell (Chairman)
- Robert Dalton
- Andrew Finch

Details of these Directors' qualifications, their attendance at Remuneration Committee meetings, and the number of meetings held during FY22 are set out in the Directors' Report on pages 20 to 24.

The Board seeks to ensure that its membership represents an appropriate balance between Directors with experience and knowledge of the Company and Directors with an external or fresh perspective. It reviews the range of expertise of its members on a regular basis and seeks to ensure that it has operational and technical expertise relevant to the operations of the Company.

Directors are nominated, appointed and re-elected to the Board in accordance with the Board's policy as set out in the Charter, the Company's Constitution and the ASX Listing Rules. In considering

appointments to the Board, the skills and experience of potential candidates need to complement those of the existing Directors along with an assessment of experience, expertise, diversity and other attributes which benefit the Board in fulfilling its responsibilities.

Board performance

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

The results from the Board and Committee performance reviews were:

- The mix of skills and experience of the Board is appropriate for the size of the Company, all Directors make effective contributions;
- That the Board has open communication between management and the Board; and
- The Board understands the key drivers of the Company's businesses and promote a willingness to understand and commit to the highest standards of governance.

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

Access to information

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



3 ETHICAL AND RESPONSIBLE DECISION MAKING

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

Diversity

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

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

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

During the current year, one Director was appointed to fill the vacancy created by the resignation of Mike Ferraro. The percentage of female personnel reporting directly to the CEO was 29% at 30 June 2022 and 20% at 30 June 2021.

During the year the Company offered the following:

- Revised the process of attracting talent in the recruitment of people from diverse backgrounds;
- Encouraged our employees to be active and to maintain healthy lifestyle, particularly in the context of a COVID-19 safe workplace

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

Proportion of women in the organisation

There are 307 female employees in the Group representing 51.8% of the workforce. There is one female on the Board which represents 20% of the Board.

Share trading

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

In addition, employees and Non-Executive Directors are:

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

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

Protected disclosures

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

4 INTEGRITY OF FINANCIAL REPORTING

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

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

- Robert Dalton (Chairman), appointed 9 November 2021
- Andrew Finch
- Garry Hounsell
- Mike Ferraro, resigned 26 October 2021

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

Rob Dalton, who is considered an independent Director, replaced Mike Ferraro as the Committee Chairman on 9 November 2021. Details of the member Directors' qualifications and attendance at Audit & Risk Committee meetings are set out in the Directors' Report on pages 20 to 24.

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

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

5 TIMELY AND BALANCED DISCLOSURE

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

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

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

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

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

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

6 RIGHTS OF SHAREHOLDERS

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

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

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

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

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

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

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

7 RECOGNISING AND MANAGING RISK

The Company has a policy in place for the oversight and management of its material business risks. The Group takes a proactive approach to risk management. The Board and Audit & Risk Committee reviews and considers the Group's risk profile on a regular basis to ensure it supports the achievement of the Company's strategy, including determining the nature and extent of risks the Board is prepared to take in the pursuit of the Company's objectives. The Board is also responsible for reviewing, endorsing and overseeing the Company's risk management framework for managing financial and non-financial

risks at least annually, and satisfy itself that it continues to be sound, deals adequately with contemporary and emerging risks such as risk culture, digital disruption, conduct risk, cyber-security, privacy and data breaches and that the Company is operating within the risk tolerance levels determined by the Board.

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

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

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

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

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

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

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

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

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

Information in relation to the economic, environmental and social sustainability risks facing the Company and management of these is in the Operating and Financial Review on pages 26 to 33 of the Annual Report.

Internal Audit

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

Management of material exposure to environmental or social risks

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

8 REMUNERATING FAIRLY AND RESPONSIBLY

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

Directors

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

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

Remuneration

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

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

- The remuneration policy and framework (including short and long-term incentive plans);
- The determination of levels of reward for the CEO and general overview of the levels of reward for the CEO's direct reports; and
- The annual evaluation of the performance of the CEO.

The Remuneration Committee Charter is available in the Corporate Governance section of the Company's website. The composition and operation of this Committee is consistent with ASX CGP 8.1. Details of the Directors' qualifications and attendance at Remuneration Committee meetings are set out in the Directors' Report on pages 20 to 24.

Executive management

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

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

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

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$'000	Restated 2021 \$'000
Revenue		63,534	39,659
Other Income		5,736	17,839
TOTAL REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS	2.1	69,270	57,498
Employee benefit expenses	2.2	(45,683)	(57,731)
Advertising and marketing expenses		(2,526)	(3,249)
Selling expenses		(8,383)	(1,839)
Communication and technology expenses		(6,883)	(7,721)
Occupancy expenses		(2,147)	(2,257)
Operating expenses		(14,206)	(8,308)
Depreciation and amortisation expense		(22,747)	(26,225)
Impairment expense	4.2	-	(426)
Finance expense	2.3	(2,721)	(3,575)
Loss on disposal of investments		-	(112)
Share of loss of associates	6.1	(73)	(783)
LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS		(36,099)	(54,728)
Income tax benefit	2.5	7,314	15,176
LOSS AFTER INCOME TAX FROM CONTINUING OPERATIONS		(28,785)	(39,552)
DISCONTINUED OPERATIONS			
Profit from discontinued operations after income tax	1.5	118,631	3,667
PROFIT/(LOSS) FOR THE YEAR		89,846	(35,885)
LOSS FOR THE YEAR IS ATTRIBUTABLE TO:			
Loss attributable to non-controlling interest		(681)	(389)
Profit/(loss) to owners of Helloworld Travel Limited		90,527	(35,496)
		89,846	(35,885)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF HELLOWORLD TRAVEL RELATES TO:			
Loss from continuing operations		(28,104)	(39,163)
Profit from discontinued operations		118,631	3,667
		90,527	(35,496)
EARNING PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS FROM CONTINUING OPERATIONS		Cents	Cents
Basic earnings per share	2.6	(18.1)	(25.7)
Diluted earnings per share	2.6	(18.1)	(25.7)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS			
Basic earnings per share	2.6	58.4	(23.3)
Diluted earnings per share	2.6	58.4	(23.3)

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$'000	2021 \$'000
PROFIT/(LOSS) FOR THE YEAR		89,846	(35,885)
OTHER COMPREHENSIVE LOSS			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	5.5	(3,048)	(551)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on revaluation of investment in CTM	5.5	(18,679)	-
Tax on revaluation of investment in CTM		5,604	-
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		(16,123)	(551)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		73,723	(36,436)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR IS ATTRIBUTABLE TO:			
Loss attributable to non-controlling interest		(681)	(389)
Profit/(loss) to owners of Helloworld Travel Limited		74,404	(36,047)
		73,723	(36,436)



The accompanying notes form part of this financial report

CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2022

	Note	2022 \$'000	2021 \$'000
CURRENT ASSETS			
Cash and cash equivalents	5.1	122,524	131,024
Trade and other receivables	3.1	46,331	27,108
Accrued revenue	3.2	11,461	18,333
Inventories		499	522
TOTAL CURRENT ASSETS		180,815	176,987
NON-CURRENT ASSETS			
Trade and other receivables	3.1	2,799	5,774
Investments in associates	6.1	15,292	16,699
Other investments	6.2	67,474	-
Property, plant and equipment	4.1	8,606	12,735
Right of use assets	4.2	18,360	25,042
Intangible assets	4.3	233,616	290,834
TOTAL NON-CURRENT ASSETS		346,147	351,084
TOTAL ASSETS		526,962	528,071
CURRENT LIABILITIES			
Trade and other payables	3.3	133,125	108,551
Lease liabilities	5.3	4,551	8,028
Provisions	3.6	14,946	22,156
Deferred revenue	3.4	8,208	19,852
Income tax payable		83	-
TOTAL CURRENT LIABILITIES		160,913	158,587
NON-CURRENT LIABILITIES			
Borrowings	5.2	-	80,711
Lease liabilities	5.3	16,525	22,962
Deferred tax liabilities	2.5	42,434	33,080
Provisions	3.6	1,156	1,572
Other liabilities	3.5	669	669
TOTAL NON-CURRENT LIABILITIES		60,784	138,994
TOTAL LIABILITIES		221,697	297,581
NET ASSETS		305,265	230,490
EQUITY			
Issued capital	5.4	468,199	468,199
Reserves	5.5	(17,625)	(1,554)
Accumulated losses		(146,609)	(237,136)
EQUITY ATTRIBUTABLE TO THE OWNERS OF HELLOWORLD TRAVEL LIMITED		303,965	229,509
Non-controlling interest		1,300	981
TOTAL EQUITY		305,265	230,490

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Non-controlling interests \$'000	Total equity \$'000
BALANCE AT 1 JULY 2020	419,466	(2,517)	(201,640)	1,370	216,679
Loss after income tax expense	-	-	(35,496)	(389)	(35,885)
Other comprehensive loss	-	(551)	-	-	(551)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	-	(551)	(35,496)	(389)	(36,436)
<i>Transactions with owners (net of tax):</i>					
Long Term Incentive Plan (LTIP) expense reversed ⁽ⁱ⁾	-	(710)	-	-	(710)
Issue of new shares, net of transaction costs	48,733	-	-	-	48,733
COVID-19 related retention benefit plan expensed	-	2,224	-	-	2,224
BALANCE AT 30 JUNE 2021	468,199	(1,554)	(237,136)	981	230,490
	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Non-controlling interests \$'000	Total equity \$'000
BALANCE AT 1 JULY 2021	468,199	(1,554)	(237,136)	981	230,490
Profit/(loss) after income tax expense	-	-	90,527	(681)	89,846
Employee share based expense ⁽ⁱ⁾	-	52	-	-	52
Other comprehensive loss	-	(16,123)	-	-	(16,123)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	-	(16,071)	90,527	(681)	73,775
Additional investment in non-controlling interest	-	-	-	1,000	1,000
BALANCE AT 30 JUNE 2022	468,199	(17,625)	(146,609)	1,300	305,265

(i) Refer to note 8.1: Share based payments for further details

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$'000	Restated 2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST) ⁽ⁱ⁾⁽ⁱⁱ⁾		509,229	252,105
Payments to suppliers and employees (inclusive of GST) ⁽ⁱ⁾		(509,045)	(267,828)
Interest received		402	635
Finance costs paid		(2,721)	(3,382)
Income taxes refund received		7,658	-
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES ATTRIBUTABLE TO CONTINUING OPERATIONS		5,523	(18,470)
Net cash inflow from operating activities attributable to discontinued operations		3,897	4,931
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	5.1	9,420	(13,539)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for intangibles	4.3	(3,522)	(5,834)
Payments for property, plant and equipment	4.1	(344)	(2,834)
Payments for acquisition of controlled entities, net of cash acquired	6.4	-	175
Payments for disposal of controlled entities, net of cash disposed		-	(2,122)
Proceeds from disposal of property, plant and equipment		133	13
Proceeds from sale of Corporate business, net of costs		98,977	-
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES ATTRIBUTABLE TO CONTINUING OPERATIONS		95,244	(10,602)
Net cash outflow from investing activities attributable to discontinued operations		(214)	(504)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		95,030	(11,106)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue, net of costs	5.4	-	48,733
Repayment of borrowings	5.2	(81,000)	(20,000)
Principal elements of lease payments		(5,562)	(6,156)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES ATTRIBUTABLE TO CONTINUING OPERATIONS		(86,562)	22,577
Net cash outflow from financing activities attributable to discontinued operations		(669)	(840)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		(87,231)	21,737
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		17,219	(2,908)
Cash and cash equivalents at the beginning of the financial year		131,024	131,861
Cash and cash equivalents divested		(25,793)	-
Effects of exchange rate changes on cash and cash equivalents		74	2,071
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	5.1	122,524	131,024

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

(ii) Includes receipts relating to government wage subsidies.

The accompanying notes form part of this financial report

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1. BASIS OF PREPARATION

1.1 BASIS OF PREPARATION

Helloworld Travel Limited (Helloworld or the Company) is a for profit company which is incorporated and domiciled in Australia. The Financial Report is for the year ended 30 June 2022 and comprises the Company and its controlled entities (together referred to as the Group).

This Financial Report was authorised for issue in accordance with a resolution of the Directors on 30 August 2022.

The financial statements of the Group are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations. Compliance with Australian Accounting Standards ensures that the Financial Report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, this Financial Report has been prepared in accordance with and complies with IFRS as issued by the IASB.

This Financial Report has been prepared on a going concern basis, which assumes the Group will be able to meet its obligations as and when they fall due. The going concern basis is considered appropriate based on the 30 June 2022 cash and cash equivalent balance of \$122.5 million and the net current assets balance of \$19.9 million. This is further supported by the fact that the Group has no external borrowings and revenue margins have returned to historical levels for each revenue stream.

The financial statements have been prepared on the historical cost basis except for financial assets at fair value through other comprehensive income and certain financial liabilities which have been measured at fair value, as explained in the accounting policies.

The financial statements are presented in Australian dollars and amounts have been rounded to the nearest thousand dollars, unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

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

Certain comparative amounts have been represented to conform with the current period's presentation to better reflect the nature of the financial position and performance of the Group. In addition, on 31 March 2022, the Group divested its corporate and entertainment travel business (Corporate business) in Australia and New Zealand to ASX listed entity, Corporate Travel Management (CTM). This resulted in the Corporate business being classified as discontinued operations. In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, the Group has:

- Presented the profit or loss from the Corporate business separately from its continuing operations in its Consolidated income statement in the current period and the restated prior period;
- Presented the cash flows from the Corporate business separately from its continuing operations in its Consolidated statement of cash flows in the current period and the restated prior period; and
- Continued to present the Consolidated statement of changes in equity to include both continuing operations and discontinued operations.

Other disclosures required by AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* for discontinued operations have been included in note 1.5: Discontinued operations.

1.2 SIGNIFICANT ACCOUNTING POLICIES

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

(a) Principles of consolidation

The financial statements of the Company incorporate the assets, liabilities, and results of all subsidiaries as at and for the period ended 30 June 2022. Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases. Intragroup balances and transactions, and any unrealised gains and losses arising from intragroup transactions, are eliminated in preparing the financial statements.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated income statement and Consolidated statement of other comprehensive income, Consolidated statement of changes in equity and Consolidated balance sheet respectively.

(b) Foreign currency

The financial statements are presented in Australian dollars (AUD), which is the Company's functional currency.

Transactions and balances

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

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

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

Investments in foreign operations

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

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

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

(c) Goods and Services Tax (GST)

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

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

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

1.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In applying the Group's accounting policies, the Directors are required to make estimates, judgements and assumptions that affect amounts reported in this Financial Report. The estimates, judgements and assumptions are based on historical experience, adjusted for current market conditions, and other factors that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on a regular basis with any revisions to accounting estimates recognised on a prospective basis. Actual results may differ from these estimates.

FINANCIAL STATEMENTS

The estimates and judgements which involve a higher degree of complexity or that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next period are described below.

COVID-19 Pandemic

The Group continues to actively monitor the impact of the COVID-19 pandemic, including the impact on economic activity and financial reporting. Both Australian and New Zealand Governments imposed lockdowns and border restrictions during the financial year which significantly curtailed domestic and international travel. This resulted in a significant adverse impact on the Group's ability to derive revenue from the sale of travel products and services. Although border restrictions have been removed for all travel (including cruises) since April 2022 in Australia and July 2022 in New Zealand, International Air Transport Association (IATA) has forecast that travel volumes will not return to pre COVID-19 levels until 2025.

As the pandemic continues to evolve, it remains difficult to predict the full extent and duration of resulting operational and economic impacts for the Group. This uncertainty may impact judgements made by the Group, including those relating to assessing the valuation of assets measured at fair value and determining the recoverable amounts of the Group's non-current assets. Given the uncertainty associated with the pandemic, management assesses the appropriate financial treatment and disclosure of COVID-19 impacts each reporting period.

Impairment of non-current assets

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

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

Lease terms of contracts with extension options

Several of the Group's property leases include extension and termination options. In determining the term of the lease for the purposes of calculating the lease liability and the right of use asset, management considers all facts and circumstances as to whether they are reasonably certain to exercise an extension option or not exercise a termination option.

Override commission revenue

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

Consideration receivable: divestment of Corporate business

The Group is currently in discussions with CTM to finalise the working capital adjustment arising on the divestment of the Corporate business. Management has applied judgement in estimating this amount in accordance with the terms and conditions of the Share Sale Agreement.

1.4 NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS IMPACTING THE GROUP

There are no new or amended accounting standards or interpretations that have been adopted for the first time in these financial statements.

There are no new accounting standards or interpretations, which are published but not yet effective at 30 June 2022, that will have an impact on the Group in financial years commencing on or after 1 July 2022.

1.5. DISCONTINUED OPERATIONS

On 15 December 2021, the Group announced that it had entered into a binding agreement to divest its Corporate business in Australia and New Zealand to CTM for an enterprise value of \$175.0 million, comprising \$100.0 million in cash and \$75.0 million in CTM shares (3,571,429 shares). At 31 March 2022, these shares were fair valued at \$84.8 million.

All conditions precedent were met by the Group and the sale was completed on 31 March 2022. Accordingly, the Corporate business has been classified as a discontinued operation in this Financial Report.

1.5.1 PROFIT FROM DISCONTINUED OPERATIONS AFTER INCOME TAX

	June 2022 \$'000	June 2021 \$'000
PROFIT ON SALE OF DISCONTINUED OPERATIONS		
Net consideration comprised:		
Cash received ⁽ⁱ⁾	104,078	-
Working capital adjustment receivable	7,935	-
CTM shares received (at fair value)	84,821	-
Disposal costs	(5,101)	-
TOTAL CONSIDERATION	191,733	-
Less		
Carrying value of net assets of businesses/controlled entities divested	(62,302)	-
Foreign currency translation reserve released to profit or loss on disposal	1,239	-
GAIN ON SALE OF DISCONTINUED OPERATION	130,670	-
Income tax expense attributable to gain on sale	(13,138)	-
PROFIT ON DISPOSAL AFTER INCOME TAX	117,532	-
NET PROFIT FROM DISCONTINUED OPERATIONS DURING THE PERIOD		
Revenue	22,741	36,675
Expenses	(20,957)	(31,437)
NET PROFIT BEFORE INCOME TAX	1,784	5,238
Income tax expense	(685)	(1,571)
NET PROFIT AFTER INCOME TAX DURING THE PERIOD (9 MONTHS)	1,099	3,667
TOTAL PROFIT FROM DISCONTINUED OPERATIONS AFTER INCOME TAX	118,631	3,667
NET ASSETS OF THE BUSINESSES/CONTROLLED ENTITIES DIVESTED:		
Current assets	58,277	-
Non current assets	56,598	-
Current liabilities	(40,171)	-
Non current liabilities	(12,402)	-
NET ASSETS	62,302	-

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

SIGNIFICANT ACCOUNTING POLICIES

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

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

The comparative income statement and statement of cash flows have been re-presented as if the operation had been discontinued from the start of the comparative year.

2. GROUP PERFORMANCE

2.1 REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS

	2022 \$'000	Restated 2021 \$'000
Commissions	37,485	16,346
Transaction and services fees	3,806	3,545
Marketing related activities	3,344	3,995
Freight revenue	10,068	5,480
Other revenue (including call-centre revenue)	8,831	10,293
REVENUE FROM CONTRACTS WITH CUSTOMERS	63,534	39,659
Finance income	558	635
Government wage subsidies ⁽ⁱ⁾	1,906	15,184
Sundry income ⁽ⁱⁱ⁾	3,272	2,020
OTHER INCOME	5,736	17,839
TOTAL REVENUE AND OTHER INCOME	69,270	57,498

- (i) During the current year, government wage subsidies were received to assist with the financial impacts of the COVID-19 pandemic. Jobsaver payments of \$1.4 million (2021: \$14.5 million, Jobkeeper) were received in Australia and \$0.5 million (2021: \$0.7 million) under the New Zealand wage subsidy scheme (finished on 9 December 2021).
- (ii) Includes \$1.7 million (2021: nil) of travel industry subsidies paid by the Australian government to the Group to assist with the recovery from COVID-19.

SIGNIFICANT ACCOUNTING POLICIES

*(i) Commissions***At source commissions - retail and corporate and entertainment travel businesses**

The Group's retail and corporate and entertainment travel businesses receive at source commission from suppliers for the arrangement of travel, tours and travel related products. Revenue for the Retail business is recognised on the departure date of the travel. Revenue for the divested corporate and entertainment travel business was recognised at the point of time when tickets, itineraries or travel documents are issued (ticketed date) as this is when the performance obligation is met.

At source commissions - wholesale and inbound

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

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

Override commission revenue

The Group receives override commissions from airline and leisure partners across the air, land, cruise and travel products sold, based on the achievement of volume-based sales targets. Generally, override commissions are only received on departed travel sales (for air and cruise) or on commencement of hotel stays (for land). Each supplier has separate contractual agreements with the Group and the contractual rates, performance tiers and contract periods vary accordingly.

Revenue is recognised on departure date or travel commencement date as this reflects the point in time when this variable consideration is highly probable of not being subject to significant reversal in future periods. Override commission revenue is calculated and recognised using the applicable tiered earning rates set out in the supplier agreements.

Other types of at source commissions

The Group also receives commissions from sales of travel related products such as insurance, foreign currency purchasing services and incentives from suppliers. These commissions are recognised as revenue at the point of sale as they are not refundable and the performance obligation has been met and the amount can be reliably measured.

(ii) Transaction and service fees

The Group's air consolidation and Corporate businesses (discontinued operation for the year ended 30 June 2022) charged customers a transaction fee when travel arrangements were booked (via online or travel consultant). Transaction and service fees are recognised as revenue at the point of time when tickets were issued (ticketed date) as this was the time the performance obligation was met and the transaction price was fixed. Where amendments occurred after the initial transaction, these were treated separately, and additional transaction fees applied.

(iii) Marketing related activities

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

(iv) Other revenue

Franchise fees

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

Transport and logistics revenue

Transport and logistics revenue are generated in the Entertainment Logistix freight business and the tourist transport business in Fiji. Revenue is recognised at a point in time when the service has been delivered and at the total fee charged to the customer as the Group is acting as the principal in the delivery of the service to the customer.

Call centre revenue

The company operated call centres to support various COVID-19 public information and contact tracing programmes. Revenue was recognised on an accrual basis as the service was provided.

FINANCIAL STATEMENTS

2.2 INDIVIDUALLY SIGNIFICANT ITEMS FROM CONTINUING OPERATIONS

	2022 \$'000	Restated 2021 \$'000
Defined contribution superannuation expense	(3,140)	(2,998)
LTIP expense (note 8.1: Share based payments)	-	710
Employee share plan expense (note 8.1: Share based payments)	-	(2,224)
Other employee benefits expense including salaries	(42,543)	(53,219)
TOTAL EMPLOYEE BENEFITS EXPENSE	(45,683)	(57,731)
Fair value adjustment on contingent consideration receivable ⁽ⁱ⁾	-	(170)
Fair value adjustment on redemption liability ⁽ⁱⁱ⁾	-	1,200
TOTAL FAIR VALUE ADJUSTMENTS	-	1,030
Loss allowance on trade receivables and accrued revenue	(206)	(1,771)
Business acquisition related expenses	-	(58)
Other provisions	-	(2,473)
Restructuring costs ⁽ⁱⁱⁱ⁾	-	(5,597)
Bargain purchase on ITM acquisition (note 6.4: Business acquisitions)	-	228
Gain/(loss) on disposal and modification of leases	127	(270)

- (i) At 30 June 2021 the contingent consideration receivable relating to the sale of Insider Journeys was remeasured to its fair value of nil with the resulting fair value change of \$170,000 recognised in the profit and loss.
- (ii) At 30 June 2021, the fair value of the redemption liability relating to the put option to acquire the non-controlling 40.0% ownership interest in Keygate Holdings Pty Ltd has been remeasured to nil from the prior year value of \$1.2 million due to border restrictions across Asia. The resulting fair value change of \$1.2 million was recognised in the profit and loss. The option expired on 1 July 2022.
- (iii) In response to the change in the travel market due to the COVID-19 pandemic in the financial years ending 2020 and 2021, the Group restructured the business to deliver cost savings and efficiencies while preserving the key operations to support the eventual recovery of both domestic and international travel.

2.3 FINANCE INCOME AND EXPENSE FROM CONTINUING OPERATIONS

	2022 \$'000	Restated 2021 \$'000
INTEREST INCOME	558	635
Interest expense ⁽ⁱ⁾	(1,914)	(2,575)
Interest expense on lease liabilities	(807)	(1,000)
INTEREST EXPENSE	(2,721)	(3,575)
NET INTEREST EXPENSE	(2,163)	(2,940)

- (i) Interest expense includes \$0.3 million (2021: \$0.2 million) of non-cash amortised borrowing costs.

SIGNIFICANT ACCOUNTING POLICIES

Finance costs are recognised in the profit and loss in the period in which they are incurred. Lease finance costs comprise interest on lease liabilities calculated using the incremental borrowing rate. Non-leases finance costs comprise interest on borrowings calculated using the effective interest method and the effect of unwinding the discount on make good provisions.

2.4 SEGMENT INFORMATION FROM CONTINUING OPERATIONS

2.4.1 DESCRIPTION OF SEGMENTS

Internal reports reviewed and used by the Chief Executive Officer and the Board (the Chief Operating Decision Makers or CODMs) in assessing performance and making strategic decisions are prepared on a geographical basis. Consequently, the Group has the following geographical segments.

AUSTRALIA	NEW ZEALAND	REST OF WORLD (ROW)
• Retail distribution operations • Air ticketing	• Retail distribution operations • Air ticketing	• Inbound • Tourism Transport Fiji • Shared service functions
• Wholesale and inbound	• Wholesale and inbound	
• Entertainment logistics	• Shared service functions	
• Corporate business (Discontinued operation from 31 March 2022)	• Corporate business (Discontinued operation from 31 March 2022)	
• Shared service functions		



Rottneest Island, Western Australia

FINANCIAL STATEMENTS

2.4.2 SEGMENT INFORMATION PROVIDED TO THE CODMs

The CODMs assess the performance of the operating segments based on a financial measure of EBITDA, which is not a measure prescribed by Australian Accounting Standards. EBITDA has been amended in this financial year to exclude all AASB 16 Leases associated expenses, including right of use assets' depreciation and finance expenses associated with lease liabilities. EBITDA is therefore calculated as earnings before interest expense, tax, depreciation and amortisation.

	Australia \$'000	New Zealand \$'000	Rest of World \$'000	Restated Total \$'000
YEAR ENDED 30 JUNE 2021				
Commissions	13,900	2,343	103	16,346
Transaction and services fees	3,545	-	-	3,545
Marketing related activities	3,785	210	-	3,995
Freight revenue	5,480	-	-	5,480
Other revenue	10,293	-	-	10,293
REVENUE	37,003	2,553	103	39,659
Government wage subsidies	14,475	709	-	15,184
Other revenue	2,039	593	23	2,655
SEGMENT REVENUE	53,517	3,855	126	57,498
Segment expenses	(70,791)	(9,778)	(648)	(81,217)
Equity accounted loss	(783)	-	-	(783)
EBITDA LOSS FROM CONTINUING OPERATIONS	(18,057)	(5,923)	(522)	(24,502)
	Australia \$'000	New Zealand \$'000	Rest of World \$'000	Total \$'000
YEAR ENDED 30 JUNE 2022				
Commissions	32,772	4,540	173	37,485
Transaction and services fees	3,806	-	-	3,806
Marketing related activities	3,009	335	-	3,344
Freight revenue	10,068	-	-	10,068
Other revenue	8,004	42	785	8,831
REVENUE	57,659	4,917	958	63,534
Government wage subsidies	1,445	461	-	1,906
Other revenue	3,166	664	-	3,830
SEGMENT REVENUE AND OTHER INCOME	62,270	6,042	958	69,270
Segment expenses	(70,255)	(8,665)	(908)	(79,828)
Equity accounted loss	(73)	-	-	(73)
EBITDA LOSS FROM CONTINUING OPERATIONS	(8,058)	(2,623)	50	(10,631)

Comparative information has been reported on a consistent basis.

2.4.3 OTHER SEGMENT INFORMATION: RECONCILIATION OF EBITDA

EBITDA represents earnings before interest expense, tax, depreciation and amortisation. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards but is the measure used by the Board to assess the financial performance of the Group and operating segments.

A reconciliation of EBITDA to loss before income tax is provided as follows:

	2022 \$'000	Restated 2021 \$'000
EBITDA	(10,631)	(24,502)
<i>Add back non-cash items:</i>		
Depreciation of property, plant and equipment	(3,790)	(3,656)
Depreciation of right of use assets	(5,067)	(7,294)
Impairment of right of use assets	-	(426)
Amortisation of intangible assets	(13,890)	(15,275)
Finance expense on lease liabilities	(807)	(1,000)
Finance expense on borrowings	(1,914)	(2,575)
TOTAL NON-CASH ITEMS	(25,468)	(30,226)
LOSS BEFORE INCOME TAX BENEFIT	(36,099)	(54,728)

2.4.4 GEOGRAPHICAL INFORMATION

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

Non-current assets

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

- Australia \$309.4 million (2021: \$306.4 million);
- New Zealand \$32.5 million (2021: \$41.6 million); and
- Other countries \$4.2 million (2021: \$3.1 million).

FINANCIAL STATEMENTS

2.5 INCOME TAXES

2.5.1 INCOME TAXES RECOGNISED IN THE PROFIT OR LOSS FROM CONTINUING OPERATIONS

	2022 \$'000	Restated 2021 \$'000
Current income tax benefit	3,662	8,518
Deferred income tax benefit relating to the origination and reversal of temporary differences ⁽ⁱ⁾	5,367	6,680
Adjustment in respect of current tax expense of previous year	(1,715)	(22)
INCOME TAX BENEFIT	7,314	15,176

(i) Deferred income tax expense relating to the origination and reversal of temporary differences comprises:

Increase in deferred tax assets	9,612	1,310
Decrease/(increase) in deferred tax liabilities	(4,245)	5,370
DEFERRED INCOME TAX BENEFIT	5,367	6,680

	2022 \$'000	Restated 2021 \$'000
RECONCILIATION OF LOSS BEFORE INCOME TAX AND INCOME TAX BENEFIT		
LOSS BEFORE INCOME TAX	36,099	54,728
Income tax benefit at the statutory tax rate of 30.0%	10,830	16,418
Add/(deduct) tax effect of:		
Gain on disposal of non-current assets	-	(394)
Non-deductible amortisation	(415)	(415)
Non-deductible non-cash impairment	-	(61)
Share based payment expense	(40)	(497)
Non-assessable income	-	431
Tax losses de-recognised	(1,012)	-
Differences in overseas tax rates	(237)	(284)
Other non-deductible items	(97)	-
Under provision in prior year	(1,715)	(22)
INCOME TAX BENEFIT	7,314	15,176

2.5.2 DEFERRED TAX ASSETS

	2022 \$'000	2021 \$'000
Employee benefits	2,337	3,960
Payables and accruals	6,042	8,835
Property, plant and equipment	-	188
Lease liabilities	6,323	9,162
Tax losses ⁽ⁱ⁾	5,040	3,167
Other	1,440	3,454
GROSS DEFERRED TAX ASSETS	21,182	28,766
Set-off of deferred tax assets and liabilities pursuant to set-off provisions	(21,182)	(28,766)
NET DEFERRED TAX ASSETS	-	-

- (i) At 30 June 2022 the Group had an unrecognised deferred tax benefit related to income tax losses of \$1.0 million (2021: nil). The utilisation of these tax losses depends on meeting the requirements of the tax law in the countries to which they relate.
- (ii) There is an unrecognised deferred tax asset relating to unused capital losses of \$2.0 million (2021: nil). The utilisation of these capital losses is uncertain as the Australian tax law requires certain tax conditions to be met before they can be utilised against capital gains.
- (iii) Under Australian tax law, the group has been able to apply tax credits from carrying back tax losses from 2020 and 2021 to reduce income tax liabilities for 2019 totalling \$7.7 million.

(B) MOVEMENT IN TEMPORARY DIFFERENCES DURING THE YEAR

	Employee benefits \$'000	Payables and accruals \$'000	Property plant and equipment \$'000	Lease liabilities \$'000	Tax losses \$'000	Other \$'000	Total \$'000
BALANCE AT 1 JULY 2020	6,644	7,636	695	8,854	667	2,606	27,102
(Charged)/credited							
- to profit or loss	(2,684)	1,199	(507)	308	2,500	848	1,664
- to other comprehensive income	-	-	-	-	-	-	-
BALANCE AT 30 JUNE 2021	3,960	8,835	188	9,162	3,167	3,454	28,766
BALANCE AT 1 JULY 2021	3,960	8,835	188	9,162	3,167	3,454	28,766
Reclassifications	(2,850)	(4,807)	-	-	7,657	-	-
Tax refund received	-	-	-	-	(7,657)	-	(7,657)
(Charged)/credited							
- to profit or loss	2,030	2,426	(188)	(305)	7,728	(1,640)	10,051
- to profit from discontinued operations	-	-	-	-	1,347	(281)	1,066
Offset tax payable	-	-	-	-	(6,167)	-	(6,167)
Tax losses derecognised	-	-	-	-	(1,035)	-	(1,035)
Reductions: divested business	(803)	(412)	-	(2,534)	-	(93)	(3,842)
BALANCE AT 30 JUNE 2022	2,337	6,042	-	6,323	5,040	1,440	21,182

FINANCIAL STATEMENTS

2.5.3 DEFERRED TAX LIABILITIES

	2022 \$'000	2021 \$'000
Investment in associates	8,142	-
Accrued revenue	13,315	16,982
Property, plant and equipment	-	99
Right of use assets	5,508	7,424
Intangibles	34,426	35,650
Other	2,225	1,691
GROSS DEFERRED TAX LIABILITIES	63,616	61,846
Set-off of deferred tax assets and liabilities pursuant to set-off provisions	(21,182)	(28,766)
NET DEFERRED TAX LIABILITIES	42,434	33,080

(B) MOVEMENT IN TEMPORARY DIFFERENCES DURING THE YEAR

	Other investments \$'000	Accrued revenue \$'000	Property plant and equipment \$'000	Right of use assets \$'000	Intangibles \$'000	Other \$'000	Total \$'000
BALANCE AT 1 JULY 2020	-	19,931	160	7,311	37,156	3,056	67,614
(Charged)/credited							
- to profit or loss	-	(2,949)	(61)	113	(1,506)	(1,366)	(5,769)
- to other comprehensive income	-	-	-	-	-	-	-
BALANCE AT 30 JUNE 2021	-	16,982	99	7,424	35,650	1,690	61,845
BALANCE AT 1 JULY 2021	-	16,982	99	7,424	35,650	1,690	61,845
(Charged)/credited							
- to profit or loss	-	2,710	(99)	436	1,166	32	4,245
- to profit from discontinued operations	13,746	-	-	-	-	-	13,746
- to other comprehensive income	(5,604)	-	-	-	-	-	(5,604)
Reductions: divested business	-	(6,377)	-	(2,352)	(2,390)	503	(10,616)
BALANCE AT 30 JUNE 2022	8,142	13,315	-	5,508	34,426	2,225	63,616

Unrecognised temporary differences

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

SIGNIFICANT ACCOUNTING POLICIES

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

Current tax

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

Deferred tax

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

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

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

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

Tax consolidation legislation

Helloworld Travel Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Helloworld Travel Limited, and its 100.0% wholly-owned subsidiaries in the Australian income tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the Australian income tax consolidated group continues to be a standalone taxpayer.

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

Nature of tax funding arrangements and tax sharing agreements

Helloworld Travel Limited, in conjunction with the other 100.0% wholly owned subsidiary members of the Australian income tax consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the Australian income tax consolidated group in respect of the Group's tax liability. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any deferred tax asset relating to tax losses be assumed by the head entity, resulting in the head entity recognising an intercompany receivable/(payable) equal in amount to the tax liability/(asset) assumed. The intercompany receivable/(payable) is at call.

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

FINANCIAL STATEMENTS

2.6. EARNINGS PER SHARE (EPS)

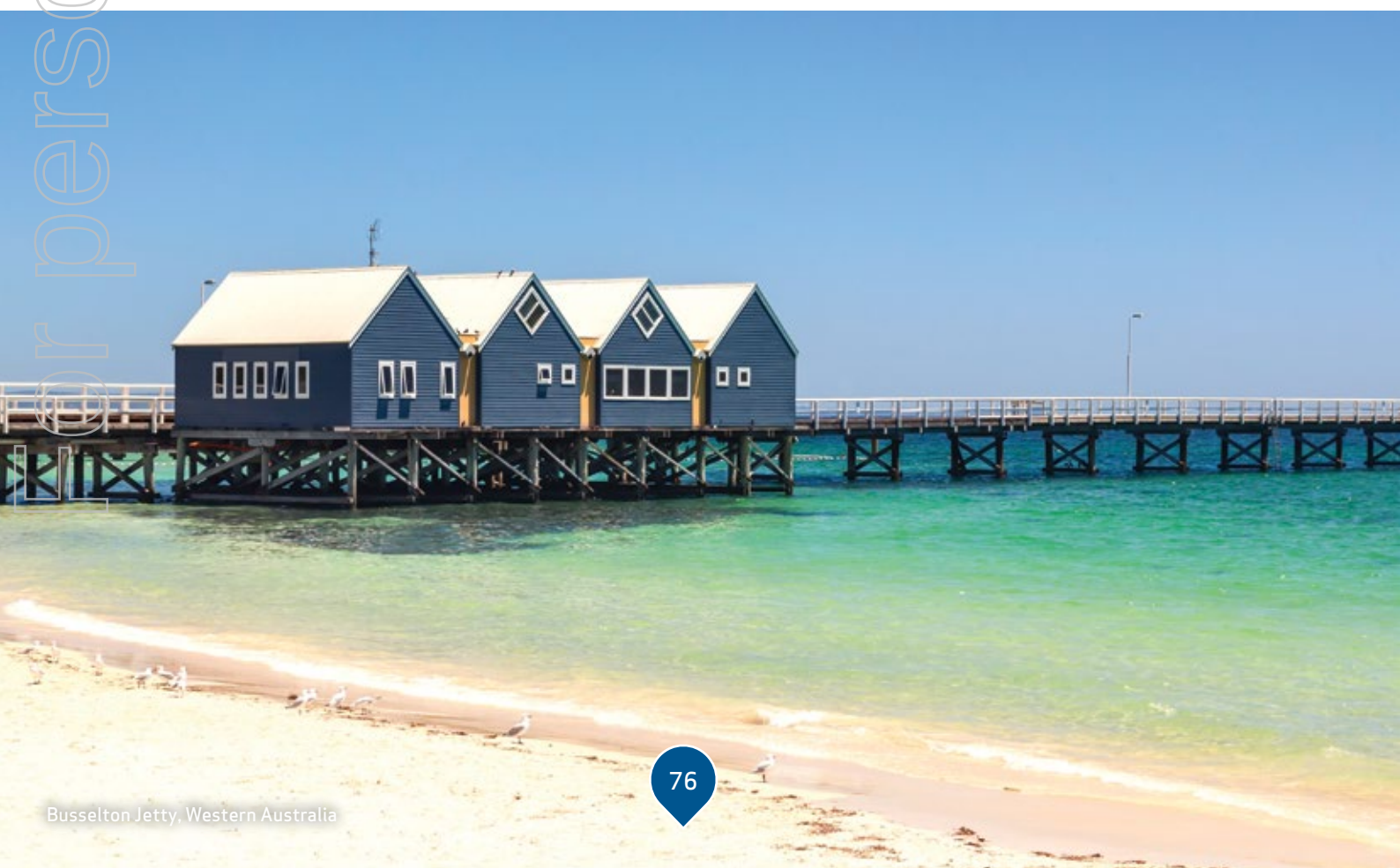
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY USED IN EPS	2022 \$'000	2021 \$'000
Loss from continuing operations	(28,104)	(39,163)
Profit from discontinued operations	118,631	3,667
	90,527	(35,496)

	NUMBER OF SHARES	
WEIGHTED AVERAGE NUMBER OF SHARES (WANOS) USED IN EARNINGS PER SHARE	2022	2021
Basic earnings per share ⁽ⁱ⁾	155,027,845	152,088,337
Diluted earnings per share	155,027,845	152,088,337

	CENTS PER SHARE	
BASIC EARNINGS PER SHARE	2022	2021
Continuing operations	(18.1)	(25.7)
Discontinued operations	76.5	2.4
	58.4	(23.3)

	CENTS PER SHARE	
DILUTED EARNINGS PER SHARE	2022	2021
Continuing operations	(18.1)	(25.7)
Discontinued operations	76.5	2.4
	58.4	(23.3)

(i) At 30 June 2022, the Company had 155,027,845 (2021: 155,027,845) ordinary shares on issue.



3. WORKING CAPITAL AND PROVISIONS

3.1. TRADE AND OTHER RECEIVABLES

	2022 \$'000	2021 \$'000
CURRENT		
Trade receivables	33,788	16,342
Loss allowance	(2,393)	(2,487)
TRADE RECEIVABLES NET OF LOSS ALLOWANCE	31,395	13,855
Prepayments	5,053	5,502
Other receivables	9,883	7,751
TOTAL PREPAYMENTS AND OTHER RECEIVABLES	14,936	13,253
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	46,331	27,108
NON-CURRENT		
Loans to related parties	-	4,395
Other receivables	2,799	1,379
TOTAL NON-CURRENT TRADE AND OTHER RECEIVABLES	2,799	5,774

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

Impairment of trade and other receivables

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

Prepayments

Prepayments consist of travel products purchased prior to revenue recognition of the associated travel booking and prepaid operating expenditure.

3.2. ACCRUED REVENUE

	2022 \$'000	2021 \$'000
Accrued override commission ⁽ⁱ⁾	14,961	7,334
Other accrued revenue ⁽ⁱⁱ⁾	-	14,199
Loss allowance	(3,500)	(3,200)
TOTAL ACCRUED REVENUE	11,461	18,333

(i) Increase of \$7.6 million reflects the continued recovery by the Group from COVID-19.

(ii) Decrease of \$14.2 million due to divestment of the Corporate business.

SIGNIFICANT ACCOUNTING POLICIES

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

Accrued override commission

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

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

Other accrued revenue

Other accrued revenue is unconditional commission revenue due from customers but not yet invoiced. Refer to note 3.1: Trade and other receivables, for further details of the recognition and measurement of the loss allowance.

3.3 TRADE AND OTHER PAYABLES

	2022 \$'000	2021 \$'000
Trade payables	92,530	89,652
Accruals	19,721	10,652
Other payables	20,874	8,247
TOTAL TRADE AND OTHER PAYABLES	133,125	108,551

SIGNIFICANT ACCOUNTING POLICIES

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

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



Gardens by the Bay, Singapore

FINANCIAL STATEMENTS

3.4 DEFERRED REVENUE

	2022 \$'000	2021 \$'000
Supplier incentives ⁽ⁱ⁾	1,603	8,733
Unearned income ⁽ⁱⁱⁱ⁾	6,605	11,119
TOTAL DEFERRED REVENUE	8,208	19,852

- (i) Reduction of \$7.1 million due to the renegotiation of contracts and impacts of the divestment of the Corporate business.
- (ii) Reduction of \$4.5 million due to the divestment of the Corporate business.
- (iii) The Group has not provided information on the amount of revenue recognised in the current year from activities (performance obligations) satisfied or partially satisfied in previous periods as these performance obligations have an original expected duration of one year or less.

SIGNIFICANT ACCOUNTING POLICIES

Supplier incentives

The Group receives incentives from suppliers when entering into long term contracts. Incentives deferred at 30 June 2022 relate to contracts with terms of between 7 to 10 years. Supplier incentives are recognised in the profit and loss over the life of the contract based on specific performance criteria.

Unearned income

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

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

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

3.5 OTHER LIABILITIES

	2022 \$'000	2021 \$'000
Deferred payments ⁽ⁱ⁾	460	460
Other non-current liabilities	209	209
TOTAL OTHER NON-CURRENT LIABILITIES	669	669

- (i) Relates to deferred contingent consideration (override commission due on TTV) payable by the Group for the CruiseCo business acquired on 30 November 2020. As part of finalising the acquisition accounting for CruiseCo, the deferred payment was remeasured and a corresponding adjustment has been made to goodwill. Refer note 6.4: Business acquisitions for further details.

3.6 PROVISIONS

	2022 \$'000	2021 \$'000
CURRENT PROVISIONS		
Employee benefits - annual leave	3,132	4,938
Employee benefits - long service leave	4,214	6,793
Other	7,600	10,425
TOTAL CURRENT PROVISIONS	14,946	22,156
NON-CURRENT PROVISIONS		
Employee benefits - long service leave	26	215
Lease make good ⁽ⁱ⁾	1,130	1,357
TOTAL NON-CURRENT PROVISIONS	1,156	1,572

- (i) During the current year, the Group consolidated their operations resulting in the relocation of staff from the Turbot St (Brisbane) office, utilising the previously recognised make good provision for this property.

MOVEMENTS IN PROVISIONS

	Lease make good \$'000	Other \$'000	Total \$'000
BALANCE AT 1 JULY 2020	1,553	8,796	10,349
Provisions charged to fixed assets	63	-	63
Provision charged/(released) to income statement	(196)	4,720	4,524
Payments made from provision	(63)	(3,091)	(3,154)
BALANCE AT 30 JUNE 2021	1,357	10,425	11,782
Current	-	10,425	10,425
Non-current	1,357	-	1,357
BALANCE AT 30 JUNE 2021	1,357	10,425	11,782
BALANCE AT 1 JULY 2021	1,357	10,425	11,782
Provision charged/(released) to income statement	18	(1,941)	(1,923)
Payments made from provision	(165)	(884)	(1,049)
Reductions: divested business	(80)	-	(80)
BALANCE AT 30 JUNE 2022	1,130	7,600	8,730
Current	-	7,600	7,600
Non-current	1,130	-	1,130
BALANCE AT 30 JUNE 2022	1,130	7,600	8,730

SIGNIFICANT ACCOUNTING POLICIES

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

Employee benefits

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

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

Lease make good

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

FINANCIAL STATEMENTS

4. INVESTED CAPITAL

4.1 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings \$'000	Equipment including motor vehicles \$'000	Leasehold improvements \$'000	Total \$'000
BALANCE AT 1 JULY 2020	680	10,212	3,805	14,697
Additions	-	2,260	576	2,836
Disposals	-	(296)	(546)	(842)
Foreign currency differences	(31)	-	(5)	(36)
Depreciation charge	(11)	(3,300)	(609)	(3,920)
BALANCE AT 30 JUNE 2021	638	8,876	3,221	12,735
AT 30 JUNE 2021				
Cost	718	28,842	9,201	38,761
Accumulated depreciation	(80)	(19,966)	(5,980)	(26,026)
NET BOOK AMOUNT	638	8,876	3,221	12,735
BALANCE AT 1 JULY 2021	638	8,876	3,221	12,735
Additions	-	344	-	344
Disposals	-	(21)	-	(21)
Reductions: divested business	-	(359)	(130)	(489)
Foreign currency differences	11	(11)	(14)	(14)
Depreciation charge	(11)	(3,162)	(776)	(3,949)
BALANCE AT 30 JUNE 2022	638	5,667	2,301	8,606
AT 30 JUNE 2022				
Cost	733	29,113	8,620	38,466
Accumulated depreciation	(95)	(23,446)	(6,319)	(29,860)
NET BOOK AMOUNT	638	5,667	2,301	8,606

SIGNIFICANT ACCOUNTING POLICIES

Carrying value

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

Depreciation

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

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

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

Proceeds from sale of assets

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

Impairment

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

FINANCIAL STATEMENTS

4.2 RIGHT OF USE ASSETS

	Property \$'000	Motor Vehicles \$'000	Total \$'000
BALANCE AT 1 JULY 2020	24,488	50	24,538
Additions	9,698	18	9,716
Disposals	(3,629)	(39)	(3,668)
Modifications to lease terms	2,958	-	2,958
Foreign currency differences	(37)	-	(37)
Impairment ⁽ⁱ⁾	(426)	-	(426)
Depreciation charge	(8,027)	(12)	(8,039)
BALANCE AT 30 JUNE 2021	25,025	17	25,042
AT 30 JUNE 2021			
Cost	56,160	48	56,208
Accumulated depreciation and impairment	(31,135)	(31)	(31,166)
NET BOOK AMOUNT	25,025	17	25,042
BALANCE AT 1 JULY 2021	25,025	17	25,042
Additions	4,247	-	4,247
Disposals	(646)	-	(646)
Reductions: divested business	(5,791)	-	(5,791)
Modifications to lease terms	1,384	-	1,384
Foreign currency differences	(142)	-	(142)
Depreciation charge	(5,723)	(11)	(5,734)
BALANCE AT 30 JUNE 2022	18,354	6	18,360
AT 30 JUNE 2022			
Cost	34,220	48	37,268
Accumulated depreciation and impairment	(15,866)	(42)	(15,908)
NET BOOK AMOUNT	18,354	6	18,360

(i) Right of use assets are assessed for impairment periodically. Refer to note 4.4: Impairment of non-financial assets for further details.

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

SIGNIFICANT ACCOUNTING POLICIES

Lease assets

Lease assets are initially measured at cost, comprising:

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

Lease assets are subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Lease assets are tested for impairment in accordance with the policy adopted for non-financial assets in note 4.4: Impairment of non-financial assets.

Subsequent to initial measurement, when the lease liability is remeasured, a corresponding adjustment is made to the value of the lease asset, or the profit and loss statement if the lease asset is already reduced to zero.

4.3 INTANGIBLE ASSETS

	Goodwill \$'000	Retail distribution systems \$'000	Agent network \$'000	Commercial agreements \$'000	Customer bases \$'000	Brand names and trademarks \$'000	Technology assets \$'000	Total \$'000
BALANCE AT 1 JULY 2020	121,454	104,400	8,706	19,076	8,424	2,357	36,330	300,747
Additions: purchased	-	-	-	-	-	-	3,234	3,234
Additions: internal projects	-	-	-	-	-	-	3,127	3,127
Additions: business combinations ⁽ⁱⁱ⁾	961	-	-	-	-	-	-	961
Foreign currency differences	-	-	-	(18)	-	-	43	25
Amortisation charge	-	-	-	(3,306)	(1,089)	(230)	(12,239)	(16,864)
Impairment	-	-	(396)	-	-	-	-	(396)
BALANCE AT 30 JUNE 2021	122,415	104,400	8,310	15,752	7,335	2,127	30,495	290,834
AT 30 JUNE 2021								
Cost	511,634	104,400	8,810	26,933	8,706	10,500	104,510	775,493
Accumulated amortisation and impairment	(389,219)	-	(500)	(11,181)	(1,371)	(8,373)	(74,015)	(484,659)
NET BOOK AMOUNT	122,415	104,400	8,310	15,752	7,335	2,127	30,495	290,834
BALANCE AT 1 JULY 2021	122,415	104,400	8,310	15,752	7,335	2,127	30,495	290,834
Additions: purchased	-	-	-	-	-	-	1,372	1,372
Additions: internal projects ⁽ⁱ⁾	-	-	-	-	-	-	2,364	2,364
Reductions: divested business	(33,568)	-	-	(74)	(6,808)	(1,093)	(3,852)	(45,395)
Foreign currency differences	(876)	-	-	(19)	-	-	(22)	(917)
Amortisation charge	-	-	-	(3,412)	(527)	(170)	(10,533)	(14,642)
BALANCE AT 30 JUNE 2022	87,971	104,400	8,310	12,247	-	864	19,824	233,616
AT 30 JUNE 2022								
Cost	463,419	104,400	8,810	24,904	-	9,143	96,539	707,215
Accumulated amortisation and impairment	(375,448)	-	(500)	(12,657)	-	(8,279)	(76,715)	(473,599)
NET BOOK AMOUNT	87,971	104,400	8,310	12,247	-	864	19,824	233,616

(i) Capital works in progress of nil (2021: \$5.7 million) is included in Technology Assets.

(ii) On 30 November 2020, the Group announced the acquisition for 100.0% of the CruiseCo business (CruiseCo), a specialist cruise package wholesaler. A retrospective adjustment has been made since initial recognition of deferred contingent consideration payable and a corresponding adjustment has been made to goodwill, resulting in a goodwill reduction of \$0.6 million.

FINANCIAL STATEMENTS

NATURE OF INTANGIBLE ASSETS

Goodwill

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

Retail distribution systems

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

Agent networks

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

Commercial agreements

Commercial agreements represent:

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

Customer bases

Customer bases represented the value attributable to key customer relationships within the corporate business. The customer bases intangible assets were acquired as part of business combinations and have now been divested with the sale of Corporate business.

Brand names and trademarks

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

Technology assets

Technology assets consist of:

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

	2022 \$'000	2021 \$'000
GOODWILL BY CASH GENERATING UNIT (CGU) GROUP		
Australia retail distribution operations ⁽ⁱ⁾	34,610	34,610
Australia wholesale and inbound ⁽ⁱ⁾	44,479	44,479
Australia travel management ⁽ⁱ⁾	-	29,101
New Zealand ⁽ⁱⁱ⁾	8,882	14,225
GOODWILL, NET OF IMPAIRMENT	87,971	122,415

(i) Represent the Australian reportable segment for management purposes.

(ii) The New Zealand reportable segment equates to the New Zealand CGU for management reporting purposes.

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

	2022 \$'000	2021 \$'000
RETAIL DISTRIBUTION SYSTEMS		
Retail distribution systems	97,400	97,400
Magellan distribution systems	7,000	7,000
TOTAL RETAIL DISTRIBUTION SYSTEMS - INDEFINITE LIFE	104,400	104,400

SIGNIFICANT ACCOUNTING POLICIES

Goodwill

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

Intangible assets with indefinite useful life

(i) Retail distribution systems

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

(ii) Agent networks

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

Intangible assets with finite useful life

(i) Commercial agreements

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

(ii) Customer bases

Customer bases were measured at cost and are amortised over their useful life of 8 years.

(iii) Brand names and trademarks

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

(iv) Technology assets

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

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

Impairment

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

4.4 IMPAIRMENT OF NON-FINANCIAL ASSETS

Key Assumptions

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

KEY ASSUMPTION	COMMENTARY
TOTAL TRANSACTION VALUE (TTV)	
Australia retail distribution operations CGU	Travel is forecast to gradually increase to 100.0% of FY19 volumes in 2025, consistent with IATA's forecast of all travel returning to FY19 volumes by 2025.
Australia wholesale and inbound CGU	Travel is forecast to gradually increase to 80.0% of FY19 volumes in 2027 which is conservative compared to IATA's forecast of all travel returning to FY19 volumes by 2025.
New Zealand	The New Zealand CGU comprises inbound and outbound leisure. Travel is forecast to gradually increase to 100.0% of FY19 volumes in 2026 which is conservative compared to IATA's forecast of all travel returning to FY19 volumes by 2025.
REVENUE MARGINS/EBITDA	Revenue margins are forecast to return at historical levels for each revenue stream, allowing for changes in TTV mix within the respective CGU. The most significant expense, employee benefits expenditure is forecast to increase in dollar terms from FY23 to FY26 at a reduced rate relative to forecast TTV and revenue trends. Other variable costs have been forecast as a percentage of TTV or revenue.
LONG-TERM GROWTH	The terminal value calculations have an equivalent revenue and operating expense growth assumption of 2.0% (2021: 2.0%).
DISCOUNT RATES	Discount rates applied in the testing of recoverable amounts reflect the post-tax weighted average cost of capital. A 12.0% (2021: 11.5%) discount rate has been applied to the Australian CGUs and 12.0% (2021: 11.5%) to the New Zealand CGU.

Sensitivity analysis

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

	RESULTANT IMPAIRMENT CHANGE			
	TTV reduction to key assumption ⁽ⁱ⁾⁽ⁱⁱ⁾	EBITDA reduction to key assumption	Long-term growth decrease	Discount rate increase
GOODWILL	5.0%	2.0%	0.5%	0.5%
Australia retail distribution operations	No impairment	No impairment	No impairment	No impairment
Australia wholesale and inbound	No impairment	No impairment	No impairment	No impairment
New Zealand	No impairment	No impairment	No impairment	No impairment

- (i) TTV does not represent revenue in accordance with Australian Accounting Standards and is not subject to auditor review. TTV represents the price at which travel products and services have been sold across the Group, as agents for various airlines and other service providers, plus revenue from other sources. The Group's revenue is, therefore, derived from TTV. TTV does not represent the Group cash inflows as some transactions are settled directly between the customer and the supplier.
- (ii) A reduction in forecast TTV has a corresponding impact on forecast revenues and variable operating expenditures, working capital and tax.

SIGNIFICANT ACCOUNTING POLICIES

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

Impairment of non-financial assets

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

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

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

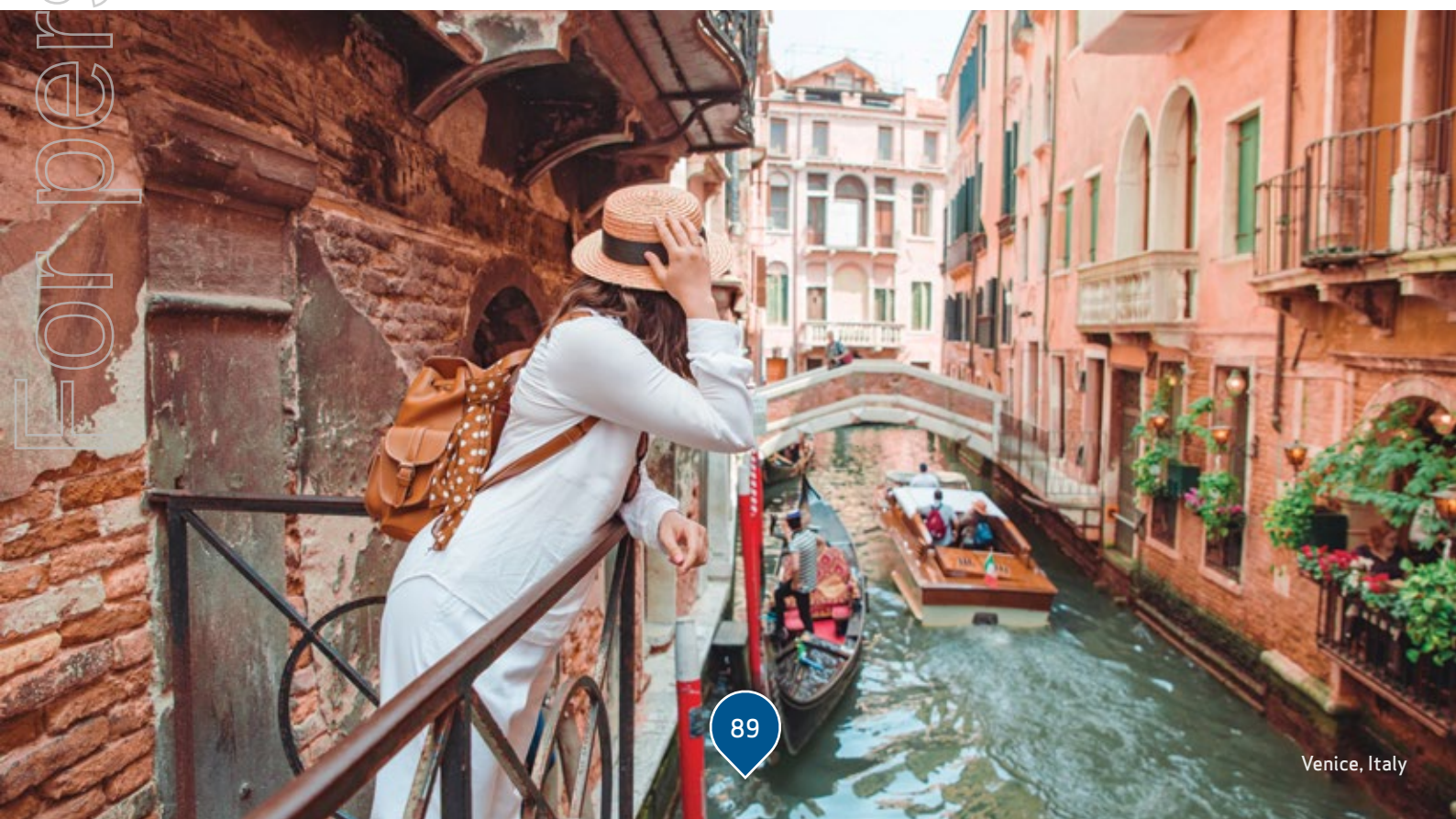
Calculation of recoverable amount

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

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

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

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



5 CAPITAL STRUCTURE AND FINANCING ACTIVITIES

5.1 CASH AND CASH EQUIVALENTS

	2022 \$'000	2021 \$'000
Cash at bank and on hand ⁽ⁱ⁾⁽ⁱⁱ⁾	89,059	110,830
Restricted cash at bank ⁽ⁱⁱⁱ⁾	33,465	20,194
CASH AND CASH EQUIVALENTS	122,524	131,024

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

(ii) Includes cash at call of \$88.0 million (2021: nil) held with an Australian bank, which is rated AA- by Standard & Poors.

(iii) Restricted cash includes cash held of \$33.5 million (2021: \$20.2 million) within legal entities of the Group that have IATA requirements as part of providing ticketing travel arrangements.

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

CASH FLOW RECONCILIATIONS

Reconciliation of loss after income tax to net cash

	2022 \$'000	2021 \$'000
PROFIT/(LOSS) AFTER INCOME TAX EXPENSE FOR THE YEAR	89,846	(35,885)
<i>Adjustments for:</i>		
Depreciation and amortisation expense	24,325	29,219
Impairment expense	-	426
Share based payment expense	51	1,515
Profit on disposal of property, plant and equipment	(174)	(39)
Profit on disposal of investments	-	(963)
Loss allowance on trade receivables	125	(3,529)
Share of profit of associates accounted for using the equity method	73	790
Fair value adjustment on redemption liability	-	(1,200)
Fair value adjustment on contingent receivable	-	170
Amortisation of borrowing costs	289	192
Non-cash revaluation of lease liability	(127)	(389)
Gain on sale of Corporate business	(117,532)	-
Gain on bargain purchase	-	228
<i>Change in operating assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(29,522)	13,660
(Increase)/decrease in accrued revenue	(14,384)	16,649
Decrease in inventories	20	20
Increase in trade and other payables	79,543	14,584
(Decrease) in deferred revenue	(24,851)	(33,951)
(Decrease) in provisions	(7,616)	(2,826)
Increase in other liabilities	-	995
Movements in tax balances	9,354	(13,205)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	9,420	(13,539)

5.2 BORROWINGS

	2022 \$'000	2021 \$'000
Secured bank loans	-	81,000
Deferred borrowing costs	-	(289)
NON-CURRENT BORROWINGS	-	80,711

FINANCING ARRANGEMENTS

FACILITY AVAILABLE	Expiry Date	2022 \$'000	2021 \$'000
Secured bank loan - multi currency	Facility A - March 2023	-	40,000
Secured multi-option revolving credit facility	Facility B - March 2023	-	30,000
Secured bank loan facility - AUD	Facility C - March 2023	-	20,000
Secured bank loan facility - TravelEdge acquisition	Facility D - March 2023	-	29,000
TOTAL		-	119,000

FACILITY DRAWN DOWN

Secured bank loan - multi currency	-	19,500
Secured multi-option revolving credit facility	-	17,500
Secured bank loan facility - AUD	-	15,000
Secured bank loan facility - TravelEdge acquisition	-	29,000
TOTAL	-	81,000

CONTINGENT FACILITIES: BANK GUARANTEES AND LETTER OF CREDIT

Secured multi-option revolving credit facility (Facility B)	3,959	4,037
Secured bank loan facility - AUD (Facility C)	591	-
Stand alone facilities	1,218	2,412
TOTAL	5,768	6,449

FACILITIES AVAILABLE BUT NOT USED

Secured bank loan - multi currency	-	20,500
Secured multi-option revolving credit facility	-	4,281
Secured bank loan facility - AUD	-	6,770
TOTAL	-	31,551

Cash drawn down under facilities A, B, C and D were repaid during the period. A small number of contingent components of Facilities B and C will continue on a terminating basis.

The financing arrangements are secured over the assets of the entities in the Deed of Cross Guarantee (note 6.1: Investments in associates and note 8.4: Deed of cross guarantee) and certain New Zealand entities within the Group (the "obligor group" as defined under the Westpac facility agreement).

The Group complied with all financial covenants required by its borrowing facilities during the relevant 2022 and 2021 periods.

SIGNIFICANT ACCOUNTING POLICIES

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequently, borrowings are stated at amortised cost. Any difference between cost and redemption value is recognised in the profit or loss over the period of the borrowings.

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 period.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

FINANCIAL STATEMENTS

5.3 LEASE LIABILITIES

	2022 \$'000	2021 \$'000
Current lease liabilities	4,551	8,028
Non-current lease liabilities	16,525	22,962
TOTAL	21,076	30,990

MOVEMENTS IN LEASE LIABILITIES	Property \$'000	Motor vehicles \$'000	Total \$'000
BALANCE AT 1 JULY 2020	29,709	50	29,759
Additions ⁽ⁱⁱ⁾	9,865	17	9,882
Disposals ⁽ⁱⁱⁱ⁾	(4,210)	(29)	(4,239)
Interest expense	1,061	1	1,062
Lease payments ⁽ⁱ⁾	(8,035)	(23)	(8,058)
Modifications to lease terms ^(iv)	2,590	1	2,591
Foreign currency differences	(7)	-	(7)
BALANCE AT 30 JUNE 2021	30,973	17	30,990
Current	8,016	12	8,028
Non-current	22,957	5	22,962
TOTAL	30,973	17	30,990
BALANCE AT 1 JULY 2021	30,973	17	30,990
Additions ⁽ⁱⁱ⁾	4,187	-	4,187
Disposals ⁽ⁱⁱⁱ⁾	(637)	-	(637)
Reductions: divested business ^(v)	(8,454)	-	(8,454)
Interest expense	834	-	834
Lease payments ⁽ⁱ⁾	(7,065)	(15)	(7,080)
Modifications to lease terms ^(iv)	1,384	-	1,384
Foreign currency differences	(148)	-	(148)
BALANCE AT 30 JUNE 2022	21,074	2	21,076
Current	4,549	2	4,551
Non-current	16,525	-	16,525
TOTAL	21,074	2	21,076

(i) Comprises principal elements of lease liabilities of \$6.2 million (2021: \$7.0 million) included in 'cash flows from financing activities' and interest expense of \$0.8 million (2021: \$1.1 million) included in 'cash flows from operating activities'.

(ii) The Group entered into additional leases at Brisbane and Fiji and renewed existing leases resulting in additions of \$4.2 million. In the prior year, the Group entered into an additional South Melbourne lease and renewed existing leases resulting in additions of \$9.9 million.

(iii) In FY22, the Group exited the Brisbane lease resulting in disposals of \$0.6 million. In the prior year, the Group exited leases at Mascot and Robina resulting in disposals of \$4.2 million.

(iv) Leases were renegotiated due to COVID-19 which resulted in modifications of \$1.4 million (2021: \$2.6 million).

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

Nature of leasing activities

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

Short term leases and leases of low value assets

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

- Low value lease expense of \$0.04 million (2021: \$0.04 million); and
- Short term lease expense of \$0.5 million (2021: \$0.1 million) for leases entered into by the freight business.

SIGNIFICANT ACCOUNTING POLICIES

Measurement and recognition

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

Lease liabilities

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

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

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

Extension and termination options

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

Short term leases and leases of low value assets

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

5.4 ISSUED CAPITAL

	2022 shares	2021 shares	2022 \$'000	2021 \$'000
SHARES ON ISSUE				
Issued capital – fully paid	155,027,845	154,122,845	468,199	468,199
Issued capital – issued, but not vested ⁽ⁱ⁾	-	905,000	-	-
ISSUED CAPITAL	155,027,845	155,027,845	468,199	468,199

(i) Unvested shares issued under the Omnibus Incentive Plan which had not yet met their future vesting conditions at 30 June 2021.

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

Movements in shares on issue

In the prior year, the Group completed an equity raising of 30,307,003 fully paid ordinary shares to the value of \$50.0 million (\$48.7 million net of costs) to strengthen the balance sheet and provide additional liquidity to manage the prolonged period of disruption to the global travel industry. The \$50.0 million equity raising comprised a fully underwritten institutional placement and an entitlement offer. The newly issued shares rank equally with existing shares and represented approximately 24.3% of existing shares on issue. The issue price of \$1.65 per share represented a 16.0% discount to the last traded price prior to announcement of the equity raising of \$1.97 on 15 July 2020.

FINANCIAL STATEMENTS

5.5 RESERVES

	2022 \$'000	2021 \$'000
Foreign currency translation reserve	(1,440)	1,608
Investment revaluation reserve	(13,075)	-
Share based payments reserve	4,090	4,038
Redemption reserve	(7,200)	(7,200)
TOTAL RESERVES	(17,625)	(1,554)

MOVEMENTS IN RESERVES

	Foreign currency translation reserve \$'000	Investment revaluation reserve \$'000	Share based payments reserve \$'000	Redemption reserve \$'000	Total \$'000
BALANCE AT 1 JULY 2020	2,159	-	2,524	(7,200)	(2,517)
Foreign currency translation	(551)	-	-	-	(551)
Share based payment expense	-	-	2,224	-	2,224
Reversal of LTIP	-	-	(710)	-	(710)
BALANCE AT 30 JUNE 2021	1,608	-	4,038	(7,200)	(1,554)
BALANCE AT 1 JULY 2021	1,608	-	4,038	(7,200)	(1,554)
Foreign currency translation	(1,809)	-	-	-	(1,809)
Reductions due to divested business	(1,239)	-	-	-	(1,239)
Share based payment expense	-	-	52	-	52
Revaluation of investment in CTM ⁽ⁱ⁾	-	(13,075)	-	-	(13,075)
BALANCE AT 30 JUNE 2022	(1,440)	(13,075)	4,090	(7,200)	(17,625)

(i) Revaluation of investment is net of tax.

Nature of reserves

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are taken to the foreign currency translation reserve, as described in note 1.2: Significant accounting policies.

Investment revaluation reserve

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

Share based payments reserve

The share based payments reserve is used to recognise the fair value of shares issued to eligible employees with performance related conditions. In addition, the reserve records the fair value of franchise loyalty shares issued to eligible franchise network members with related conditions. Once the vesting conditions of the respective share schemes are met and the shares are exercised, the accumulated amount of the share based payment reserve relating to the vested shares is transferred to share capital.

Redemption reserve

The redemption reserve relates to the non controlling minority interest holder's put option to sell their remaining 40.0% interest in Keygate Holdings Pty Ltd (Keygate). This was a condition of the acquisition of the 60.0% controlling interest in Keygate. Upon exercise or forfeiture, the balance of the redemption reserve will be recycled through accumulated losses. The Group previously recognised a financial liability for the estimated amount payable which was subject to remeasurement and is currently valued at nil (2021: nil). The put option to sell the remaining 40.0% shareholding expires on 28 September 2022.

FINANCIAL STATEMENTS

5.6. DIVIDENDS

No dividends were declared or paid during the current or prior year. On 30 August 2022, the Directors declared a 10 cent per share fully franked final dividend. The dividend will be paid on 23 September 2022 with a record date of 05 September 2022. The final dividend to be distributed is expected to amount to \$15.5 million based on the closing number of issued shares at 30 June 2022 of 155,027,845. The dividend will be paid out of 2022 financial year profits but is not recognised as a liability at 30 June 2022.

FRANKING CREDITS

	2022 \$'000	2021 \$'000
Franking credits available at the reporting date	20,231	25,486
Franking credits adjusted to reflect refunded tax instalments	-	(5,255)
Franking credits utilised by the loss carry back tax offset	(7,658)	-
TOTAL AMOUNT OF FRANKING CREDITS AVAILABLE FOR SUBSEQUENT FINANCIAL YEARS	12,573	20,231

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6 GROUP STRUCTURE

6.1 INVESTMENTS IN ASSOCIATES

	2022 \$'000	2021 \$'000
INVESTMENT IN ASSOCIATES⁽ⁱ⁾⁽ⁱⁱ⁾	15,292	16,699

- (i) The current year balance comprises solely of Mobile Travel Holdings Pty Limited and its subsidiaries (MTA). MTA's mobile travel consultants provide home based travel consulting services throughout Australia. MTA was incorporated in Australia. The Group currently holds a 50.0% ownership interest (2021: 50.0%) investment in MTA. The Group has a call option to acquire the remaining 50.0% ownership interest in MTA. Refer note 7.1: Commitments and contingencies for more information.
- (ii) The prior year balance included a number of associates which have been reclassified as financial assets. Refer note 6.2: Other investments for more information.

Reconciliation of movement of investment in MTA

	2022 \$'000	2021 \$'000
OPENING BALANCE	15,365	16,148
Share of profit/(loss) after income tax expense	(73)	(783)
CLOSING BALANCE	15,292	15,365

The closing carrying amount of investment in MTA is reconciled as follows:

	2022 \$'000	2021 \$'000
50.0% share in net assets of MTA	1,396	1,469
Indefinite life intangible assets acquired on acquisition (Goodwill)	13,896	13,896
CLOSING CARRYING AMOUNT	15,292	15,365

Summarised MTA financial information

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

	2022 \$'000	2021 \$'000
SUMMARISED STATEMENT OF FINANCIAL POSITION OF MTA		
Total current assets	17,841	12,609
Total non-current assets	764	665
TOTAL ASSETS	18,605	13,274
Total current liabilities	15,533	10,153
Total non-current liabilities	280	182
TOTAL LIABILITIES	15,813	10,335
NET ASSETS	2,792	2,939

	2022 \$'000	2021 \$'000
SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF MTA		
Revenue	3,083	1,584
Operating expenses	(3,105)	(3,529)
Depreciation and amortisation	(187)	(301)
LOSS BEFORE INCOME TAX	(209)	(2,246)
Income tax benefit	63	680
LOSS AFTER INCOME TAX	(146)	(1,566)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE LOSS	(146)	(1,566)

FINANCIAL STATEMENTS

Purchase of remaining ownership interest in MTA

The Group acquired 50.0% ownership in MTA for a total consideration of \$14.2 million in FY17. As part of the sale and purchase agreement for the original 50.0%, the Group had a call option to acquire the remaining 50.0% ownership interest in MTA up to 31 December 2021. The deadline was extended in December 2021 to 30 July 2025 due to the impact of COVID-19. The owners of MTA have a put option to sell their remaining 50.0% ownership interest to the Group 30 days after the expiry of the call option period.

SIGNIFICANT ACCOUNTING POLICIES

Associates are those entities in which the Group has significant influence but not control or joint control over the financial and operating policies. Investments in associates are initially recognised at cost, including transaction costs, and are subsequently accounted for using the equity method by including the Group's share of profit or loss and other comprehensive income of associates in the carrying amount of the investment until the date on which significant influence ceases. Dividends received reduce the carrying amount of the investment in associates.

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

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



Bangkok, Thailand

6.2 OTHER INVESTMENTS

	2022 \$'000	2021 \$'000
NON-CURRENT INVESTMENTS		
Equity securities – at FVOCI	67,474	-
TOTAL OTHER INVESTMENTS	67,474	-

	Fair value at 30 June 2022 \$'000	Fair value at 30 June 2021 \$'000
EQUITY SECURITIES DESIGNATED AS AT FVOCI		
Investment in Corporate Travel Management Limited ⁽ⁱ⁾	66,143	-
Investment in Hunter Travel Group Pty Ltd ⁽ⁱⁱ⁾	473	-
Investment in Cooney Investments Pty Ltd ⁽ⁱⁱⁱ⁾	813	-
Investment in Brooker Travel NZ	45	-
	67,474	-

- (i) As outlined in note 1.5: Discontinued operations, the Group received 3,571,429 CTM shares as a component of the consideration received for the sale of the Corporate business. As at 31 March 2022, these shares were fair valued to \$84.8 million. The shares have been fair valued at 30 June 2022 with the revaluation decrement of \$18.7 million recognised in OCI.
- (ii) The investment in the Hunter Travel Group has changed from an investment in associates to a financial asset due to a change in the facts and circumstances in the current year. A fair value assessment of this investment has resulted in the partial reversal of \$0.3 million of the \$0.4 million impairment recognised in prior years. The impairment reversal has been recognised in the income statement.
- (iii) The investment in the Cooney Investments Pty Ltd has changed from an investment in associates to a financial asset due to a change in accounting policy. Refer below for further information. The investment has been fair valued at 30 June 2022 with the revaluation increment of \$0.8 million being recognised in OCI.

SIGNIFICANT ACCOUNTING POLICIES

The Group holds a number of equity investments in travel companies which it neither controls, jointly controls or significantly influences. Accordingly, these investments are classified as a financial assets. These financial assets have been classified at fair value through OCI as the Group has made an irrevocable election to present subsequent changes in fair value in OCI as the investment is neither held for trading nor contingent consideration recognised by the Group in a business consideration.

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

Change in accounting policy

During the period, the Group has changed its accounting policy in relation to the classification of non-controlled investments as investments in associates. The effect of this change in accounting policy is to:

- Change the balance sheet classification from Investment in associates to Other investments; and
- Fair value the investment at reporting date with fair value changes being recognised in OCI.

FINANCIAL STATEMENTS

6.3 SUBSIDIARIES

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

NAME	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2022 %	2021 %
Helloworld Travel Limited ^{1,2}	Australia	N/A	N/A
12518 Pty Ltd	Australia	100.0	100.0
20118181 Pty Ltd	Australia	100.0	100.0
2012518 Pty Ltd	Australia	100.0	100.0
ACN 003 683 967 Pty Limited ²	Australia	100.0	100.0
AOT Group Limited ²	Australia	100.0	100.0
AOT Inbound Pty Ltd ²	Australia	100.0	100.0
AOT Retail Pty Ltd ²	Australia	100.0	100.0
ATS Logistics Pty Ltd	Australia	70.0	70.0
ATS Pacific Pty Limited ²	Australia	100.0	100.0
Aus STS Holdco II Pty Ltd ²	Australia	100.0	100.0
Australian Online Travel Pty Ltd ²	Australia	100.0	100.0
Best Flights Pty Limited ²	Australia	100.0	100.0
Communico Services Pty Limited ³	Australia	-	100.0
Entertainment Logistix Pty Ltd	Australia	70.0	70.0
Flight Systems Pty Limited ²	Australia	100.0	100.0
Granted Worldwide Pty Limited ³	Australia	-	100.0
GSS Travel NZ Pty Limited ³	Australia	-	100.0
Harvey Holidays Pty Limited ²	Australia	100.0	100.0
Harvey World Travel Franchises Pty Limited ²	Australia	100.0	100.0
Harvey World Travel Group Pty Limited ²	Australia	100.0	100.0
Helloworld Franchising Pty Limited ²	Australia	100.0	100.0
Helloworld Group Pty Limited ²	Australia	100.0	100.0
Helloworld IP Pty Limited ²	Australia	100.0	100.0
Helloworld Services Pty Limited ²	Australia	100.0	100.0
Helloworld Travel Services (Australia) Pty Limited	Australia	100.0	100.0
Helloworld Travel Services Group Pty Limited ²	Australia	100.0	100.0
Helloworld Travel Services Holdings Pty Limited ²	Australia	100.0	100.0
Helloworld Travel Southland Pty Limited ²	Australia	100.0	100.0
Inspire Travel Management Pty Limited ³	Australia	-	100.0
Jetset Pty Limited ²	Australia	100.0	100.0
Jetset Travelworld Network Pty Limited ²	Australia	100.0	100.0
JTG Corporate Pty Limited ²	Australia	100.0	100.0
Keygate Holdings Pty Limited	Australia	60.0	60.0
Luxury Getaways Pty Limited ²	Australia	100.0	100.0
Magellan Travel Pty Limited ²	Australia	100.0	100.0
Nexus Point Travel Pty Limited ³	Australia	-	100.0
Pillowpoints Pty Limited ²	Australia	100.0	100.0
Viva Holidays II Limited ²	Australia	100.0	100.0
QBT Pty Limited ³	Australia	-	100.0
Quay Services Pty Limited ³	Australia	-	100.0
Retail Travel Investments Pty Limited ²	Australia	100.0	100.0
ShowGroup Freight Pty Ltd ²	Australia	70.0	70.0
Show Group Pty Limited ³	Australia	-	100.0
Skiddoo IT Pty Limited ²	Australia	100.0	100.0
Skiddoo Pty Limited ²	Australia	100.0	100.0
Sunlover Holidays Pty Limited ²	Australia	100.0	100.0
Transonic Travel Pty Limited ²	Australia	100.0	100.0

NAME	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2022 %	2021 %
Traveledge Pty Limited ³	Australia	-	100.0
Travelpoint Pty Limited ²	Australia	100.0	100.0
Travelscene Pty Limited ²	Australia	100.0	100.0
Travelworld Pty Limited ²	Australia	100.0	100.0
Viva Holidays Pty Limited ²	Australia	100.0	100.0
AOT Business Consulting (Shanghai) Limited	China	100.0	100.0
Allied Tour Service (Pacific) Pte Limited	Fiji	100.0	100.0
Coral Sun (Fiji) Pte Limited	Fiji	60.0	60.0
Great Sights (Fiji) Pte Limited	Fiji	60.0	60.0
Tourist Transport (Fiji) Pte Limited	Fiji	60.0	60.0
Helloworld Travel Services Greece M.I.K.E	Greece	100.0	100.0
AOT India PVT LTD	India	100.0	100.0
AOT New Zealand Limited	New Zealand	100.0	100.0
Atlantic and Pacific Business Travel Limited ³	New Zealand	-	100.0
Australian Travel Service (Pacific) Limited	New Zealand	100.0	100.0
Atlas Limited ³	New Zealand	-	100.0
Biztrav Limited	New Zealand	76.6	76.6
GP Holiday Shoppe Limited	New Zealand	100.0	100.0
Gullivers Pacific Limited	New Zealand	100.0	100.0
Harvey World Travel (2008) Limited	New Zealand	100.0	100.0
Helloworld NZ Franchising Limited	New Zealand	100.0	100.0
Helloworld NZ Limited	New Zealand	100.0	100.0
Helloworld Travel Services (NZ) Limited	New Zealand	100.0	100.0
Just Tickets Limited	New Zealand	100.0	100.0
Pacific Leisure Group Limited	New Zealand	100.0	100.0
Show Group (NZ) Limited ³	New Zealand	-	100.0
Sunlover Holidays Limited	New Zealand	100.0	100.0
Travel Brokers Limited	New Zealand	100.0	100.0
United Travel Limited	New Zealand	100.0	100.0
Williment Travel Group Limited	New Zealand	100.0	100.0
Skiddoo Management Inc.	Philippines	100.0	100.0
Skiddoo Philippines Inc.	Philippines	100.0	100.0
Skiddoo Pte. Ltd ⁴	Singapore	-	100.0
QBT USA Inc. ³	United States of America	-	100.0

- Helloworld Travel Limited is the legal owner of the Group. Refer note 8.3: Parent entity information for further details.
- These entities are included in the Deed of Cross Guarantee, refer note 8.4: Deed of cross guarantee for further details. Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, these controlled entities are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of standalone financial statements.
- On 31 March 2022, the Group sold the following wholly owned Corporate division entities to CTM and removed them from the Deed of Cross Guarantee:
 - Communico Services Pty Limited
 - Granted Worldwide Pty Limited
 - GSS Travel NZ Pty Limited
 - Inspire Travel Management Pty Limited
 - Nexus Point Travel Pty Limited
 - QBT Pty Limited
 - Quay Services Pty Limited
 - Show Group Pty Limited
 - Traveledge Pty Limited
 - STA Travel Academic Pty Limited (acquired by Traveledge in November 2021)
 - QBT USA Inc
 - Atlas Limited
 - Atlantic & Pacific Business Travel Limited
 - Show Group (NZ) Limited
- On 10 January 2022, the Group deregistered one Singapore entity, Skiddoo Pte Ltd.

FINANCIAL STATEMENTS

6.4. BUSINESS ACQUISITIONS

Update on prior period acquisitions: CruiseCo business

Summary of acquisition

On 30 November 2020, the Group completed the acquisition for 100.0% of the CruiseCo business (CruiseCo), a specialist cruise package wholesaler. The acquisition will allow the Group to expand its cruise offerings in Australia and New Zealand, complementing the existing cruise wholesale business.

On 30 June 2021, provisionally determined values were reported. Subsequent to 30 June 2021, final fair values for the acquisition were determined. Details of the purchase consideration, net assets subsequent to acquired and goodwill of comparative amounts have been restated in this financial report for the final determined fair values. The restated aggregated fair value of the identifiable assets and liabilities for CruiseCo at the date of the acquisition were:

	Provisional fair value reported at 30 June 2021 \$'000	Adjustments to provisional fair value \$'000	Final fair value \$'000
Purchase price (cash)	174	-	174
Deferred consideration ⁽ⁱ⁾	1,032	(569)	463
TOTAL PURCHASE CONSIDERATION	1,206	(569)	637
Cash and cash equivalents	283	-	283
Trade and other payables	(466)	-	(466)
Provisions	(142)	-	(142)
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	(325)	-	(325)
Goodwill resulting from the acquisition	1,531	(569)	962

- (i) Information relating to the facts and circumstances at the time of the acquisition has resulted in a revision of the deferred consideration (accrued overrides) potentially payable to the vendor.



Santorini, Greece

Update on prior period acquisitions: Acquisition of Inspire Travel Management

Summary of acquisition

On 31 October 2020, the Group acquired an additional 60.0% of Inspire Travel Management (ITM), a joint venture between Helloworld and In Travel Group. As a result, the Group now owns 100.0% of ITM, an indigenous travel management business providing services throughout Australia. The Group's previous investment in ITM was accounted for using the equity method and was remeasured to fair value immediately prior to the acquisition of the remaining 60.0% ownership interest.

There was no change from the provisionally determined values reported. As a result, the final fair values of the identifiable assets and liabilities of ITM at the date of acquisition were:

	\$'000
Cash and cash equivalents	66
Trade and other receivables	7
Accrued revenue	35
Deferred tax asset	162
Trade and other payables	(29)
Provisions	(13)
NET ASSETS ACQUIRED	228
Purchase price	-
PROVISIONAL GAIN ON BARGAIN PURCHASE	228

SIGNIFICANT ACCOUNTING POLICIES

The Group accounts for acquisitions of businesses using the acquisition method. The consideration transferred in a business combination is measured at fair value, as are the identifiable net assets acquired. Goodwill is measured as the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree less the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment in accordance with the policy adopted for non-financial assets in note 4.4: Impairment of non-financial assets. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration meets the definition of a financial instrument, it is classified as equity, it is not remeasured and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the profit or loss.

When a business combination is achieved in stages, the Group's previously held interest in the acquired entity is remeasured to its acquisition date fair value. The resulting gain or loss is recognised in the profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in OCI are reclassified to the profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

7 UNRECOGNISED ITEMS

7.1 COMMITMENTS

The Group has no commitments at 30 June 2022 and has not entered into any material new lease or other agreements post 30 June 2022.

7.2 CONTINGENT LIABILITIES

Guarantees

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

- Bank guarantees against lease obligations and letters of credit at 30 June 2022 were \$5.77 million (June 2021: \$6.45 million);
- Helloworld Travel Limited has entered into a Deed of Cross Guarantee with certain Australian wholly owned controlled entities as outlined in note 6.3: Subsidiaries; and
- The Group has provided normal commercial warranties to CTM as part of the divestment of the Corporate business.

Commercial agreements entered into with BCD Travel and Gilpin Travel

During the year ended 30 June 2019, the Group entered into a number of commercial agreements for the distribution of travel products. Agreements with BCD Travel and Gilpin Travel included options to purchase 100.0% of the ownership of these businesses in the financial year ending 2024. In addition, the owners of the businesses have a put option to sell 100.0% of their ownership interest to the Group at the same point in time. The value of the commitment for these arrangements is based on a future valuation of the financial performance of the respective business in the preceding financial year prior to the exercise of the option, at a set market based valuation multiple. As there is no current ownership control by the Group in these businesses, no put option is included in the 2022 financial statements.

STA Travel Academic litigation

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

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

7.3 EVENTS OCCURRING AFTER BALANCE DATE

Dividend

On 30 August 2022, the Directors declared a 10 cent per share fully franked final dividend. The dividend will be paid on 23 September 2022 with a record date of 05 September 2022. The final dividend to be distributed is expected to amount to \$15.5 million based on the closing number of issued shares at 30 June 2022 of 155,027,845. The dividend will be paid out of 2022 financial year profits but is not recognised as a liability at 30 June 2022.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

8 OTHER INFORMATION

8.1 SHARE BASED PAYMENTS

Omnibus incentive plan

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

Key attributes and valuation of the FY21 grants

On 18 December 2020, Helloworld Travel granted 905,000 shares under the Plan to a number of staff (none of whom are Directors) for their sustained contribution during the period the company was significantly affected by COVID-19, primarily since March 2020. Shares were issued for nil consideration and have a non-market vesting condition of remaining an employee at Helloworld Travel through to the vesting date of 01 July 2021.

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

Expenses arising from share based payment transactions

	2022 \$'000	2021 \$'000
Share based payment (reversal) under loan funded LTIP ⁽ⁱ⁾	-	(710)
Share based payment expense under Omnibus Incentive Plan ⁽ⁱⁱ⁾	-	2,224
TOTAL SHARE BASED PAYMENTS EXPENSE	-	1,514

- (i) In the prior year, 350,000 loan funded LTIP shares did not meet their vesting condition and 500,000 loan funded LTIP shares lapsed due to staff departure.
- (ii) The fair value of the shares issued under the plan is based on the number of shares issued at the closing price on 18 December 2020 (\$2.46 per share). The instruments issued under the omnibus incentive plan had no conditions that impact the fair value of the shares.
- (iii) Share based payments amounting to \$50,500 were paid to senior management within the divested business during the year. This expense is included in deriving the Net profit from discontinued operations within note 1.5: Discontinued operations.

SIGNIFICANT ACCOUNTING POLICIES

Long term incentive plan

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

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

The fair value of the LTIP is recognised on a straight line basis over the vesting period as an employee benefits expense (with a corresponding increase in the share based payment reserve).

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

When the equity instrument vests:

- Proceeds received (if any) net of any directly attributable transactions costs are recognised directly to the share based payment reserve;
- The balance of the share based premium reserve is reduced with a corresponding increase in share capital; and
- Holding restrictions are released on the appropriate amount of shares for the employee or franchisee.

Omnibus incentive plan

The fair value of the share based payments for omnibus incentive plan was recognised as an employee benefits expense with a corresponding increase in share premium reserve.

FINANCIAL STATEMENTS

8.2 RELATED PARTY TRANSACTIONS

Ultimate and direct parent

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

Associates

The list of associates held by the Group are outlined in note 6.1: Investments in associates.

Entities with significant influence

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

- Entities related to Andrew Burnes and Cinzia Burnes hold 26.8% at 30 June 2022 (2021: 27.2%) of the ordinary shares of Helloworld Travel Limited following the FY16 merger with the AOT Group and its controlled entities. Andrew Burnes is the CEO and Managing Director of Helloworld Travel Limited. Cinzia Burnes is an Executive Director of the Company.
- QH Tours Limited, a wholly owned subsidiary of Qantas Airways Limited, holds 12.4% at 30 June 2022 (2021: 12.4%) of the ordinary shares of Helloworld Travel Limited and has an executive member, Andrew Finch on the Board.

Key management personnel (KMP) compensation

	2022 \$	2021 \$
Short term employee benefits	3,100,049	2,046,677
Long term employee benefits	286,957	425,649
Share based payment benefits	-	405,900
Post-employment benefits	148,740	135,959
TOTAL KMP COMPENSATION	3,535,746	3,014,185

Detailed remuneration disclosures are provided in the Remuneration report, contained within the Directors report.



Transactions with related parties

	2022 \$'000	2021 \$'000
REVENUE DERIVED FROM:		
Associates	809	161
Entities with significant influence over the Group	10,583	-
EXPENSES INCURRED AS A RESULT OF TRANSACTIONS WITH:		
Associates	944	2,038
Entities with significant influence over the Group	9,734	6,364
RECEIVABLES AT 30 JUNE:		
Associates	113	191
Entities with significant influence over the Group	3,946	2,677
PAYABLES AT 30 JUNE:		
Associates	264	521
Entities with significant influence over the Group	1,172	3,513

Transactions with key management personnel (KMP)

YEAR ENDED 30 JUNE 2021		NUMBER OF SHARES			LOAN VALUE (\$)		
Name	Role	Opening balance	Forfeited/ lapsed	Closing balance	Opening balance	Movement	Closing balance
J Constable	Group GM - Retail and Commercial	500,000	(500,000)	-	2,184,028	(2,184,028)	-
N Sutherland	Group GM - Corporate	200,000	(200,000)	-	678,697	(678,697)	-
		700,000	(700,000)	-	2,862,725	(2,862,725)	-

YEAR ENDED 30 JUNE 2022

There were no transactions with the Key management personnel during FY22.

The detailed KMP remuneration disclosures are provided in the Remuneration report, contained within the Directors report.

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8.3 PARENT ENTITY FINANCIAL INFORMATION

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

SUMMARISED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME	PARENT	
	2022 \$'000	2021 \$'000
Profit/(loss) after income tax	(4,157)	2,650
TOTAL COMPREHENSIVE INCOME	(4,157)	2,650

SUMMARISED BALANCE SHEET	PARENT	
	2022 \$'000	2021 \$'000
Total current assets	114,569	118,327
Total non-current assets	159,662	160,575
TOTAL ASSETS	274,231	278,902
Total current liabilities	-	156
TOTAL LIABILITIES	-	156
NET ASSETS	274,231	278,746
EQUITY		
Issued capital	625,033	625,033
Share based payments reserve	4,090	4,040
Accumulated losses	(354,892)	(350,327)
TOTAL EQUITY	274,231	278,746

Parent entity guarantees in respect of debts of its subsidiaries

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

Parent entity tax liabilities in respect of its subsidiaries

The parent entity Helloworld Travel Limited, has entered into a tax funding agreement with the effect that the Company guarantees tax liabilities of other entities in the tax consolidated group. At 30 June 2022 the tax consolidated group was in a tax loss position (2021: \$0.5 million payable). Refer note 2.5: Income taxes for further details on the tax funding agreement.

Parent entity contingencies

At 30 June 2022, there are no significant contingent assets or contingent liabilities.

Parent entity issued capital

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

SIGNIFICANT ACCOUNTING POLICIES

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

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



8.4 DEED OF CROSS GUARANTEE

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

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

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

CLOSED GROUP STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

	2022 \$'000	2021 \$'000
REVENUE	28,839	65,397
Employee benefits expenses	(28,257)	(55,700)
Advertising, selling and marketing expenses	(4,358)	(3,460)
Communication and technology expenses	(3,882)	(7,060)
Occupancy expenses	1,172	(843)
Operating expenses	230,045	(6,054)
Depreciation and amortisation expense	(7,837)	(11,360)
Impairment charges	-	(2,678)
Finance expense	(2,423)	(3,166)
Profit/(loss) on disposal of investments	-	(112)
Share of (loss) in associates accounted for using the equity method	-	(8)
PROFIT/(LOSS) BEFORE INCOME TAX (EXPENSE)/BENEFIT	213,299	(25,044)
Income tax (expense)/benefit	(15,605)	7,788
PROFIT/(LOSS) AFTER INCOME TAX (EXPENSE)/BENEFIT	197,693	(17,256)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Exchange differences on translation of foreign operations	(2,861)	4
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	194,832	(17,252)

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

CLOSED GROUP MOVEMENT IN ACCUMULATED LOSSES

	2022 \$'000	2021 \$'000
ACCUMULATED LOSSES AT THE BEGINNING OF THE FINANCIAL YEAR	(268,274)	(247,320)
Loss after income tax benefit	197,693	(17,256)
Retained earnings transferred out due to change in closed group	4,768	-
Transfer of predecessor accounting reserve to accumulated losses	4,374	(3,698)
ACCUMULATED LOSSES AT THE END OF THE FINANCIAL YEAR	(61,439)	(268,274)

CLOSED GROUP BALANCE SHEET AT 30 JUNE

	2022 \$'000	2021 \$'000
CURRENT ASSETS		
Cash and cash equivalents	82,503	106,970
Trade and other receivables	27,777	23,271
Accrued revenue	(103)	14,262
Inventories	180	180
TOTAL CURRENT ASSETS	110,357	144,683
NON-CURRENT ASSETS		
Trade and other receivables	2,283	4,471
Property, plant and equipment	445	818
Right of use assets	11,868	17,129
Intangible assets	166,437	179,206
Deferred tax assets	12,325	19,727
Investments	129,529	85,611
TOTAL NON-CURRENT ASSETS	322,887	306,962
TOTAL ASSETS	433,244	451,645
CURRENT LIABILITIES		
Trade and other payables	77,024	173,973
Lease liabilities	3,810	5,837
Provisions	14,596	19,768
Deferred revenue	6,425	17,512
TOTAL CURRENT LIABILITIES	101,855	217,090
NON-CURRENT LIABILITIES		
Borrowings	-	80,711
Lease liabilities	10,365	16,311
Deferred tax liabilities	23,398	20,798
Provisions	755	1,082
Other non-current liabilities	663	1,234
TOTAL NON-CURRENT LIABILITIES	35,181	120,136
TOTAL LIABILITIES	137,036	337,226
NET ASSETS	296,208	114,419
EQUITY		
Contributed equity	371,177	386,060
Reserves	(13,529)	(3,367)
Accumulated losses	(61,439)	(268,274)
TOTAL EQUITY	296,208	114,419

8.5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risk management

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

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

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

The Board's risk management policy did not permit the Group to enter into, issue or hold derivative financial instruments for speculative trading purposes.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board continually monitors the Group's liquidity position, return on capital, the level of dividends to ordinary shareholders, cash flow generation and the debt to equity mix in determining its appropriate capital structure.

In order to maintain or adjust the capital structure, the Board considers the following:

- Potential repayment of debt obligations;
- Future fixed asset investment;
- Funding of any future proposed acquisitions via either debt or equity instruments; and
- The appropriate level of future dividends to ordinary shareholders to support investor returns.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.



Athens, Greece

8.5.1 LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages short term liquidity risk by matching surplus and deficit cash flows throughout the Group. In addition, the Group ensures that there is further excess liquidity based on an ongoing assessment of the current operating environment, in the event that unexpected circumstances should arise.

Management monitors rolling forecasts of the Group's liquidity reserves and cash and cash equivalents (outlined in note 5.1: Cash and cash equivalents) on the basis of expected cash flows. Financing arrangements, including details of the interest-bearing liabilities and facilities and maturity dates, are contained in note 5.2: Borrowings.

Maturities of financial liabilities

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

		CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES								
		Carrying value \$'000	Less than 6 months \$'000	6-12 months \$'000	1-2 years \$'000	2-3 years \$'000	3-4 years \$'000	4-5 years \$'000	More than 5 years \$'000	Total \$'000
AT 30 JUNE 2021										
NON-DERIVATIVE FINANCIAL INSTRUMENTS										
Trade and other payables	108,551	108,551	-	-	-	-	-	-	-	108,551
Lease liabilities	30,990	4,335	3,934	6,129	5,016	5,054	4,918	3,239		32,625
Interest bearing liabilities – secured	81,000	845	831	81,866	-	-	-	-		83,542
Deferred consideration	460	-	-	460	-	-	-	-		460
TOTAL	221,001	113,731	4,765	88,455	5,016	5,054	4,918	3,239		225,178

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

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8.5.2 MARKET RISK

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

Equity price risk

The Group is exposed to equity price risk on the shares held in CTM from the possibility that changes in equity prices will affect the fair value of the shares held in CTM.

Sensitivity

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

CTM SHARES	Impact on OCI	
	2022 \$'000	2021 \$'000
Increase in share price by 5.0%	3,307	-
Decrease in share price by 5.0%	(3,307)	-

Foreign exchange risk

The Group operates internationally and is exposed in its wholesale operations to foreign exchange risk arising from future cash flows denominated in a currency that is different to its local currency. Due to the nature of the Group's wholesale operations, revenue is earned in the wholesale businesses' local currency, however the associated cost of sales is settled based on quoted prices in the local currency of the supplier.

Prior to COVID-19, foreign exchange risk was measured through a forecast of highly probably future purchases, with hedge contracts to purchase foreign currencies timed to mature when payments to suppliers are scheduled, in order to minimise the volatility of the Australian dollar cash flows. As a consequence of COVID-19, the Group has temporarily ceased hedging foreign currency payables due to the uncertainty as to whether bookings will result in foreign currency payments.

The Group's hedging policy required management to document (at the inception of the hedging transaction):

- The economic relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions; and
- Its assessment whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in the cash flows of hedged items (also required on an ongoing basis).

Exposure

The Group's net exposure to foreign currency risk at 30 June 2022 is set out in the table below, including the following:

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

CURRENCY	2022 \$'000 AUD equivalent	2021 \$'000 AUD equivalent
GBP	84	89
FJD	1,528	2,511
NZD	2,484	3,743
Other currencies	1,381	1,160
NET TOTAL FOREIGN CURRENCY EXPOSURE ASSET	5,477	7,504

Sensitivity

The following table summarises the impact of a 10.0% increase (strengthening of AUD) and decrease (weakening of AUD) in foreign exchange rates on the net profit in the profit or loss. The sensitivity rate represents management's assessment of the reasonable possible change in foreign exchange rates (focusing on New Zealand and Fiji) and is used when reporting foreign currency risk to key management personnel. The sensitivity analysis assumes all other variables including interest rates, remain constant.

	Impact on net profit before tax	
	2022 \$'000	2021 \$'000
10.0% increase (2021: 10.0%)	(501)	(682)
10.0% decrease (2021: 10.0%)	646	834

Interest rate risk

The Group's interest rate risk arises from future cash flows relating to cash assets. The Group does not hedge its exposure to fluctuations in future cash flows due to changes in market interest rates. On 31 March 2022, the Group completed the sale of its Corporate business for an enterprise value of \$175.0 million. Cash of \$104.0 million was received and utilised to repay \$71.0 million of debt facilities held with Westpac, resulting in the Group having no debt at 30 June 2022.

In the prior period, the Group managed interest rate risk by ensuring that debt servicing costs are minimised and interest earned is maximised. This includes reviews undertaken, where required, to consider the restructuring of interest bearing debt, the possibility of repaying interest bearing debt and the level of investment of surplus cash in interest bearing accounts.

Exposure

At 30 June 2022, the Group had the following Cash and cash equivalent balances:

- Term deposits amounting to \$7.8 million (2021: \$9.6 million) with an average interest rate of 3.0% per annum (2021: 3.0%).
- At-call deposits \$88.0 million (2021: nil) earns interest at a rate which fluctuates with the official RBA cash rate; and
- Other cash funds held in operational and foreign currency bank accounts with interest at market rates under normal commercial terms.

Sensitivity

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

	Impact on net profit before tax/equity	
	2022 \$'000	2021 \$'000
CASH AT CALL		
Increase by 100 basis points (2021: 100 basis points)	880	-
Decrease by 100 basis points (2021: 100 basis points)	(880)	-
SHORT TERM DEPOSITS		
Increase by 100 basis points (2021: 100 basis points)	78	96
Decrease by 100 basis points (2021: 100 basis points)	(78)	(96)
BORROWINGS		
Increase by 100 basis points (2021: 100 basis points)	-	(810)
Decrease by 100 basis points (2021: 100 basis points)	-	810

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8.5.3 CREDIT RISK

The Group undertakes transactions with a large number of customers and other counterparties in various countries in accordance with Board approved policy. Credit risk arises from the possibility that a counterparty will default on its contractual obligation relating to cash and cash equivalents, trade and other receivables, accrued revenue and favourable derivatives, resulting in financial loss to the Group. Credit risk is measured at fair value.

Risk management

The Group has credit risk associated with travel agents, airlines, industry settlement organisations and direct suppliers. The Group minimises credit risk through the application of stringent credit policies, regular monitoring and accreditation of travel agents through industry programs. A portion of the Group's credit risk is also mitigated through payment processes which reduce amounts payable with amounts receivable between the Group and key suppliers.

Where specific credit risk is identified with a counterparty, the Group requires pre-payment for services provided. A reservation for such a counterparty is not confirmed or ticketed prior to receiving payment in full. Collateral is not held as security, nor is it the Group's policy to transfer receivables to special purpose entities.

Exposure

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

	2022 \$'000	2021 \$'000
Cash and cash equivalents	122,524	131,024
Trade receivables	31,395	13,855
Other receivables	17,735	19,027
Accrued revenue	11,461	18,333
TOTAL CREDIT RISK EXPOSURE	183,115	182,239



Abu Dhabi, United Arab Emirates

Impairment of financial assets

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

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

The loss allowance at 30 June 2022 and 30 June 2021 was determined as follows:

	Not past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	More than 90 days \$'000	Total \$'000
AT 30 JUNE 2021						
Trade receivables ⁽ⁱ⁾	7,102	3,840	2,442	207	2,751	16,342
Accrued revenue	18,333	-	-	-	3,200	21,533
GROSS CARRYING AMOUNTS	25,435	3,840	2,442	207	5,951	37,875
Expected loss rate	2.8%	2.5%	4.0%	15.0%	75.0%	-
Trade receivables	(199)	(96)	(98)	(31)	(2,063)	(2,487)
Accrued revenue	-	-	-	-	(3,200)	(3,200)
LOSS ALLOWANCES⁽ⁱⁱ⁾	(199)	(96)	(98)	(31)	(5,263)	(5,687)
NET CARRYING AMOUNTS	25,236	3,744	2,344	176	688	32,188

(i) The Group recognised a larger allowance for expected credit losses due to the COVID-19 pandemic.

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

At 30 June 2022, trade receivables of \$7.2 million (2021: \$7.0 million) were aged between 1 and more than 90 days past due but not impaired. These relate to a number of independent counterparties for whom there is no recent history of default.

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

	2022 \$'000	2021 \$'000
BALANCE AT 1 JULY	5,687	8,217
Additional loss allowance recognised	832	2,614
Writeback of loss allowance	(626)	(5,144)
BALANCE AT 30 JUNE	5,893	5,687

During the current year, a loss allowance of \$0.8 million (2021: \$2.6 million) relating to receivables and accrued revenue arising from contracts with customers was recognised in the consolidated income statement.

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8.5.4 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The Group's principal financial instruments are outlined below. Refer to the respective financial assets and financial liabilities in this Financial Report for details of their accounting policies.

The Group holds the following financial instruments:

	2022 \$'000 Carrying value	2022 \$'000 Fair value	2021 \$'000 Carrying value	2021 \$'000 Fair value
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OCI				
Financial assets (equity securities)	67,474	67,474	-	-
TOTAL	67,474	67,474	-	-
FINANCIAL ASSETS MEASURED AT AMORTISED COST				
Cash and cash equivalents	122,524	122,524	131,024	131,024
Trade and other receivables ⁽ⁱ⁾	44,077	44,077	27,380	27,380
TOTAL	166,601	166,601	158,404	158,404
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS				
Deferred consideration	460	460	460	460
TOTAL	460	460	460	460
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST				
Trade and other payables	133,125	133,125	108,551	108,551
Borrowings (excluding deferred borrowings costs)	-	-	81,000	81,000
TOTAL	133,125	133,125	189,551	189,551

(i) Trade and other receivables consists of:

- Current trade and other receivables of \$46.3 million (2021: \$27.1 million) less prepayments of \$5.0 million (2021: \$5.5 million); plus
- Non-current trade and other receivables of \$2.8 million (2021: \$5.8 million).

The fair values of current cash and cash equivalents, trade and other receivables and trade and other payables are not disclosed in the above table as their carrying amounts are a reasonable approximation of fair value.

Fair value hierarchy

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

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

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

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

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

FINANCIAL STATEMENTS

8.6 AUDITOR'S REMUNERATION

Ernst & Young (EY) was appointed as the company's auditors from 16 February 2021 following the resignation of Price Waterhouse Coopers (PwC). During the financial year, the following fees were paid or were payable for services provided by EY and PwC, its related practices and unrelated audit firms:

	2022 \$	2021 \$
AUDIT SERVICES - EY AUSTRALIA		
Audit or review of the financial statements for the current year audit	920,261	815,000
Audit or review of the financial statements for the prior year audit	400,722	-
OTHER SERVICES - EY AUSTRALIA		
Other audit services	62,700	-
TOTAL OTHER SERVICES - EY AUSTRALIA	62,700	-
TOTAL SERVICES - EY AUSTRALIA	1,383,683	815,000
NETWORK FIRMS OF EY AUSTRALIA		
Audit services	127,500	122,400
Taxation consultancy services	-	6,647
TOTAL SERVICES - NETWORK FIRMS OF EY AUSTRALIA	127,500	129,047
OTHER SERVICES - PWC AUSTRALIA		
Consultancy services	-	37,777
TOTAL SERVICES - PWC AUSTRALIA	-	37,777
NETWORK FIRMS OF PWC AUSTRALIA		
Audit services	-	87,605
Taxation compliance services	-	37,702
TOTAL SERVICES - NETWORK FIRMS OF PWC AUSTRALIA	-	125,307
NON-EY/PWC AUDIT FIRMS		
Audit services - unrelated firms	-	4,917
Taxation compliance	10,624	2,664
Other services	-	56,925
TOTAL SERVICES - NON-EY/PWC AUDIT FIRMS	10,624	64,506

DIRECTORS' DECLARATION

IN THE DIRECTORS' OPINION:

- (a) The consolidated financial statements and notes that are set out on pages 56 to 120 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), other mandatory professional reporting requirements and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) At the date of this declaration there are reasonable grounds to believe that the Company and the Group entities identified in note 6.3: Subsidiaries will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the deed of cross guarantee described in note 8.4 between the Company and those Group entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

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

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

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



Garry Hounsell

Chairman
Helloworld Travel Limited
Melbourne, 30 August 2022



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Independent auditor's report to the members of Helloworld Travel Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Helloworld Travel Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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1. Impairment Assessment of non-current assets (including equity accounted investments)

Why significant	How our audit addressed the key audit matter
The COVID-19 pandemic continued to impact the operations and financial performance of the Group during the current financial year. Note 4.3 discloses information on goodwill and other intangible assets recognised by the Group and Note 4.4 discloses information about the impairment assessment undertaken on non-financial assets as at 30 June 2022. Note 6.1 discloses information on the Group's investments accounted for using the equity method of accounting. The impairment assessment of the Group's cash generating units (CGUs) and material equity accounted investments was a key audit matter due to the value of these assets as a proportion of total assets and the extent of estimation involved in the assessment, particularly in relation to the impacts of the COVID-19 pandemic on the forecast future cashflows. In addition, we observed that the Group's net assets exceeded the market capitalisation at 30 June 2022.	▶ We assessed the Group's determination of the cash generating units ('CGUs') used for their impairment assessment based on the requirements of Australian Accounting Standards. ▶ We developed an understanding of the process undertaken by the Group in preparing discounted cash flow models used to estimate the recoverable value of CGUs, including how key assumptions (described in Note 4.4) were derived. ▶ We assessed the Group's future cash flow forecasts used to estimate recoverable value, which included: ▪ Assessment of the mechanical accuracy of the cash flow models. ▪ Assessment as to whether the allocation of assets (including goodwill) to CGUs was appropriate based on our knowledge of the Group's operations. ▪ Assessment of the basis of allocating corporate costs and overheads to CGUs. ▪ Evaluation of the Group's forecast recovery path and expected financial performance to FY27 using external industry forecasts and internal historical data. ▪ Involvement of our valuation specialists to evaluate the key assumptions applied within the impairment models including terminal growth rates, discount rates, Total Transaction Value ('TTV'), margin, capital expenditure forecasts and working capital requirements. ▪ Assessment of the sensitivity of forecasts to movements in key assumptions to ascertain the extent of change in those assumptions that would either individually or collectively result in an impairment charge at an individual CGU level (or collection of CGUs, where appropriate). ▶ We performed market capitalisation and earnings multiples cross checks in comparison with other comparable businesses to corroborate the impairment testing model outcomes. ▶ We evaluated the adequacy of the disclosures included within Note 4.4.



2. Revenue recognition, including deferred revenue

Why significant	How our audit addressed the key audit matter
The Group earns revenue from the provision of travel and travel related services as outlined in Note 2.1. Significant judgement is required in the recognition of commissions and transaction and service fees which required: - Assessment of the timing and satisfaction of performance obligations to customers. - Recognition, measurement and classification of deferred revenue where monies have been received but services not yet rendered. - Assessment of the likelihood of future significant revenue reversals and therefore the need for any revenue deferral. The accuracy of amounts recorded as revenue was a key audit matter due to the number of systems used by the Group throughout the year in recording and processing transactions and the differing nature of performance obligations for products and services offered to customers.	- We assessed the Group's accounting policies for each material revenue stream, as set out in Note 2.1 and 3.4, against the requirements of Australian Accounting Standards. - We obtained an understanding of the processes implemented by the Group to record and process revenue transactions. - For a sample of revenue transactions recorded during the year, we obtained supporting evidence such as customer and supplier contracts, travel documents, supplier statements and evidence of customer payment and supplier payment. Based on this information we evaluated whether revenue had been recognised in accordance with the Group's stated accounting policies. - For a sample of deferred revenue balances, we evaluated the accuracy and appropriateness of the classification of amounts recognised where obligations to customers had not been met (such as where travel had not yet availed) or there was a significant chance of a future reversal. - We evaluated the adequacy of the disclosures set out in Note 2.1.

3. Divestment of the Corporate Business

Why significant	How our audit addressed the key audit matter
On 31 March 2022, the Group completed the divestment of its Corporate Business in Australia and New Zealand to Corporate Travel Management Limited ('CTM') as disclosed in note 1.5. The Corporate Business has been classified as a discontinued operation and the Group has recognised a gain on disposal after tax of \$117.5 million. We determined this to be a key audit matter due to the financial impact of the transaction on the Group.	- We read the share sale agreement to gain an understanding of the key terms and conditions relating to the transaction and to assess whether the appropriate accounting treatment was applied. - We evaluated the key inputs to the gain on sale calculation, being the consideration received and the carrying value of Corporate Business net assets at divestment date; and whether the operating result to the point of divestment was correctly recorded. - We assessed the supporting documentation relating to the net working capital adjustment and challenged the interpretations and judgments used by management in determining its best estimate of the likely amount. - We involved our tax specialists to consider the tax impacts of the divestment, including consideration of external tax advice obtained by the Group. - We assessed the financial report disclosures in accordance with the requirements of Australian Accounting Standards.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Helloworld Travel Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, appearing to read 'Brett Croft'.

Brett Croft
Partner

Melbourne
30 August 2022

ASX ADDITIONAL INFORMATION

Additional information required by ASX and not shown elsewhere in this report is as follows. The information is current as at 30 July 2022.

(A) DISTRIBUTION OF EQUITY SECURITIES

SHARE RANGE	Number of holders	Number of shares	%
1 - 1,000	4,455	2,113,440	1.36
1,001 - 5,000	3,185	8,097,860	5.22
5,001 - 10,000	746	5,624,532	3.63
10,001 - 100,000	715	17,096,088	11.03
100,001 and over	69	122,095,925	78.76
TOTAL	9,170	155,027,845	100.00

All issued ordinary shares carry one vote per share and carry the right to dividends. The number of holders holding a less than marketable parcel of ordinary shares based on the market price as at 30 July 2022 was 1,194 holders holding 223,591 shares.

(B) TWENTY LARGEST HOLDER OF QUOTED EQUITY SECURITIES

The names of the 20 largest registered holders of quoted shares are:

ORDINARY SHAREHOLDERS	Number of shares	%
SINTACK PTY LTD	20,630,306	13.31
THE BURNES GROUP	20,358,287	13.13
QH TOURS Limited	19,223,454	12.40
JP MORGAN NOMINEES	12,328,437	7.95
ANDREW JAMES BURNES	10,495,531	6.77
CINZIA BURNES	10,138,014	6.54
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,893,387	4.45
CITICORP NOMINEES PTY LIMITED	4,706,291	3.04
NATIONAL NOMINEES LIMITED	2,398,622	1.55
JOHN ARMOUR	2,250,000	1.45
BNP PARIBAS NOMS PTY LTD	1,391,233	0.90
SHAUN REID	505,974	0.33
GHASSAN BEYDOUN	502,000	0.32
ANDREW JONES & KAREN JONES	500,000	0.32
COMSEC NOMINEES PTY LIMITED	467,995	0.30
HJ & CI INVESTMENTS PTY LTD	387,032	0.25
WADE ROBERT JAMES	324,700	0.21
TREVOR E JONES & SONIA L JONES	322,665	0.21
TRAVCOM INTERNATIONAL GROUP PTY LTD	315,000	0.20
MARK MCINNES	278,762	0.18
	114,417,690	73.81

(C) SUBSTANTIAL SHAREHOLDERS

The number of shares held by substantial shareholders and their associates are set out below:

SUBSTANTIAL SHAREHOLDER	Number of shares	%
THE BURNES GROUP PTY LTD AND ASSOCIATES	40,991,832	26.44
SINTACK PTY LTD	20,630,306	13.31
QH TOURS LIMITED	19,223,454	12.40
FIL LIMITED	14,475,534	9.34



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