



**ASX Announcement**

21 August 2024

**2024 Annual Report**

Attached is Corporate Travel Management Limited's 2024 Annual Report.

Authorised for release by the Board.

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# Connecting Business Through Travel

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ANNUAL REPORT

2024

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## Acknowledgement of **Country**

In the spirit of reconciliation, Corporate Travel Management acknowledges the Traditional Custodians of Country throughout Australia and their continued connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.



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A person is shown from the chest up, sitting in a car seat. The image is dark and moody, with a large blue circular graphic overlay on the left side. The person's face is partially visible, looking towards the right. The background shows the interior of a car, including the window and door.

# Gearing up for **Growth**

This year, CTM celebrated its 30th anniversary. CTM has come a long way from the humble beginnings of a two-person startup, through global expansion, ASX listing, and the challenge of a global pandemic. Throughout all this, CTM has never lost focus on its reason for being, which is to deliver to customers exceptional personalised service, industry leading technology and return on investment.

CTM now stands at the beginning of the next chapter of transformation and growth. Over the next five years CTM aims to double its business, supported by the work put in over the last three decades, and driven by the CTM team, their entrepreneurial spirit, and unwavering focus on the value CTM brings to its customers. By fostering a culture of innovation and agility, CTM empowers teams to explore new ways to deliver value. This spirit is the cornerstone of CTM's strategy, supporting an embrace of industry-wide transformation with passion and creativity.

Empowerment is key to CTM's growth strategy. CTM invests in people by providing the tools, training and support they need to excel. This ensures an agile workforce, resilient and ready to seize opportunities in a rapidly evolving market.

Agility is crucial in today's dynamic business environment. CTM is streamlining operations, enhancing technological infrastructure and adopting flexible business models to respond swiftly to market changes. This agility enables CTM to not only withstand disruptions, but to leverage them as opportunities for growth. These elements form CTM's strategic foundation, preparing for substantial growth and sustained success into the future.

# Financial Highlights

\$970m

NEW CLIENT WINS\*

\$201.7m

UNDERLYING EBITDA

30 JUNE FTE STAFF

3,192

(-14 V FY23)

97%

CLIENT RETENTION

\$716.9m

REVENUE AND OTHER INCOME

\$84.5m

STATUTORY NPAT  
ATTRIBUTABLE TO OWNERS

\* Based upon client assumptions of annualised spend at time of winning.







# Transforming Travel Services: The AI Revolution

Artificial intelligence (AI) is revolutionising the business travel industry, driving efficiency gains and enhancing both customer service and internal operations at CTM. Leveraging advanced AI technologies, CTM is setting new standards for productivity and service quality.

Central to CTM's AI-driven strategy is Scout, an intuitive virtual travel assistant initially launched in Australia and rolled out globally. Scout is automating thousands of customer service transactions each month including bookings, cancellations and changes, visa requirement enquiries and general FAQs. More recently, Scout is being used to manage email processing to significantly reduce service response times across phone and email channels, allowing CTM's service agents more time to manage complex travel support requests. Notably, in Australia, 90% of booking cancellations are now fully automated via Scout, delivering up to 80% productivity gains per transaction for customers.

Beyond service automation, AI is being used to increase efficiency and personalisation for customers by streamlining the booking process. In Europe, CTM's Lightning online booking tool is piloting a predictive, personalised, door-to-door trip builder. This AI-powered tool crafts entire policy-compliant trips including flights, hotels, trains, car rentals, taxis, airport parking and lounge passes, based on the traveller's destination.

AI's ability to manage large volumes of information and provide relevant options quickly is transforming how travellers access and book travel content. This capability addresses the paradox of choice, offering travellers and travel advisors the best options with maximum speed and relevance.

Investment in AI capabilities is significant, with large data sets being essential for effective AI products. There are risks associated with data governance and security protocols when utilising third party and off-the-shelf AI solutions. To mitigate these risks, CTM exclusively uses AI models securely integrated into our proprietary technology, ensuring no customer or traveller data is shared with third parties.


Despite the advances in AI, CTM has no plans to replace human interaction. Our 2023 Global Customer Survey revealed that 96.33% of respondents prefer dealing with a human during emergencies. Conversely, there is a larger preference for automated technology when booking and researching travel, with nearly 50% of travellers comfortable using virtual assistants and chatbots for these tasks, which drives our continued investment in building automation and AI into our customer service solutions.

Our customer feedback has been overwhelmingly positive, with many citing efficiency gains as a significant benefit of using Scout. As users become more accustomed to engaging with virtual assistants, demand for AI-powered, fully automated services is expected to grow.

AI is not just enhancing CTM's operational efficiency, but transforming the customer experience by providing personalised, efficient and reliable services that meet the evolving needs of travel bookers and business travellers worldwide.



**“Just used CTM Scout to cancel a hotel booking, worked a treat. What a great addition to our travel booking system.”**



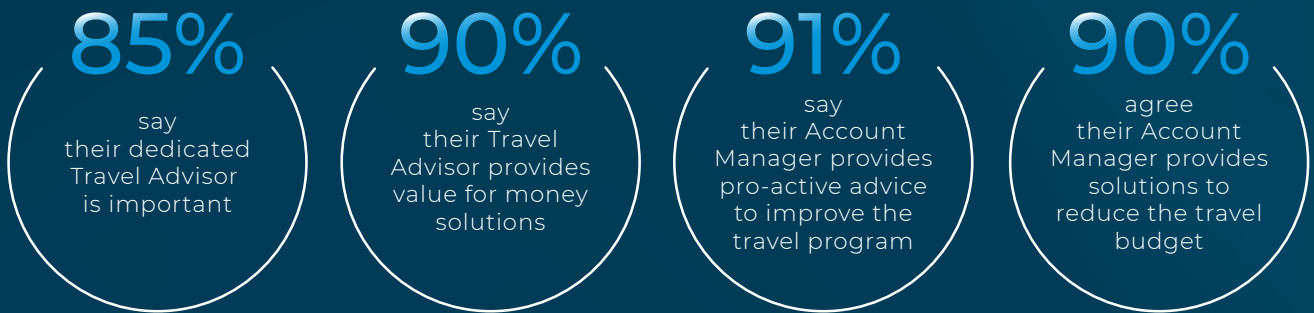
**“I used Scout this morning for the first time... What a fabulous tool! So easy and efficient... Love it!”**

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# CTM Global Customer Survey 2024

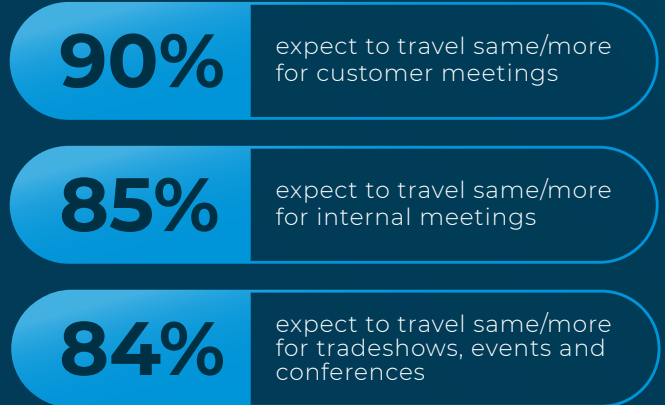
## CUSTOMER SERVICE



## TOP TRAVEL PROGRAM BENEFITS

- 
- 1 Travel expertise & customer service
  - 2 Emergency travel assistance
  - 3 Cost savings & buying power

## REASONS FOR FUTURE TRAVEL

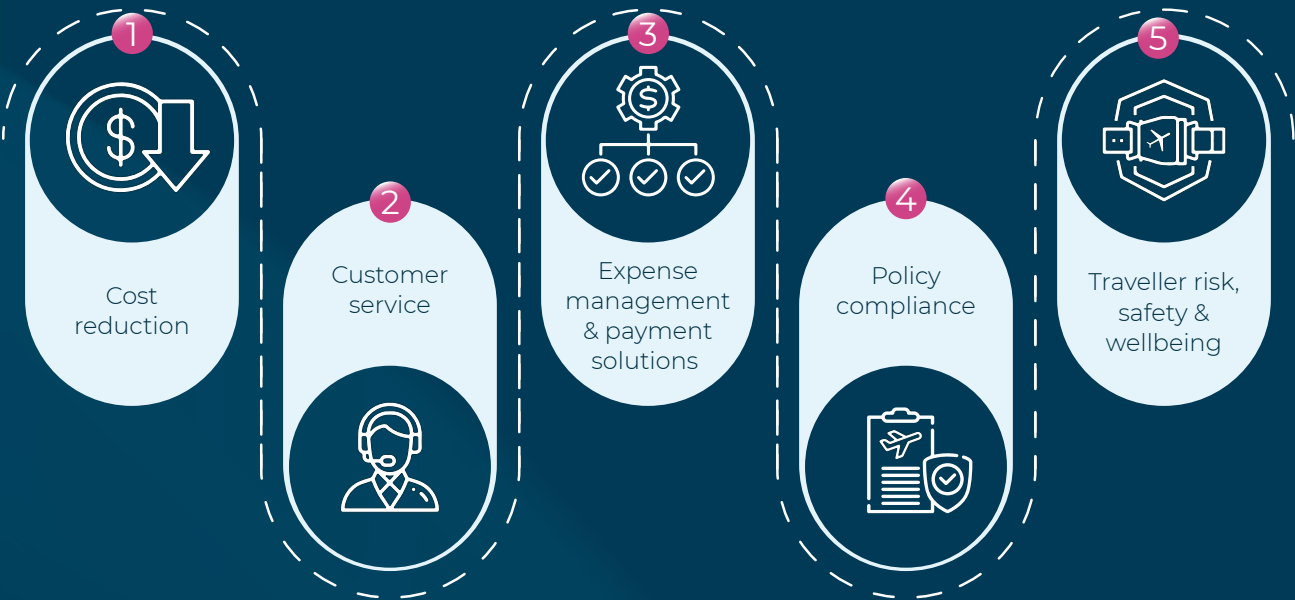


## TECH

## WHAT CUSTOMERS ENJOY ABOUT BUSINESS TRAVEL



# TOP TRAVEL PROGRAM FOCUS AREAS



## TOP WELLBEING INFLUENCES



Direct long-haul flights



Long-haul airline seat upgrades



Hotel upgrades



Location of accommodation



Travel during working hours for domestic flights

## TOP LOYALTY PROGRAM BENEFITS



Free upgrades

Lounge access

Priority (fast-track security/boarding)





# Chairman's Report

**Dear Shareholder,**

## **Year in Review**

The Group reported 9% growth in revenue and 21% growth in underlying EBITDA for FY24. The Group also maintained a robust financial position with strong cash generation and no debt.

The underlying core business performed soundly across our operating regions and is positioned for growth. It is pleasing to see key metrics such as the conversion of 61% of incremental revenue to Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA), which shows that the Group's investments in automation and productivity initiatives are bearing fruit and will support strong profit growth as we win and implement new business.

The last year has been challenging for Corporate Travel Management as the financial result fell short of expectations. The UK Bridging Accommodation was materially below forecast due to changes in government policy. In the second half, the humanitarian support projects relating to the conflict in Ukraine, Afghanistan and the Middle East tapered off more quickly than expected in the final quarter of the financial year. CTM has been proud to accommodate displaced persons fleeing conflict in Ukraine and Afghanistan for a number of years. We are pleased that 90% of these families are now settled in long-term accommodation and therefore no longer requiring interim accommodation.

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The Group has also maintained a robust financial position with strong cash generation and no debt.

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Our focus is on effective execution. We are leveraging our larger footprint after the transformative FY21 and FY22 acquisitions combined with personalised service and proprietary technology solutions to grow our client base. Sales teams in all regions were reorganised during the year to deliver the customer wins required to achieve double digit revenue growth. The Group retained 97% of clients during the year and recorded new client wins with an estimated annualised value of \$970 million.

In addition, projects such as Sleep Space, CTM's proprietary hotel content engine, will be critical to delivering improved revenue yields, combined with improved customer and supplier experience.

The Group is making further investment in our technology and automation tools to deliver improved productivity, cost base reduction and conversion of revenue to profit. Key projects such as Atlas and Scout are being delivered to plan and will support EBITDA margins over time. Project Atlas, for example, will streamline our back-end processes through standardisation and automation, and is expected to deliver cost savings of \$10 million in FY25, increasing to \$20 million per annum by FY29.

Our businesses in North America and Australia/New Zealand achieved a significant performance turnaround during the second half of the year with second half EBITDA for these regions up 39% on the prior corresponding period. Both regions gathered further momentum through the fourth quarter which has been carried into the early months to FY25.

During the year, a number of changes were made in the Group's executive leadership. Eleanor Noonan's responsibilities were expanded at the start of FY24, reflected in her title change to Global Chief Operating Officer. James Spence joined CTM as Global Chief Financial Officer on 27 May 2024. They are high calibre leaders. I would like to thank James Patterson who assumed the role of Acting Global CFO between 28 July 2023 and 27 May 2024.

On 30 April 2024, Kevin O'Malley elected to retire as CEO North America and we thank him for his pivotal role in integrating our North American business in the last four years. Our North America Chief Operating Officer, Anita Salvatore will move into the regional CEO role with support from Kevin to ensure an orderly transition and maintain the momentum of the business.

## Financial performance

While the Group reported increases in revenue and EBITDA across all operating regions for FY24, one-off projects in the European business as described earlier were materially below forecast.

The Group reported statutory Net Profit After Tax attributable to owners of \$84.5 million compared to \$77.6 million for the previous year. Excluding one-off or non-recurring items, underlying Net Profit After Tax was \$113.3 million, an increase of 22.5% compared to \$92.5 million in FY23.

The Group maintained a strong capital position, with \$134.8 million in cash at the year end, no debt and access to \$100 million of committed debt facilities which mature in July 2025. Additionally, the Group is distributing \$68.3 million to shareholders in relation to FY24 through dividends and the share buyback program. Our strong balance sheet is a critical competitive differentiator for CTM and gives the business funding flexibility to commit to shareholder dividends and invest in technology and growth where there are appropriate returns.

## Dividend and share buyback program

CTM has maintained a strong balance sheet with no debt and has a positive performance outlook for the current financial year. This has enabled the Board to declare an unfranked final dividend of 12 cents per share. Combined with the unfranked interim dividend of 17 cents per share, shareholders will receive total dividends of 29 cents per share unfranked for the year, which represents 50% of the Group's Net Profit After Tax attributable to the owners of CTM.

The Board's intention remains to continue to provide shareholders with returns in the form of dividend payments equivalent to 50% of the Group's Net Profit After Tax.

At the 2023 AGM, the Group announced an on-market share buyback program to re-purchase ordinary CTM shares (not exceeding 10% of the Group's shares outstanding) up to a value of \$100 million between 15 November 2023 and 13 November 2024. The objective of the program is to enhance shareholder returns and complement the Board's dividend strategy.

During the year, the Group completed \$26.1 million in share buy-backs at an average price of \$15.55 per share. We intend to keep the share buy-back program on foot, and have extended the completion date to 30 June 2025, in addition to resetting the amount remaining available for purchase to up to \$100 million, subject to the Board's discretion and market conditions.

## Sustainability

In 2024 we have been working to ensure our sustainability framework is best positioned to address risks and opportunities as they arise and meet the evolving needs of our stakeholders.

Key achievements during the year have included a gap analysis and roadmap to compliance with mandatory climate reporting, third-party verification of our greenhouse gas inventory, and operationalising our Carbon (net) Positive Plan.

One of the targets of our decarbonisation plan is to increase renewable energy source and supply use. While we were pleased to increase renewable energy use from 0% to 20% year on year, we fell short of our planned 50% FY24 target due to challenges accessing renewable energy in all of the markets in which we operate. As a result, we have recalibrated our renewable energy pathway to enable us to achieve this target. We remain committed to achieving our target of 100% renewable energy use by 2020 in our offices.

Supporting our customers to make informed decisions about sustainable travel is an increasingly important part of our value proposition. We continue to review our technology and product offering to ensure our customers are empowered to track and reduce the impact of their business travel and achieve their sustainability goals, and this work remain a focus of sustainability actions within our operations.

We are making pleasing progress in implementing sustainability across the business to play our part as the world moves towards net zero. I encourage you to read our [Sustainability Report](#) to understand CTM's sustainability approach and progress.

## Board composition

The Board regularly reviews the mix of skills, experience and tenure among the Directors to ensure it remains appropriate for the Group's strategy and operations and to plan for succession.

Laura Ruffles stepped down from her Board and executive roles in March 2024 due to a personal health issue. She continues to support the business in the development of the Group's proprietary technology solutions for clients. Laura was appointed an Executive Director in 2015 in recognition of her leadership of the Group's business performance. I express the Board's deep appreciation of Laura's significant contribution to CTM over the years.

On behalf of the Directors, I would like to thank all of the CTM team members for their hard work and dedication to providing exceptional travel services for our clients. I would also like to thank all our customers and shareholders for their continued support for the Group.

Yours sincerely,



**Ewen Crouch AM**  
Chairman,  
Corporate Travel Management Limited

21 August 2024





# Managing Director's Report

## Dear Shareholder,

The Group's financial performance in FY24 did not meet our growth ambitions, but the underlying business performed well and new client wins, improvements in investments in proprietary technology, and strong second half turnarounds in our North America and Australia/New Zealand regions are creating momentum going into FY25. While revenue increased by 9% to \$716.9 million and EBITDA rose 21% to \$201.7 million, the Group's financial result fell short of internal expectations and earnings guidance.

Three key factors contributed to the shortfall in the Group's overall performance. First, macroeconomic impacts in North America during the second quarter, which we flagged in our first-half results, affected client activity. We saw a rebound in January, and this had no further impact on the second half results in North America. Secondly, the UK Home Office Bridging Accommodation and Travel Services contract, which was expected to deliver \$1.5 billion annually in TTV (Total Transaction Value) along with significant revenue and profit, was materially below our forecast due to changes in government policy. Finally, one-off humanitarian support projects related to the conflict in Ukraine, Afghanistan, and the Middle East tapered off more quickly than anticipated during the second half of the year, further contributing to the shortfall.

## Strong second half turnarounds in our North America and Australia/New Zealand regions are creating momentum going into FY25.

Despite this, Europe increased full year revenue by 18% to \$169.3 million and EBITDA by 16% to \$97.7 million. CTM has been very proud to accommodate displaced persons fleeing conflict in Ukraine and Afghanistan for a number of years. We are pleased that 90% of these families are now settled in long-term accommodation, therefore, no longer require interim accommodation services. The reduced demand is now reflected in the FY25 forecast and outlook for the region assumes no bridging vessel extension and war-related humanitarian projects.

New customer wins and a high level of client take-up of our technology offering will drive growth in both revenue and profitability, which we expect will reach approximately 150% of FY19 pre-COVID figures, even though the market has only recovered to only approximately 80% of activity levels before the pandemic.

Separating the Europe region from Group results, the combination of North America, Australia/New Zealand and Asia increased revenue by 6% and EBITDA by 21% to \$122.5 million.

The North America and Australia/New Zealand regions delivered significant performance turnarounds in the second half of the year.

In North America, second half performance improved on the back of both a rebound in existing customer activity and new customer transaction volumes up 17% compared to prior corresponding period. Focusing on profitable accounts and automating customer-facing and back office processes helped to increase EBITDA by 39% to \$39.2 million in the six months to June 2024.

In Australia/New Zealand, revenue increased by 11% to \$169.3 million in the second half compared to the prior corresponding period. In addition to new client wins and customers returning to CTM, the successful launch of our new Sleep Space hotel booking engine in this region in February 2024 has been a positive contributor to accelerating revenue. EBITDA also increased by 39% to \$26.3 million in the second half compared with the prior corresponding period as the business realised synergy benefits from the acquisition of Helloworld's corporate and entertainment businesses and gains from process automation.

Our Asian business also showed strong growth in FY24 with revenue increasing 24% to \$64.1 million and EBITDA rising by 29% to \$17.9 million. This is a creditable performance in light of the slow recovery of airline capacity since the Greater China market re-opened in 2023. To combat this, the region has continued to diversify with 31% of revenue coming from outside of China and Hong Kong, compared with 11% in FY19.

### Embracing AI and automation to improve client service and drive efficiencies

CTM's business model has always been based on personalised service and proprietary technology. Having the capability to develop and implement our own technology to keep pace with rapid changes in client needs is a critical competitive advantage for the Group.

We are leveraging artificial intelligence (AI) in a variety of ways to enhance personalisation, efficiency and choice in business travel.

The introduction of sophisticated automation in service channels has become a necessity for any travel management company that seeks to provide customers with reliable, efficient and personalised 24/7 service.

Late last financial year we introduced Scout, our AI-powered virtual service assistant. Scout is using AI to automate thousands of customer service requests every month, and is enjoying strong customer adoption which has improved our Net Promoter Scores (NPS) from clients and contributed to productivity gains. Scout was initially launched in Australia/New Zealand and has been rolled-out across all of our regions in the fourth quarter of FY24, and will be a key technology investment for CTM in FY25 as it learns to solve more complex problems faster.

As mentioned above, Sleep Space contributed to revenue growth in Australia/New Zealand since it was launched in February 2024. Our preliminary research indicates the product has strong potential and development is underway for roll-out in our other operating regions during FY25.

As a result of these initiatives the business delivered revenue per full time equivalent employee 35% higher than pre-COVID (FY19) and grew 9% versus FY23. We converted incremental revenue to EBITDA at a rate of 61% in FY24, higher than our 50% target. This all occurred against a back-drop of improving NPS scores where the projects were implemented.

The Group is also undertaking an internal project to globalise support services through automation and standardisation. Called Project Atlas, this work is forecast to generate \$10 million in cost savings in FY25, rising to \$20 million per annum by FY29. The non-recurring cost of the project was \$10.5 million in FY24 with a further \$7.0 million budgeted in FY25.

### Customer service excellence

We are pleased to have won approximately \$970 million of new customers in FY24 and maintained client retention rate of 97% which will translate into a positive year ahead. Our 2024 Global Customer Survey findings show that a large proportion of our clients expect to maintain or increase their corporate travel for the year ahead - 90% for customer meetings, 85% for tradeshow and conferences, and 84% for internal meetings.

Our focus on providing market leading travel management solutions has also been recognised with a number of industry awards in FY24, including:

### Australian Travel Industry Association Awards

- Most Outstanding Global Travel Management Company
- Sustainability Award
- Most Outstanding Business Events Travel Agency

### TTC

- Best Corporate Travel Agency – Asia

### Business Travel Sustainability Awards Europe

- Corporate Booking Platform - Lightning (for the second year in a row).

### Empowering our people

Ensuring our employees feel heard and valued is important to CTM. We engage in a process of 'continuous listening' to ensure we understand and can address employees' needs and challenges. To this end, we seek the feedback of our employees every quarter via the CTM Pulse employee engagement survey.

We have been pleased with the high rates of engagement with this survey - the average response rate was 85% with over 59,000 comments provided - which can be attributed to employees feeling that their contributions are heard and acted upon. Further, we have implemented an ideas and innovations program where, in the first 3 months of implementation, over 330 ideas have been put forward by our team to improve customer service and workplace efficiencies. NPS scores are fast approaching FY19 levels.

### Financial strength

CTM remains in a strong financial position with no debt, generating strong operating cash at long-term averages of 85-90%. Cash generated by the Group is expected to be utilised for dividends maintained at 50% of net profit after tax (currently unfranked) and offering funding flexibility for potential acquisitions and share buy-backs.

### In conclusion

CTM continues to rapidly adapt as the global corporate travel market has been transformed by the aftermath of the pandemic and the adoption of new technology. The one constant over this period has been the dedication of all of our people to delivering excellent service for our customers.

As a Group, we are grateful to our customers, suppliers, partners and shareholders for your continued support. I look forward to the year ahead and creating new opportunities to deliver value for all of these important stakeholders in the continuing success of CTM.


Yours sincerely,



**Jamie Pherous**  
Managing Director,  
Corporate Travel Management Limited

21 August 2024



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# Key initiatives **FY25**

1

## Focus on organic growth through new client wins

Investment in building sales teams, focus on delivering exclusive solutions for niche travel segments, and global roll-out of our proprietary Sleep Space accommodation marketplace for customers.

2

## Increase internal and customer efficiencies through technology and automation

Automation efficiencies through Scout, our in-house tool to leverage automation, AI and machine learning to improve service delivery to our customers and internal efficiencies.

3

## Maximise feedback loops to drive service and technology

Leverage shared insights and feedback globally from Client Advisory Boards in all regions, and enhance internal Think Tank program for employee-led innovation initiatives.

4

## Investment in employee engagement and professional development

Renewed global high performance (HiPo) employee development program and launch of global leadership development program Lead@CTM. Enhancements to global employee recognition program, CTM All Stars, in recognition of outstanding performance to CTM's Values.

5

## Globalisation of key support functions

Further enhance back-end processes through global standardisation and automation.

6

## Sustainability roadmap

Continued focus on sustainability framework to address emerging risks and opportunities and the evolving needs of our stakeholders.



# Board of Directors



## **Ewen Crouch AM**

**Chairman, Independent  
Non-Executive Director**

Ewen Crouch was a Partner at Allens from 1988-2013. He served as a member of the firm's board for 11 years, including 4 years as Chairman of Partners. His other roles at Allens included Co-Head Mergers & Acquisitions and Equity Capital Markets from 2004-2010, Executive Partner - Asian Offices from 1999-2004, and Deputy Managing Partner from 1993 - 1996. He was a Director of Mission Australia from 1995, including as Chairman from 2009, until retiring in November 2016.

Mr Crouch is a Non-Executive Director of BlueScope Steel Limited (since March 2013) and Chairman and Non-Executive Director of AnteoTech Limited (since April 2022). He is Chairman and Non-Executive Director of RSL LifeCare Limited (since October 2022) and a Director of Jawun (since September 2015). He is a Fellow of the Australian Institute of Company Directors and served as a member of the Takeovers Panel from 2010-2015, as a member of the Commonwealth Remuneration Tribunal from 2015-2019, as a Director of Sydney Symphony Orchestra from 2009-2020 and as a Non-Executive Director of Westpac Banking Corporation from 2013 to 2019.



## **Jamie Pherous**

**Managing Director**

Jamie Pherous founded Corporate Travel Management Limited (CTM) in 1994. He has built the Group from its headquarters in Brisbane to become one of the world's largest travel management companies.

Prior to establishing CTM, Jamie was employed by Arthur Andersen, now EY, as a qualified Chartered Accountant, specialising in business services and financial consulting, notably in Australia, Papua New Guinea and the United Arab Emirates.



## **Sophia (Sophie) Mitchell**

**Independent Non-Executive  
Director**

Sophie Mitchell has over 30 years of corporate advisory, capital markets and equity research experience. She retired from Morgans in June 2019 after over a decade as Executive Director in Morgans Corporate and, prior to this, she was Morgans' Head of Research.

Sophie is currently concentrating on her Board roles and is a Non-Executive Director of Firstmac Limited (since November 2022), NZX-listed Tourism Holdings Limited (since December 2022), Myer Family Investments Limited (since December 2020), Morgans Holdings (Australia) Limited (since March 2018) and the Morgans Foundation Limited. She was Chairman and Non-Executive Director of Apollo Tourism & Leisure Limited from 2016-2022, a Non-Executive Director of Flagship Investments Limited from 2008-2021, a board member of the Australia Council for the Arts, and a member of the Takeovers Panel between 2009 and 2018.



## Jon Brett

### Independent Non-Executive Director

Jon Brett was formerly an Executive Director of Investec Wentworth Private Equity Limited, and an executive of Investec Bank (Australia) Limited. He was previously the CEO of Techway Limited which pioneered internet banking in Australia. Jon brings extensive strategic, board and management experience to CTM, particularly in the areas of finance and corporate advisory.

Jon is currently Non-Executive Director Chairman-elect of Infomedia Limited (since July 2024). He is also a Non-Executive Director of Raiz Invest Limited (since November 2023). His former directorships include Godfreys Group Limited, The Pas Group Limited, deputy president of the NRMA and Vocus Group Limited since its listing on the ASX.



## Marissa Petersen

### Independent Non-Executive Director

Marissa Peterson is President and CEO of Mission Peak Executive Consulting, a Silicon Valley leadership coaching business, and currently serves on the Board of US Based company Employee Owned Brands. She is based in the United States and brings extensive experience in governance, technology and digital transformation, and executive development.

Mrs Peterson holds a Bachelor of Science in Mechanical Engineering and an Honorary Doctorate in Management from Kettering University, and an MBA from Harvard Business School.

Mrs Peterson's extensive board experience includes past roles as Chairman of optical communications solutions company, Oclaro, between 2013 and 2018, and as a Non-Executive Director of ASX-listed Ansell, from 2006 to 2021. She has also been a Director of a range of US-based companies including Humana, Supervalu, Children's Hospital of Stanford, Quantros, Covisint, and was a Board Trustee of Kettering University.



# Executive Team



## **Jamie Pherous**

### **Managing Director**

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Prior to establishing CTM, Jamie was employed by Arthur Andersen, now EY, as a qualified Chartered Accountant, specialising in business services and financial consulting, notably in Australia, Papua New Guinea and the United Arab Emirates.



## **James Spence**

### **Global Chief Financial Officer**

James Spence joined CTM in May 2024 as Global Chief Financial Officer. James has 14 years' experience as CFO of international businesses primarily in energy and software sectors, and has operated across Australasia, North America and Europe throughout his 30+ year career. James brings broad-based financial experience across all the main disciplines within finance include strategy, risk, treasury, accounting, M&A, capital markets, investor relations and commercial decision-making with extensive board level, team leadership and public markets experience. James holds a Bachelor of Science – Economics & Politics and is a Chartered Accountant.



## **Eleanor Noonan**

### **Global Chief Operating Officer**

Eleanor Noonan joined CTM in August 2022 and holds the role of Global Chief Operating Officer. She has held various senior executive roles within travel, government and financial services. Eleanor is commercially driven, values focused and passionate about leading high-performance teams to support a business growth agenda. Eleanor is skilled in developing and executing customer-centric business strategies, leading large-scale change initiatives, and achieving operational excellence. Eleanor holds a Master of Business and is a Graduate of the Australian Institute of Company Directors.



## **Shelley Sorrenson**

### **Global Chief Legal Officer and Company Secretary**

Shelley Sorrenson joined CTM in November 2021 as Global Chief Legal Officer and Company Secretary. Shelley is a pragmatic and commercially driven corporate legal and governance practitioner with over 15 years of experience. She has served as General Counsel and Company Secretary of ASX-listed and unlisted financial services companies and held roles at the Australian Securities and Investments Commission and in private practice. Shelley holds a Bachelor of Justice, Bachelor of Laws and a Master of Laws. Shelley is a Member of the Australian Institute of Company Directors and an Associate of the Governance Institute of Australia.



## Kevin O'Malley<sup>1</sup>

### CEO North America

Kevin O'Malley has more than 28 years of travel industry experience, and joined CTM from the Travel and Transport acquisition in 2020. His leadership style, industry acumen and genuine interest in the success of clients and staff make him an integral member of the CTM executive team. Kevin is committed to advancing the travel industry, acting as advisory board member among several key industry groups, and also cultivates his local community by serving on several boards for Nebraska-based educational institutions and charitable foundations. As CEO, North America, Kevin is responsible for ensuring the highest level of personal service, innovation and return on investment to our customers, while leveraging CTM's global strategy to benefit regional clients and staff. Prior to joining the travel industry, Kevin worked as a CPA for both Deloitte and Lutz.



## Debbie Carling

### CEO UK and Europe

Debbie Carling has worked in the travel industry for more than 30 years in several key strategic and senior roles, including Commercial Director at Britannic Travel. During this time Debbie led the setup of global brand FCM Travel Solutions and became the Executive General Manager of Europe. In 2011 Debbie joined Chambers Travel and became COO soon after. Debbie successfully instilled new company processes, productivity and developments in supplier relations. In December 2014 Chambers was acquired by Corporate Travel Management, during which time Debbie played a key role in the successful transition. Debbie was appointed as CEO Europe for CTM in July 2016.



## Greg McCarthy

### CEO Australia and New Zealand

Greg McCarthy has extensive executive level experience in the travel industry having held several leadership positions. He founded two travel management companies in Australia, building them up from small operations to highly successful medium-sized businesses, with a strong focus on customer retention and superior service levels. Greg has worked for international airlines and held an executive directorship in a global TMC, achieving a strong track record delivering for customers. He was co-founder of Platinum Travel Corporation. CTM acquired Platinum's Brisbane and Sydney offices in 2018, with Greg commencing as CTM CEO Australia and New Zealand on 1 July 2018.



## Larry Lo

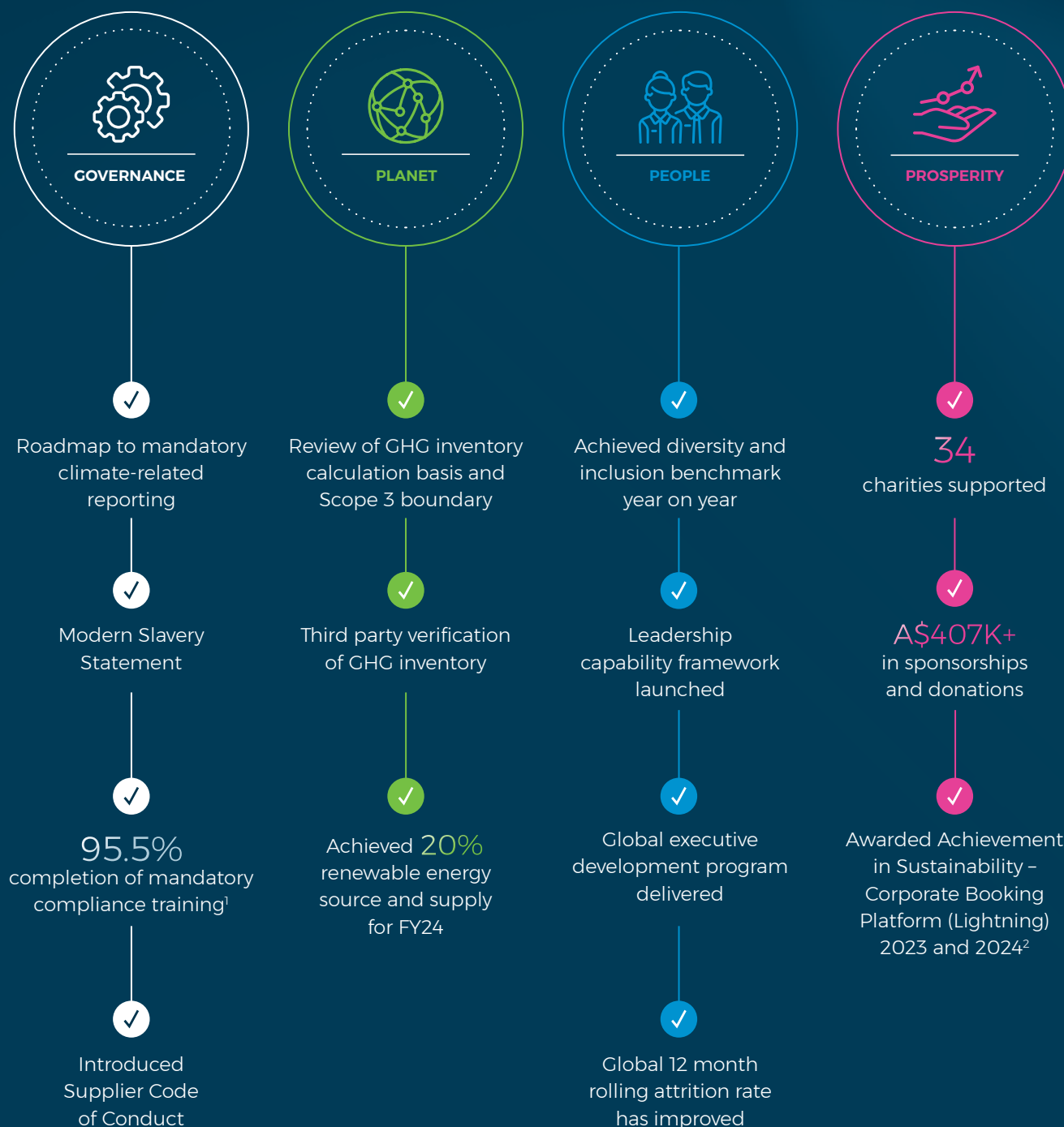
### CEO Asia

Larry Lo is responsible for the overall management, sales operations and continued development of strategic alliance partnerships across the Asia region. He started his career in 1988 as a Travel Consultant and worked in several travel companies in Hong Kong and Canada gaining an in-depth insight into the international travel industry. Today, Larry manages the CTM business in Hong Kong, Mainland China, Taiwan, Singapore and Japan. He currently serves as the Chairman of the Society of IATA Passenger Agents (SIPA) and IATA Agency Programme Joint Council - Hong Kong (APJC), and a Director of World Travel Agents Associations Alliance (WTAAA).

<sup>1</sup> Kevin O'Malley will cease to be CEO - North America on 1 September 2024.



# Sustainability Performance



View CTM's FY24 Sustainability Report at [investor.travelctm.com.au](https://investor.travelctm.com.au)

<sup>1</sup> 3.2% in progress.

<sup>2</sup> Awarded by BTN Group's Business Travel Sustainability Awards Europe.



“

**Our focus remains on continual improvement across sustainability pillars, prioritising our key material sustainability risks and opportunities and being transparent on our progress with our stakeholders.”**



# Financial Report

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# Directors' Report

The Directors present their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as the 'Group', or 'CTM') consisting of Corporate Travel Management Limited (referred to hereafter as the 'Company' or the 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

## Directors

The following persons were Directors of CTM during the financial year and up to the date of this Directors' Report, except as otherwise stated.

- Ewen Crouch AM (Chairman, Independent Non-Executive Director)
- Sophie Mitchell (Independent Non-Executive Director)
- Jon Brett (Independent Non-Executive Director)
- Marissa Peterson (Independent Non-Executive Director)
- Jamie Pherous (Managing Director)
- Laura Ruffles<sup>1</sup> (Executive Director)

<sup>1</sup> Laura Ruffles ceased to be Executive Director on 12 March 2024.

## Principal activities

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

## Dividends

Dividends paid during the financial year were as follows:

	2024 \$'000	2023 \$'000
Final ordinary dividend for the year ended 30 June 2023 of 22 cents per fully paid share paid on 5 October 2023 (for the year ended 30 June 2022 of 5 cents per fully paid share paid on 5 October 2022)	32,192	7,316
Interim ordinary dividend for the year ended 30 June 2024 of 17 cents per fully paid share paid on 5 April 2024 (for the year ended 30 June 2023 of 6 cents per fully paid share paid on 14 April 2023)	24,841	8,780
<b>Total dividends paid</b>	<b>57,033</b>	<b>16,096</b>

Since 30 June 2024, the Directors have determined to pay a final ordinary dividend of 12.0 cents per fully paid share, unfranked, to be paid on 4 October 2024 out of retained earnings at 30 June 2024, but not recognised as a liability at year end.

## Review of operations

The Group's principal activity is managing the procurement and delivery of travel and accommodation agency services for its clients.

### Consolidated Group financial performance

The Group's statutory profit after tax attributable to owners for the financial year amounted to \$84,452,000 (FY23 : 77,574,000), with underlying EBITDA increased to \$ 201,725,000 in FY24 from \$ 167,062,000 in FY23. CTM delivered record revenue and Underlying EBITDA in FY24, a result driven by growing momentum from customer wins, execution of projects that improve revenue yield, and strong conversion of revenue to profit, through cost control and automation initiatives. The reconciliation to profit before income tax from continuing operations is set out in [note 3 'Segment reporting'](#).

FY24 saw a change in the mix of CTM's revenue, as the non-BAU project revenue in Europe delivered lower than expected activity levels and tapered off faster than initially expected. This trend will continue into FY25, with little project work expected. This tapering of one-off work in Europe is being offset by growing momentum in other regions, particularly North America and ANZ, with activity building in 2H24, and the benefits of revenue yield initiatives such as the Sleep Space hotel program, and cost control through automation is also driving strong growth in EBITDA margins and the bottom-line result.

Over the past few years, acquisitions, technology investment, and productivity gains have set up the business to grow through enhanced scale, and offer an increasingly attractive value proposition for customers in a persistent complex travel environment. This will enable the Group to continue to grow strongly in future periods.

Despite corporate travel activity still at approximately 80% of pre-Covid levels globally, CTM has delivered underlying EPS in FY24 at 88% of pre-Covid levels. Metrics such as this EPS growth show the benefits the business is now seeing from investment in revenue yield, integration, and automation initiatives. Other key metrics that validate that the hard work over the last few years are:

- FY24 Revenue / FTE: Up 35% compared to pre-Covid, and up 9% versus the prior comparative period; and
- FY24 incremental revenue conversion compared to FY23 at 61%.

The Group maintains a strong balance sheet with no debt and cash of \$134,771,000 as at 30 June 2024. Outstanding bank guarantees decreased from \$18,724,000 at 30 June 2023 to \$18,162,000 as at 30 June 2024.



# Directors' Report

Continued

## Underlying EBITDA to Net Profit Before Income Tax Expense (\$m)

<b>Underlying EBITDA</b>	201.7
Restructuring costs	(10.5)
Doubtful debts	(6.9)
Integration costs	(5.4)
<b>Statutory EBITDA</b>	178.9
Total EBITDA non-recurring costs	22.8
Finance costs (net of interest income)	-
Depreciation and amortisation (exc. client contracts and relationships)	(45.0)
<b>Underlying profit before income tax</b>	156.7
Total EBITDA non-recurring costs	(22.8)
Impairment - held for sale assets	(1.5)
Amortisation - client contracts and relationships	(15.1)
<b>Profit before income tax</b>	117.3

## Regional operations

The key financial results are summarised in the following tables:

<b>Consolidated Group</b>	<b>2024 \$'m</b>	<b>2023 \$'m</b>	<b>Change %</b>
<b>Reported AUD</b>			
Revenue	710.4	653.4	9
Total revenue and other income	716.9	660.1	9
Underlying EBITDA	201.7	167.1	21
Underlying EBITDA as % of Revenue	28.4%	25.6%	
Underlying profit before income tax	156.7	124.8	26

## Group financial position

The Group continues to maintain a strong financial position, with net current assets and total equity of \$1,190,692,000. At 30 June 2024, the Group had no interest-bearing liabilities (2023: nil), excluding lease liabilities.

<b>Australia and New Zealand</b>	<b>2024 \$'m</b>	<b>2023 \$'m</b>	<b>Change %</b>
<b>Reported AUD</b>			
Revenue	168.8	157.8	7
Total revenue and other income	169.3	160.1	6
Underlying EBITDA	44.9	42.4	6
Underlying EBITDA as % of Revenue	26.6%	26.9%	
Underlying profit before income tax	15.2	15.0	1

Compared to the prior year, total revenue and other income increased by 6% to \$169,300,000 in ANZ, resulting in underlying EBITDA of \$44,900,000 (FY23: \$42,400,000). Strong domestic business travel demand continued throughout the period, with spending by clients considered fully recovered from pre-Covid time.

Service levels and productivity in ANZ leading into 1H24 were impacted by the resources required to be redeployed in order to win and prepare for the implementation of the new Whole of Australia Government framework, which commenced in early February 2024. This led to slow revenue growth in 1H, and a slight decline in EBITDA versus the prior corresponding period. With the successful implementation of the new Government framework in February 2024, including the roll-out

# Directors' Report

Continued

of Sleep Space, combined with technology driven productivity gains, revenue growth in 2H24 has accelerated (up 11% vs the prior comparative period), with incremental conversion to EBITDA. EBITDA margin in 2H24 for ANZ was 30%, up from 24% in the prior comparative period.

With integration completed, and service levels in ANZ have returned, customer wins are accelerating, and the business is observing a trend of previously lost customers returning to CTM. Management in the region is focused on winning business and improving revenue yield and EBITDA margins, through leveraging technology and automation. Top line growth combined with improving EBITDA margins, places ANZ to deliver strong profit growth in the future years.

North America	2024 \$'m	2023 \$'m	Change %
<b>Reported AUD</b>			
Revenue	309.6	302.5	2
Total revenue and other income	311.5	303.7	3
Underlying EBITDA	59.7	44.8	33
Underlying EBITDA as % of Revenue	19.3%	14.8%	
Underlying profit before income tax	40.8	28.2	45

Compared to the prior year, total revenue and other income increased by 3% to \$311,500,000 in North America. This resulted in underlying EBITDA of \$59,700,000 (FY23: \$44,800,000), an increase of 33% compared to the prior comparative period.

During FY24, revenue and other income growth was slower than expected at approximately 3% versus the prior comparative period, as a result of changes to supplier revenue structure which negatively impacted revenue. These impacts have been resolved during 2H24, with the FY24 4Q exit run-rate reflecting the market growth rates and customer wins in the region. Despite the lagging revenue growth in FY24, EBITDA increased by 33% to \$59,700,000. The dramatic improvement to the revenue margin reflects the commitment to cost efficiency, mostly driven by technology driven productivity gains.

The Management structure in North America has been redesigned throughout FY24, and is set up to deliver faster results and a step up in profitability going forward. The region has focused on three main areas as follows:

- faster on-boarding of accounts;
- re-focus on winning and retaining accounts with higher profitability; and
- automation execution.

The business saw the benefits of this strategy in 2H, which accelerated in the 4Q, with 4Q24 transactions up 21% on 4Q23, and 4Q EBITDA was up 46% compared to the prior comparative period, showing strong momentum into FY25.

Asia	2024 \$'m	2023 \$'m	Change %
<b>Reported AUD</b>			
Revenue	63.7	50.5	26
Total revenue and other income	64.1	51.6	24
Underlying EBITDA	17.9	13.9	29
Underlying EBITDA as % of Revenue	28.1%	27.5%	
Underlying profit before income tax	12.5	9.0	38

Total revenue and other income for the period increased by 24% to \$64,100,000, resulting in underlying EBITDA of \$17,900,000 (FY23: \$13,900,000).

This reflects the strong growth in the corporate segment in Asia. This growth has accelerated and is providing an offset for the lagging recovery in China wholesale volumes, which continue to face headwinds as a result of slow airline capacity recovery. A large part of the growth in corporate activity relates to countries excluding China, which now represent 31% of Asia's revenues, compared to 11% in FY19. This trend in revenue diversification, is a result of a focus on growing market share outside of China, particularly in Singapore over the last few years.

Ticket prices, that were unsustainably high last year and leading into FY24, declined sharply in 2H24, falling approximately 21% on average. Whilst this decline has a negative impact on override income for CTM Asia in the near-term, this change is an overall positive for customers and helping corporate travel return to more historically normal levels.

# Directors' Report

Continued

The Asia region is set up for strong, sustainable growth in the corporate segment, with the wholesale recovery being an added growth driver for the region. Investment in productivity improvements are being made and will continue to support strong conversion of any incremental revenue growth to EBITDA, as evidenced by the 24% revenue growth in FY24, translating to a 30% increase in EBITDA.

Europe	2024 \$'m	2023 \$'m	Change %
<b>Reported AUD</b>			
Revenue	168.3	142.6	18
Total revenue and other income	169.3	143.0	18
Underlying EBITDA	97.7	84.1	16
Underlying EBITDA as % of Revenue	58.1%	59.0%	
Underlying profit before income tax	91.7	83.7	10

Total revenue and other income increased by 18% to \$169,300,000 in Europe, resulting in underlying EBITDA of \$97,700,000 (FY23: \$84,100,000).

Europe has delivered a record financial result in FY24, with revenue growth of 18% converting to EBITDA growth of 16% versus FY23. This result was enhanced by one-off project work, however these projects contributed less activity than originally forecast, and tapered off rapidly in 2H24. CTM has been very proud to accommodate displaced persons fleeing conflict in Ukraine and Afghanistan for a number of years. CTM is pleased that 90% of these families are now settled in long-term accommodation, therefore, no longer require interim accommodation services.

As a result, both revenue and profit in Europe are expected to decline in FY25. Whilst, both FY23 and FY24 benefited from one-off projects, their contribution has masked strong growth in activity and the financial performance of the underlying business compared to pre-Covid. Growth in BAU activity both in relation to the UK Government and corporate since FY19, has been driven by customer wins. The continued strong EBITDA margins is a result of high online penetration of CTM technology in the region.

Looking forward, we expect FY25 to be a reset year, back to BAU activity in Europe. The business' focus will continue to be on driving organic growth, developing our people, and leveraging technology to improve productivity.

## Dividends

The Board determined to pay a final dividend of 12.0 cents per share, in line with its Dividend Policy to pay out 50% of NPAT attributable to the owners of the Company in dividends over time.

	2024	2023
<b>Earnings per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company</b>		
Basic EPS (cents per share)	57.9	53.1
Diluted EPS (cents per share)	57.9	52.9



# Directors' Report

Continued

## Strategy and future performance

The Group's operating model is focused on the corporate travel market and our client value proposition combines personalised service excellence with market-leading technology. In the current period.

The Group continued to focus on its key strategic drivers being:

- expanding our global operations, driving organic growth through operational excellence and leveraging our technology platforms;
- retaining clients and winning new clients through our client value proposition;
- development and deployment of innovative technology and digital initiatives, with a focus on delivering an improved customer experience and internal productivity;
- capitalising on our scale and global network to develop and optimise supplier performance for our clients;
- integrating past acquisitions and leveraging niche expertise throughout the global business; and
- staff empowerment to make service decisions that drive high staff engagement and client satisfaction.

In the financial year ending 30 June 2024, the Group executed these strategic drivers. Key projects were executed that will deliver strong revenue and efficiency gains, improving both CTM's financial performance, and customer service. Examples of these initiatives are project Atlas and Sleep Space.

The Group intends to pursue the opportunity to sustainably expand our global operations, drive organic growth and leverage our technology platforms. Additionally, the Group seeks merger and acquisition opportunities that add scale in niche travel sectors or which complement our existing business and/or geographic footprint.

## Material business risks

The potential material business risks that could adversely affect the achievement of the Group's business strategies and financial prospects in future years are described below. This section does not purport to list every risk that may be associated with the Group's business now or in the future. There is no guarantee or assurance that the importance of these risks will not change, or other risks emerge. While the Group aims to manage risks in order to minimise adverse impacts on its financial and reputational standing, some risks are outside the control of the Group.

## Travel industry disruption

The Group's financial prospects are dependent on the strength of the travel industry generally. A decline in the domestic and/or international travel industry, whether as a result of a particular event (such as war, terrorism, health epidemic/pandemic or a natural disaster), economic conditions (such as a decrease in business demand), geopolitical conditions or any other factors, will likely have a material adverse effect on the Group's business, financial condition, and operations.

The diversification of the Group's businesses across multiple jurisdictions and a diverse portfolio of customers, including exposure to essential travel clients, provide the Group with greater resilience when there are disruptions to the travel industry. The Group's 'capital light model' allows the Group to rapidly re-size the business and reduce costs while maintaining a high-quality product and service offering to customers through any downturn.

## General economic conditions

The Group's operating and financial performance is influenced by a variety of general economic and business conditions globally. A prolonged deterioration in general economic conditions (both globally and regionally) including a decrease in consumer and business demand, are likely to have a material adverse impact on the Group's operating performance through a reduction in corporate travel, including airline, hotel, and hire car reservations and business or trade conferences. This risk is heightened in the current uncertain economic and geo-political environment.

It is anticipated that many of the markets in which the Group operates will have economic downturns of differing severity and duration, which could affect the desire of people to travel in those markets, which would, in turn, impact the operating and financial performance of the Group.

There are also other changes in the macroeconomic environment that are beyond the control of CTM and may be exacerbated in an economic recession or downturn. These include, but are not limited to:

- changes in inflation, interest rates, and foreign currency exchange rates;
- changes in employment levels and labour costs, which will affect the cost structure of the Group;
- changes in aggregate investment and economic output; and
- other changes in economic conditions which may affect the revenue or costs of the Group.

To mitigate these risks, the Group maintains a resilient business model with a diverse portfolio of customers across multiple jurisdictions and industries, which reduces the reliance on any one specific geography or customer.

# Directors' Report

Continued

## Supplier risk

The Group's business model and financial prospects and operations are reliant on mutually beneficial contractual arrangements with a number of third-party suppliers, including airlines, rail travel providers and global distribution system providers. The Group cannot be certain that contracts with third-party suppliers will be renewed or the terms on which they may be renewed. If contracts are not renewed or are renewed on terms that are less favourable than current arrangements, there is a possibility that this would diminish the attractiveness of the Group's offerings to consumers, which may result in the Group being unable to generate earnings equal to those historically generated by those contracts.

A variety of credit risks are inherent in the Group's supply chains, particularly heightened in the current economic environment. To the extent suppliers are facing financial stress, they may seek to change the terms upon which they engage with, cease or significantly reduce engagement with the Group or, in some cases, may not pay their debts as and when they fall due. Receivable balances from suppliers are actively monitored on an ongoing basis and where issues are identified, appropriate actions are taken to mitigate the Group's exposure to bad debts.

Persistent global personnel shortages create a risk that supplier capacity is reduced for an extended period. Contractual arrangements with suppliers are based on the volume of transactions. Should supply capacity be impeded for an extended period, the Group may not generate earnings equal to those historically generated under supply contracts for that period.

## Client risk

The Group's operating and financial performance is dependent upon client satisfaction, loyalty, and the specific markets in which the Group operates. The Group cannot be certain that clients will engage in any minimum level of activity, that contracts with clients will be renewed or the terms on which they may be renewed. If contracts that account for material activity are not renewed or are renewed on terms that are different than current arrangements, there is a possibility that this would result in the Group being unable to generate earnings equal to those historically generated by those contracts which may result in impairment of the carrying value those client contracts, if any, or a reduction in profitability. Further, any diminution in client satisfaction, client experience, or client perception of the travel environment may have an adverse impact on the financial performance and position of the Group.

In mitigation of this risk, the Group has a diverse spread of quality clients with exposure to a wide variety of industries. For example, many of CTM's essential travel clients, including government, healthcare, mining, fly-in fly-out (FIFO), fisheries, construction, and infrastructure continued to travel during industry downturns, such as during the COVID-19 pandemic. Further, CTM's proprietary client-facing technology delivers CTM the ability to swiftly deploy software updates to meet changing client needs and expectations.

## Financing risk

The Group is exposed to risk relating to the cost and availability of funds to support its operations, including changes in interest rates and foreign currency exchange rates, counterparty credit risk, and liquidity risk, all of which could impact its financing activities.

Refer [note 20 'Financial risk management'](#).

## Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk. The Group uses foreign exchange spot and forward contracts to manage its net risk position. The Group may at times use its multi-currency debt facility, allowing for borrowings in relevant currencies to provide an offset to the revaluation of foreign currency assets or future foreign currency earnings. However, notwithstanding these measures, the movement of foreign exchange rates could still have an adverse effect on the Group's operating and financial performance.

Refer [note 20 'Financial risk management'](#).

## Taxation risk

Changes in tax law, or changes in the way tax law is interpreted in the various jurisdictions in which the Group operates, may impact the future tax assets and liabilities of the Group. There can be no assurance that these tax laws or their interpretation in relation to the Group will not change, or that regulators will agree with the tax position the Group has adopted.

The Group regularly reviews its operating business model and strategies to take account of changes in tax law and changes in the way tax law is interpreted, which may impact the Group.

## Information technology

The Group relies on both its outsourced technology platforms and develops its own software internally. Whilst all third party systems are licensed, any failure or disruption to the supply or performance of these systems may have an immediate and a longer term impact on the Group's operations, client and supplier satisfaction and company performance, which may have an adverse impact on the financial performance of the Group.

The Group manages this risk by having system redundancy, other back-up measures, security and monitoring programs in place. However, there can be no assurance that the Group's mitigation arrangements will be sufficient to entirely prevent the risk of significant systems failure.

# Directors' Report

Continued

## Cybersecurity and data protection

The protection of client, employee, third party and company data is critical to the Group's operations. The Group has access to a significant amount of client, employee and third party information, including through its database of clients. There is a risk of failure in the Group's operations or material financial loss as a result of cyberattacks. Any unauthorised access to the Group's information technology systems (including as a result of cyberattacks, computer viruses, malicious code or phishing attacks) could result in the unauthorised release or misuse of confidential or proprietary information of the Group, its employees or clients, which may lead to reputational damage, regulatory breaches, financial penalties, litigation and compromised relationships with clients. Further, cyber-attacks or disruption in relation to suppliers may impact the Group's operations. For example, a disruption in relation to airline operators could cause significant disruption to travel schedules which may result in the Group being unable to provide certain services during that period or providing a less attractive service, which may have an adverse impact on the operating and/or financial performance of the Group. The legal and regulatory environment surrounding information security and privacy is increasingly complex and demanding.

The Group has monitoring programs and systems in place to monitor and identify potential threats. It also utilises third party expertise from technology partners and maintains support arrangements for cyber incident response and recovery. The Group also holds a cyber liability insurance policy.

## Competition

The Group operates in a competitive market, and the Group's business is subject to competition from existing and new entrants and business models at any time. Technological innovation is now challenging entire business models and causing disruption to industry structures. Technological developments have therefore increased, and will continue to increase competition to the Group's businesses.

If the Group does not adequately respond to competitive forces, this may have an adverse effect on financial performance. A sustained increase in competition from new entrants may result in a material failure to grow, decline in profitability, or a loss of market share or revenues.

The Group aims to continually improve its product and service offering to attract and retain customers.

## Talent

The Group relies on the talent and experience of its directors, key senior management and staff generally. The loss of any key personnel could cause disruption to the conduct of the Group's business in the short term and may have a material adverse impact on the Group's operations and/or financial performance. It may be difficult to replace key personnel or to do so in a timely manner or at a comparable expense. The Group regularly reviews its succession planning to ensure that key personnel risk is identified and managed.

## Acquisitions and integration

From time to time, the Group examines new acquisition opportunities in all of the regions in which it operates. Any future acquisitions may cause a change in the sources of the Group's earnings and result in variability of earnings over time. There is a risk that the integration of new businesses may result in the Group incurring substantial costs, delays or other problems in implementing its strategy for any acquired businesses, which could negatively impact the Group's operations, profitability and/or reputation. Further, the financial performance of investments and the economic conditions they operate within may result in impairment of investments or goodwill should the recoverable amount of the investment fall below its carrying value.

## Impairment risk

The Group assesses whether there is any indication that an asset may be impaired on an ongoing basis. Annually, or when an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. When the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to the recoverable amount. Adverse outcomes of some of the risk factors listed above, as well as new developments which are not currently apparent, could trigger an impairment and have a negative impact on the reported financial result of the Group.

Refer [note 25 'Impairment testing of goodwill'](#).



# Directors' Report

Continued

## **Litigation risk**

While the Group is not currently engaged in any material litigation or disputes, it remains exposed to possible litigation and dispute risks, and this risk may be heightened having regard to the current volatility in global economic markets. A member of the Group may be subject to litigation in the course of its business, in the jurisdiction it operates, including commercial, contractual or client claims, injury claims, employee claims, indemnity claims and regulatory disputes.

Even if the Group is ultimately successful in defending claims against it (or in pursuing claims made by it), reputational harm may be inflicted and substantial legal and associated costs may be incurred that may not be recoverable from other parties, which may have a material adverse impact on the Group's financial position and performance.

Any litigation, disputes or investigations that arise from time to time are proactively managed by the Group with a view to protecting CTM's financial position as well as its reputation and ongoing business.

## **Political and social risk**

The Group has global operations. The ability of the Group to conduct business in the countries in which it operates long-term, is uncertain. Regional, political or social instability (including as a result of COVID-19) could negatively impact the Group's revenue streams and ultimately, its financial performance.

The diversification of the Group's businesses across multiple jurisdictions and a diverse portfolio of customers provides the Group with greater resilience if regional, political or social instability arises.

## **Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Group during the financial year.

## **Events since the end of the financial year**

No matter or circumstance has arisen since 30 June 2024 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.

## **Likely developments and expected result of operations**

The Group's global footprint, diverse client pool, technology assets, and strong cost management has enabled a strong underlying EBITDA result in FY24. The Group is well-positioned to grow organically in FY25.

## **Environmental regulations**

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

The Directors have considered climate-related risks and have determined there is not an associated material risk to the Group's operations or any amounts recognised in the financial statements. The Group continues to monitor climate-related and other emerging risks and their potential impact on the financial statements. Refer to the Group's Sustainability Report for additional information.

# Directors' Report

Continued

## Information on Directors

Particulars of the skills, experience and special responsibilities of the Directors in office as at the date of this report are set out below.

**Mr Ewen Crouch AM** BEc (Hons.), LLB, FAICD  
**Independent Non-Executive Director – Chairman**  
**since March 2019**

### Experience and expertise:

Ewen Crouch was a Partner at Allens from 1988 - 2013. He served as a member of the firm's board for 11 years, including 4 years as Chairman of Partners. His other roles at Allens included Co-Head Mergers & Acquisitions and Equity Capital Markets from 2004 - 2010, Executive Partner - Asian Offices from 1999 - 2004, and Deputy Managing Partner from 1993 - 1996. He was a Director of Mission Australia from 1995, including as Chairman from 2009, until retiring in November 2016.

Mr Crouch is a Non-Executive Director of BlueScope Steel Limited (since March 2013) and Chairman and Non-Executive Director of AnteoTech Limited (since April 2022). He is Chairman and Non-Executive Director of RSL LifeCare Limited (since October 2022) and a Director of Jawun (since September 2015). He is a Fellow of the Australian Institute of Company Directors and served as a member of the Takeovers Panel from 2010 - 2015, as a member of the Commonwealth Remuneration Tribunal from 2015 - 2019, as a Director of Sydney Symphony Orchestra from 2009 - 2020 and as a Non-Executive Director of Westpac Banking Corporation from 2013 to 2019.

### Other current directorships:

BlueScope Steel Limited (since March 2013)

Jawun (since September 2015)

AnteoTech Ltd (since April 2022)

RSL LifeCare Limited (since October 2022)

### Former directorships (last 3 years):

Nil

### Special responsibilities:

Chair of the Board

Chair of Nomination Committee

Audit and Risk Committee member

Remuneration and Sustainability Committee member

### Interests in shares:

17,500 Ordinary shares in

Corporate Travel Management Limited

**Mr Jamie Pherous** BCom  
**Executive Director, Managing Director**  
**since May 2008**

### Experience and expertise:

Jamie Pherous founded Corporate Travel Management in 1994. He has built the Group from its headquarters in Brisbane to become one of the world's largest travel management companies.

Prior to establishing CTM, Jamie was employed by Arthur Andersen, now EY, as a qualified Chartered Accountant, specialising in business services and financial consulting notably in Australia, Papua New Guinea, and the United Arab Emirates.

### Other current directorships:

Nil

### Former directorships (last 3 years):

Nil

### Special responsibilities:

Managing Director

### Interests in shares:

17,287,500 Ordinary shares in

Corporate Travel Management Limited

# Directors' Report

Continued

**Mrs Sophia (Sophie) Mitchell** B.Econ, GAICD  
**Independent Non-Executive Director**  
since September 2019

**Experience and expertise:**

Sophie Mitchell has over 30 years of corporate advisory, capital markets and equity research experience. She retired from Morgans in June 2019 after over a decade as an Executive Director in Morgans' Corporate and, prior to this, she was Morgans' Head of Research.

Sophie is a Non-Executive Director of Morgans Holdings (Australia) Limited, Firstmac Limited, Myer Family Investments Limited, and Tourism Holdings Limited. She was a member of the Australian Government Takeovers Panel between 2009 and 2018.

**Other current directorships:**

Morgans Holdings (Australia) Limited (since March 2018)  
Myer Family Investments Limited (since December 2020)  
Firstmac Limited (since November 2022)  
Tourism Holdings Limited (since December 2022)

**Former directorships (last 3 years):**

Apollo Tourism and Leisure Ltd (September 2016 - December 2022)  
HealthcareLogic Global Limited (April 2022 - July 2023)

**Special responsibilities:**

Chair of the Remuneration and Sustainability Committee  
Audit and Risk Committee member  
Nomination Committee member

**Interests in shares:**

30,826 Ordinary shares in  
Corporate Travel Management Limited

**Mr Jon Brett** BAcc, BCom, MCom, CA(SA),  
Dip Datametrics  
**Independent Non-Executive Director**  
since January 2020

**Experience and expertise:**

Jon Brett was formerly an executive Director of Investec Wentworth Private Equity Limited, and an executive of Investec Bank (Australia) Limited. He was also the CEO of Techway Limited which pioneered internet banking in Australia. Jon brings extensive strategic, board and management experience to CTM, particularly in the areas of finance and corporate advisory.

Jon is currently Non-Executive Director Chairman-elect of Infomedia Limited. He is also a Non-Executive Director of Raiz Invest Limited. His former directorships include Godfreys Group Limited, The Pas Group Limited, deputy president of the NRMA and Vocus Group Limited since its listing on the ASX.

**Other current directorships:**

Raiz Invest Limited (since November 2023)  
Infomedia Limited (since July 2024)

**Former directorships (last 3 years):**

Mobilicom Limited (September 2018 - October 2023)

**Special responsibilities:**

Chair of the Audit and Risk Committee  
Remuneration and Sustainability Committee member  
Nomination Committee member

**Interests in shares:**

4,500 Ordinary shares in  
Corporate Travel Management Limited



# Directors' Report

Continued

**Mrs Marissa Peterson** BSME, MBA  
**Independent Non-Executive Director**  
since October 2022

**Experience and expertise:**

Marissa Peterson is President and CEO of Mission Peak Executive Consulting, a Silicon Valley leadership coaching business, and currently serves on the Board of US Based company Employee Owned Brands. She is based in the United States and brings extensive experience in governance, technology and digital transformation, and executive development.

Marissa held a number of senior executive roles at Sun Microsystems over a 17-year period, including Executive Vice President of Sun Services, Executive Vice President of Worldwide Operations, and Chief Customer Advocate. She holds a Bachelor of Science in Mechanical Engineering and an Honorary Doctorate in Management from Kettering University, and an MBA from Harvard Business School.

Marissa's extensive board experience includes past roles as Chairman of optical communications solutions company, Oclaro, between 2013 and 2018, and as a Non-Executive Director of ASX-listed Ansell, from 2006 to 2021. She has also been a Director of a range of US-based companies including Humana, Supervalu, Children's Hospital of Stanford, Quantros and Covisint, and a Board Trustee of Kettering University.

Marissa was a 2019 Honoree in the National Association of Corporate Directors (NACD) awards for the 100 most influential directors in the United States corporate governance community. She has also achieved the distinction of being an NACD Leadership Fellow and completed both the Digital Directors Network Systemic Cyber Risk Masterclass and the CERT Cybersecurity Oversight Certificate.

**Other current directorships:**

Employee Owned Brands (US-Based) (since April 2023)

**Former directorships (last 3 years):**

Ansell Limited (August 2006 - October 2021)

Humana (US-Based NYSE) (August 2008 - April 2022)

**Special responsibilities:**

Audit and Risk Committee member

Remuneration and Sustainability Committee member

Nomination Committee member

**Interests in shares:**

10,000 Ordinary shares in

Corporate Travel Management Limited

## Company Secretary

**Miss Shelley Sorrenson** LLB, BJUS, LLM,  
MAICD

Shelley Sorrenson joined CTM in November 2021 as Global Chief Legal Officer and Company Secretary. Shelley is a pragmatic and commercially driven corporate legal and governance practitioner with over 15 years of experience. She has served as General Counsel and Company Secretary of ASX-listed and unlisted financial services companies and held roles at the Australian Securities and Investments Commission and in private practice.

Shelley holds a Bachelor of Justice, Bachelor of Laws and a Master of Laws. Shelley is a Member of the Australian Institute of Company Directors and an Associate of the Governance Institute of Australia.

# Directors' Report

Continued

## Meetings of Directors

The number of meetings of CTM's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Board A	Board B
Mr Ewen Crouch AM	9	9
Mrs Sophie Mitchell	9	9
Mr Jon Brett	9	9
Mrs Marissa Peterson	9	9
Mr Jamie Pherous	9	9
Ms Laura Ruffles <sup>1</sup>	6	6

<sup>1</sup> Ms Laura Ruffles ceased to be Executive Director on 12 March 2024.

Director	Audit and Risk Committee A	Audit and Risk Committee B	Remuneration and Sustainability Committee A	Remuneration and Sustainability Committee B	Nomination Committee A	Nomination Committee B
Mr Ewen Crouch AM	4	4	5	5	4	4
Mrs Sophie Mitchell	4	4	5	5	4	4
Mr Jon Brett	4	4	5	5	4	4
Mrs Marissa Peterson	4	4	5	5	4	4
Mr Jamie Pherous	NM	NM	NM	NM	NM	NM
Ms Laura Ruffles <sup>1</sup>	NM	NM	NM	NM	NM	NM

<sup>1</sup> Ms Laura Ruffles ceased to be Executive Director on 12 March 2024.

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the Committee

NM = Not a member of the relevant Committee

## Corporate Governance

The Board of CTM recognises the importance of good corporate governance practices which assist in ensuring the accountability of the Board and management of the Group. The Group recognises that these practices are fundamental to the long-term performance and sustainability of the Group, the delivery of its strategic objectives, and contribute to the preservation of shareholder value.

Information relating to the Group's corporate governance practices and its Corporate Governance Statement can be found in the Corporate Governance section on the Group's website at <https://investor.travelctm.com.au/corporate-governance>

# Directors' **Report**

# Remuneration **Report**

## Introduction

This report sets out the remuneration arrangements of the Company for the year ended 30 June 2024, and is prepared in accordance with section 300A of the *Corporations Act 2001*. The information has been audited as required by section 308(3C) of the *Corporations Act 2001 (Cth)*.

The report is structured as follows:

Section	Page
Letter from the Chair of the Remuneration and Sustainability Committee and remuneration highlights	38
Persons covered by this report	39
Overview of Executive Remuneration Strategy and Framework	40
CTM's performance and link to remuneration outcomes	41
Detailed overview of Executive Remuneration Framework	44
Overview of Non-Executive Director remuneration	47
Remuneration governance and employment contracts	48
Other statutory disclosures	50



# Directors' Report

## Remuneration Report (Continued)

### Letter from the Chair of the Remuneration and Sustainability Committee and remuneration highlights

#### Dear Shareholders,

On behalf of the Remuneration and Sustainability Committee (the Committee), I am pleased to present you with CTM's Remuneration Report for the year ended 30 June 2024.

Throughout the year, significant efforts have been dedicated to enhancing our governance framework for remuneration structures, including conducting comprehensive organisation-wide benchmarking of remuneration across all roles to ensure alignment with our strategic objectives and shareholder interests. Comparative data from ASX industry peers in addition to regional market benchmarking has been instrumental in informing our remuneration decisions for FY25.

We maintain a strong commitment to rigorously evaluating executive performance and have enhanced transparency in setting and assessing financial targets, strategic milestones, and individual non-financial goals.

These measures underscore our ongoing dedication to aligning remuneration practices with performance and shareholder value, reflecting our commitment to responsible corporate governance.

#### Performance Related to Remuneration Outcomes

Key Management Personnel (KMP) performance for FY24 has been evaluated against agreed Key Performance Indicators (KPIs). Our Short-Term Incentive (STI) plan includes accountability for financial profit attainment, specifically against an underlying EBITDA profit gateway, regional financial performance outcomes, and non-financial targets aligned with our strategic objectives.

Individual KMP performance is assessed with a balanced approach, comprising 50% financial (regional or global EBITDA) and 50% non-financial targets. In FY24, regrettably, with a FY24 underlying EBITDA of \$201.7 million, this resulted in a 0% modifier to the STI opportunity due to the overall FY24 STI Global Profit Gateway not being met. Consequently, FY24 STI payments for KMP will not be made, reaffirming our commitment to accountability and transparency in our remuneration practices

#### Long-Term Incentive Plan

Share Appreciation Rights (SARs) granted under CTM's Long Term Incentive (LTI) plan in July 2021, due to vest in August 2024 (vesting date), lapsed. While the EPS growth target was met, the Volume-Weighted Average Price (VWAP) of CTM's shares in the five trading days prior to 30 June 2024 did not meet the required threshold, resulting in this tranche lapsing without vesting. While this was a disappointing result, we have maintained our commitment to aligning executive incentives with sustainable growth and shareholder value through our incentive structures.

#### Non-Executive Director Fees

A review of Non-Executive Director remuneration determined an increase of 3.5%, including superannuation, that became effective on 1 September 2023 in line with broader Group remuneration increases.

#### Executive Leadership Development

Recognising the pivotal role of strong executive leadership in our future growth and success, we invested in the development of our executive team during FY24. This investment aims to foster a culture of continuous learning and development among our senior management team, ensuring sustained value-creation for our stakeholders.

#### Changes to the Remuneration Framework in FY25

In FY25, the executive remuneration framework has greater consistency of KMP remuneration with all KMP remuneration moving to a more aligned pay mix (Base : STI : LTI), in line with these benchmarks.

All KMP, including the MD, will have an STI target set at 50% of their Base Pay. Performance targets for the STI program will encompass both 'on target' and 'stretch' EBITDA levels for FY25, ensuring alignment with our strategic goals and financial performance expectations.

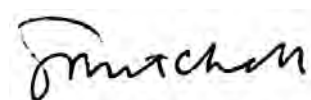
Remuneration and annual adjustments to Base Pay are made based on role expectations, external benchmarking data from ASX peers and regional market benchmarking. It also considers alignment with KMP accountability, KPIs and shareholder interests.

There are changes to the variable remuneration components for Executive KMP. Firstly, regional and group EBITDA thresholds replace the global gateway for the STI. Secondly, a share outperformance incentive for Executive KMPs has been introduced where EBITDA growth rate exceeds the hurdle in the Executive KMP LTI. Finally, the share price gateway is being changed to be determined based on the VWAP over the first 5 business days in September and the introduction of a vesting price hurdle in excess of the VWAP.

The comprehensive remuneration review in FY24 encompassed benchmarking of total rewards not only for KMP but also for all employees within CTM, demonstrating our commitment to fair and competitive remuneration practices across the organisation.

On behalf of the Committee, I extend sincere thanks for your continued support of CTM.

Yours sincerely,



**Sophie Mitchell**

Remuneration and Sustainability Committee Chair

21 August 2024

# Directors' Report

## Remuneration Report (Continued)

### Persons covered by this report

KMP include Non-Executive Directors, Executive Directors and those senior executives with authority and responsibility for the planning, controlling, and directing of the activities of the Company and the Group, which includes those executives who lead business units.

For the purposes of this report, Executive KMP means Executive Directors (Managing Director and CEO ANZ, Asia and Europe), Global CFO, Acting Global CFO, Global COO, CEO - North America, CEO - Europe, CEO - Asia and CEO - Australia and New Zealand (ANZ).

Details of the KMP are provided in the table below:

	Name	Position	Term
<b>Non-Executive Directors</b>	Ewen Crouch AM	Chairman, Non-Executive Director	Full year
	Jon Brett	Non-Executive Director	Full year
	Marissa Peterson	Non-Executive Director	Full year
	Sophie Mitchell	Non-Executive Director	Full year
<b>Executive Directors</b>	Jamie Pherous	Managing Director	Full year
	Laura Ruffles <sup>1</sup>	CEO ANZ, Asia and Europe	Part year, until 12 March 2024
<b>Other Key Management Personnel</b>	Cale Bennett <sup>2</sup>	Global CFO	Part year, until 28 July 2023
	Kevin O'Malley <sup>3</sup>	CEO - North America	Full year
	Larry Lo	CEO - Asia	Full year
	Debbie Carling	CEO - Europe	Full year
	Greg McCarthy	CEO - ANZ	Full year
	James Patterson <sup>4</sup>	Acting Global CFO	Part year, appointed on 28 July 2023 until 27 May 2024
	James Spence <sup>5</sup>	Global CFO	Part year, appointed on 27 May 2024
	Eleanor Noonan <sup>6</sup>	Global COO	Full year

1 Laura Ruffles ceased to be an Executive Director and KMP on 12 March 2024.

2 Cale Bennett ceased to be KMP on 28 July 2023.

3 Kevin O'Malley will cease to be KMP on 1 September 2024. Anita Salvatore will be appointed CEO - North America on 1 September 2024 and will be KMP for FY25.

4 James Patterson was appointed Acting Global CFO on 28 July 2023 and ceased to be KMP on 27 May 2024.

5 James Spence was appointed Global CFO on 27 May 2024.

6 Eleanor Noonan was appointed Global COO on 1 July 2023.

# Directors' Report

## Remuneration Report (Continued)

### Overview of Executive Remuneration Strategy and Framework

#### Our vision

To be recognised as the global leader in travel management solutions – an entrepreneurial, innovative and inspiring company of choice for employees, customers, partners and shareholders



Simple and Transparent: clear goals and expectations that can be easily understood by internal and external stakeholders.

#### Our mission

To be travel management leaders in all regions in which we operate, using innovative technology to improve the customer experience and bring positive change to the market



Attract, motivate and retain high-calibre team members.

#### Customer value proposition

Our commitment to our customers is:

- To deliver personalised and flexible service solutions
- To develop industry leading technologies which enhance the customer experience
- To demonstrate a ROI measured through achieved savings



Incentivise and reward team members for the achievement of strategic objectives designed to deliver sustained growth in shareholder wealth.

#### Our strategic priorities for FY24

- focus on organic growth
- increase customer engagement
- continue technology investment
- elevate service through continuous process improvement, including automation and AI
- invest in employee engagement
- invest in leadership development



Align remuneration design with shareholders.

### Remuneration philosophy and principles

Our remuneration framework is designed to support CTM's vision, mission, customer value proposition and strategic priorities. The framework is guided by the following remuneration principles:

#### Executive remuneration framework structure

	Fixed remuneration (FAR)	STI	LTI
<b>Purpose</b>	To attract and retain capable and experienced leaders to deliver CTM strategy	To reward the achievement of annual performance for financial and non-financial targets	To align focus and retention of leaders to deliver long-term business strategy by creating a sense of business ownership that is directly aligned with shareholders
<b>Award vehicle</b>	Base salary and superannuation	Cash, target set at 50% of base pay <sup>1</sup>	Performance Rights
<b>Performance /vesting periods</b>	Reviewed annually in line with external benchmarking, and commensurate with role	One year	Three years
<b>Performance measures</b>		Balanced scorecard comprised of underlying EBITDA (50%) and other strategic non-financial measures (50%)	<ul style="list-style-type: none"> <li>– Share price gateway</li> <li>– Underlying EBITDA measure</li> </ul>

<sup>1</sup> Executive KMP remuneration may include short-term cash rewards relating to specific strategic project execution and outcomes.

# Directors' Report

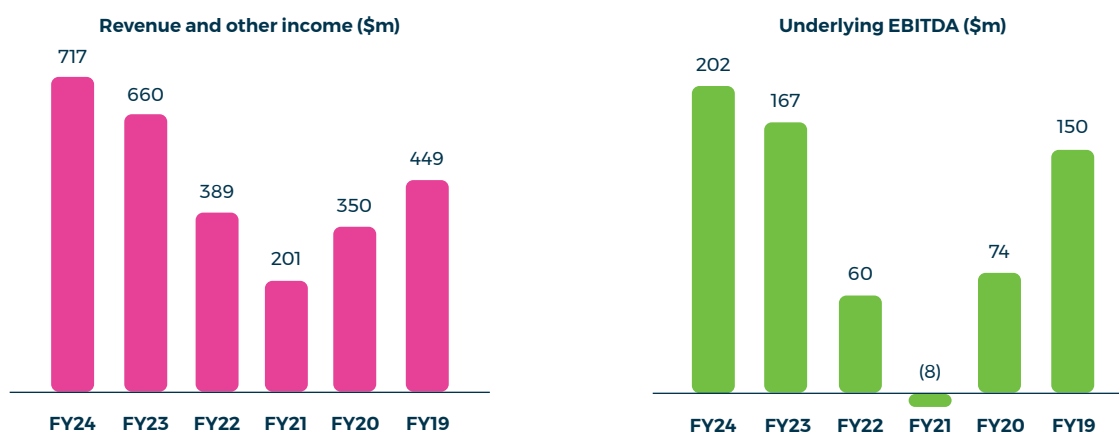
## Remuneration Report (Continued)

### CTM's performance and link to remuneration outcomes

#### Outline of CTM's FY24 performance

The remuneration outcomes of our Executive KMP are aligned to CTM's overall performance.

The graphs and tables below outline the Group's financial performance highlights in recent years.



The table below outlines the performance of the Group and shareholder returns over the last six financial years.

	FY24	FY23	FY22	FY21	FY20	FY19
Net profit/(loss) (\$'000)	86,385	78,770	3,101	(55,351)	(8,185)	86,235
Basic earnings per share (cents)	57.9	53.1	2.2	(43.0)	(7.5)	79.6
Dividends paid (\$'000)	57,033	16,096	-	-	23,953	42,263
Share price at 30 June (\$)	13.26	17.89	18.52	21.49	9.41	21.86
Underlying EBITDA (\$'000)	201,725	167,062	59,805	(7,249)	74,399	150,090
<b>Total Executive KMP STI as percentage of net profit/(loss) (%)</b>	<b>0.0</b>	<b>2.5</b>	<b>55.7</b>	<b>0.0</b>	<b>0.0</b>	<b>1.6</b>



# Directors' Report

## Remuneration Report (Continued)

### FY24 incentive outcomes

#### STI

##### Company and individual KMP scorecard performance and FY24 outcomes

The STI opportunity that is awarded to Executive KMP is determined as follows:

##### Regional CEOs and CEO ANZ, Asia and Europe



##### MD, Global CFO and Global COO



1 Fixed Annual Remuneration (FAR).

The following table outlines the typical factors that make up how total STI awards are determined, noting that KPIs and weightings among all four pillars are different for each Executive KMP, according to their annual operating plan.

CTM's financial performance against its underlying EBITDA target and the Executive KMP's performance against their individual scorecard is assessed.

Non-financial measures include a mix of KPIs across a number of priority areas grouped under People, Client and Product, Process and Innovation, further detailed in the table below:

Weighting	Strategic Objective Pillar	Typical KPI Focus
50% Financial	CTM Global Profit Gateway Regional Profit Performance	<p><b>Financial Pillar Purpose:</b> to ensure CTM's strategy, implementation, and execution contribute to bottom-line improvement.</p> <p><b>Measurement:</b> CTM's financial performance is measured by its underlying EBITDA target and the Executive KMP's performance against their individual scorecard.</p> <p><b>Outcome:</b> CTM achieves sustainable profit growth and delivers shareholder value.</p>
50% Non-financial	People	<p><b>People Pillar Purpose:</b> to ensure we invest in our people so they can continuously improve, innovate and change in alignment with market and client demands and opportunities, in order to deliver long-term success.</p> <p><b>Measurement:</b> Typical KPIs might include employee engagement, leadership, and collaboration.</p> <p><b>Outcome:</b> CTM attracts, retains, develops and rewards our people.</p>
	Client	<p><b>Client Pillar Purpose:</b> to focus upon on identifying and measuring the value delivered to customers, which is crucial for achieving financial success and sustainable growth.</p> <p><b>Measurement:</b> Typical KPIs might include new client wins, customer retention, and customer satisfaction (NPS).</p> <p><b>Outcome:</b> CTM wins, retains and grows customers.</p>
	Product, Process and Innovation	<p><b>Product, Process and Innovation Pillar Purpose:</b> to measure achievement of critical internal products, operations, projects and processes CTM must deliver to meet its customer and financial objectives.</p> <p><b>Measurement:</b> Typical KPIs might include CTM's measurement of cost per transaction, delivery of operating plans, and execution of key projects and initiatives.</p> <p><b>Outcome:</b> CTM delivers, improves and innovates our products, projects and processes.</p>

# Directors' Report

## Remuneration Report (Continued)

### Performance against Company performance modifier

Group underlying EBITDA performance for the year of \$201.7 million resulted in a 0% modifier score of to the Group maximum STI opportunity for FY24.

### Performance against Individual scorecards

Each individual KMP has an individual scorecard that is customised according to their role and responsibilities with varying performance measures, weighting and targets in line with strategic pillars. The table below provides an overview of how each individual Executive KMP performed against their individual scorecard in FY24.

		Financial measures (50%)	Non-financial measures <sup>1</sup> (50%)		
		EBITDA Gateway	People	Client	PPI <sup>2</sup>
Jamie Pherous	Managing Director				
James Patterson	Acting Global CFO				
Eleanor Noonan	Global COO				
Kevin O'Malley	CEO – North America				
Laura Ruffles	CEO ANZ, Asia and Europe				
Debbie Carling	CEO – Europe				
Larry Lo	CEO – Asia				
Greg McCarthy	CEO – ANZ				

90-100%
  80-89%
  70-79%
  60-69%
  50-59%
  <50%

1 Non-financial weightings differ for each KMP.

2 Product, process and innovation.

Following the assessment of the Executive KMP against their KPI, STI awarded to KMPs are summarised in the table below:

Name	FY24 STI as % of Base Salary	Maximum STI Potential (FY24) \$	FY24 Awarded %	FY24 Forfeited %	FY23 STI as % of Base Salary	Maximum STI Potential (FY23) \$	FY23 Awarded %	FY23 Forfeited %
Jamie Pherous	100	675,000	-	100	100	650,000	59.5	40.5
Laura Ruffles <sup>2,3</sup>	100	1,000,000	-	100	100	875,000	62.3	37.7
Cale Bennett	n/a	n/a	n/a	n/a	50	300,000	59.5	40.5
James Patterson <sup>2</sup>	50	175,000	-	100	-	-	-	-
James Spence <sup>1,2</sup>	n/a	n/a	n/a	n/a	-	-	-	-
Eleanor Noonan	50	300,000	-	100	-	-	-	-
Kevin O'Malley <sup>1,4</sup>	100	-	-	-	100	893,000	55.3	44.7
Larry Lo <sup>1</sup>	50	323,022	-	100	43	266,018	64.6	35.4
Debbie Carling <sup>1</sup>	53	329,195	-	100	58	329,195	60.4	39.6
Greg McCarthy <sup>5</sup>	50	225,000	-	100	12	50,000	56.0	44.0

1 Maximum STI potential is determined in local currency and converted at average exchange rates.

2 Maximum STI potential for FY24.

3 Maximum STI potential for FY24 was reduced to \$750,000 from 12 March 2024.

4 Kevin O'Malley provided resignation notice on 30 April 2024, with effective date 1 September 2024. Consequently, he was removed from the FY24 STI pool due to him serving a notice period, in line with STI Program rules.

5 FY23 STI adjusted for earn-out of the SCT Travel Group Pty Ltd acquisition.

# Directors' Report

## Remuneration Report (Continued)

### LTI

#### LTI FY21 Tranche (lapsed subsequent to 30 June 2024)

SARs granted as a part of CTM's LTI plan in July 2021 were due to vest in August 2024 (vesting date) subject to vesting conditions.

The vesting conditions for this tranche had two conditions, EPS growth target and share price hurdle ('base price'). The EPS growth target was met, however, the Volume-Weighted Average Price (VWAP) of CTM's shares in the 5 trading days prior to 30 June 2024 had to be higher than \$21.19 (the base price). The VWAP was \$13.52, and therefore the vesting conditions were not met and this tranche lapsed without vesting.

#### FY24 Executive KMP remuneration received

The table below provides actual amounts received by the Executive KMP for FY24. This table is an additional disclosure to those required under the Australian Accounting Standards and the *Corporations Act 2001 (Cth)*, and is provided to assist shareholders in understanding realised outcomes. This differs from the KMP remuneration disclosures on [pages 50-51](#), which represents remuneration in accordance with accounting standards (i.e. on an accruals basis).

Executive KMP	Total FAR <sup>1</sup> \$	Other benefits <sup>2</sup> \$	FY23 STI <sup>3</sup> \$	Vested SARs <sup>4</sup> \$	Total \$
Jamie Pherous	701,601	5,860	386,750	-	1,094,211
Laura Ruffles <sup>5</sup>	667,681	7,766	545,125	-	1,220,572
Cale Bennett <sup>5</sup>	38,694	1,452	178,500	-	218,646
James Patterson <sup>5</sup>	298,500	7,058	38,500	-	344,058
James Spence <sup>5</sup>	66,208	-	-	-	66,208
Eleanor Noonan	592,851	7,901	52,500	-	653,252
Greg McCarthy	573,608	-	28,000	-	601,608
Debbie Carling	708,256	5,160	198,660	-	912,076
Kevin O'Malley	1,049,198	51,477	493,920	-	1,594,595
Larry Lo	652,228	-	171,864	-	824,092

1 Comprises base salary, leave, superannuation, and pension.

2 Comprises cost to the Group of providing parking, health, and communication benefits.

3 STI paid during the financial year. For example, the amount disclosed for FY24 reflects the FY23 STI paid in September 2023 following the release of the FY23 results of the Group.

4 Intrinsic value of LTI that vested during the financial year was nil.

5 Remuneration is pro-rata for the period served as KMP during FY24.

## Detailed overview of Executive Remuneration Framework

### Fixed Annual Remuneration

Fixed annual remuneration (FAR) comprises base salary, leave, superannuation and pension. Executive KMP are offered a competitive FAR that targets the desired skills and experience for their roles. FAR is reviewed annually, allowing it to remain competitive to ensure alignment with external benchmarking.

External benchmarking to a 'Bespoke Peer Group' and 'ASX Peer Group' is used to inform market median remuneration for fixed and variable rewards. The 'Bespoke Peer Group' included 29 listed companies of comparable size (market capitalisation and revenue) and from similar/aligned industries to CTM (hotel, restaurants and leisure industry). The 'ASX Peer Group', which included companies within the S&P/ASX 200 Index ranked 51 to 200 as at the end of August 2023 that are headquartered in Australia was also considered. It included companies in the following GICS sectors: Consumer Discretionary, Communications, Industrials and Information Technology. Against both peer groups, CTM is positioned at the median from a market capitalisation perspective and at the 25th percentile from Total Revenue perspective.

# Directors' Report

## Remuneration Report (Continued)

### STI

Term	Detail
1. Eligibility	Leaders who influence and contribute to the profitable operation of the Group, including all Executive KMP.
2. Plan overview	An individual Executive KMP's STI award is based on the Group performance, regional performance (where applicable) and their individual performance.
3. Performance measures	<p><b>Company performance modifier</b> Underlying EBITDA is a key external and internal measure that reflects CTM's focus on operational earnings performance and has been set as the key financial measure for the Group scorecard. In FY24, performance against the target underlying EBITDA will determine the opportunity that is available.</p> <p><b>Individual scorecard</b> Individual performance is assessed against a balanced scorecard comprising of both financial and non-financial measures with varying weightings, measures and targets based on an individual's role and responsibilities.</p> <p><b>1. Financial measures (50%)</b> Financial measures comprise half of the scorecard, to ensure the overall focus of Executive KMP is achieving sustainable profit growth and delivering shareholder value.</p> <p><b>2. Non-financial measures (50%)</b> The non-financial performance measures provide an avenue for CTM's people, client and product/process/innovation objectives to be reflected in an Executive KMP's remuneration outcomes.</p> <ul style="list-style-type: none"> <li>— People – CTM's ability to attract, retain, develop and reward our people.</li> <li>— Client – measures CTM's ability to win, retain and grow customers and revenue.</li> <li>— Product, process and innovation (PPI) – measures CTM's ability to develop, deploy and enhance our tools and processes.</li> </ul>
4. Award opportunity	Each individual's incentive opportunity is determined annually, and target set at 50% of FAR. The opportunity for each eligible Executive is determined at the beginning of each financial year in line with external benchmarking with ASX peers.
5. Performance period	One financial year
6. Award vehicle	Cash
7. Malus and clawback	Incentive opportunities may be required to be repaid where the participant's actions have been found to be fraudulent, dishonest, in breach of their duties, contrary to CTM's values and behavioural standards or would bring CTM into disrepute.
8. Treatment on cessation of employment	Employee must remain employed and not serving a notice period at the time the STI payment is made (typically by 30 September following the end of the financial year).
9. Change of control provisions	Nil
10. Governance	Performance is assessed by the Managing Director and considered for approval by the Remuneration and Sustainability Committee and Board annually. Performance for the Managing Director is assessed and approved by the Board annually.
11. Changes in FY25	<p>A target set at 50% of Base Pay for the STI opportunity will be introduced in FY25 for all KMPs. Where Executive KMP exceed STI targets, payment will be capped at 60% of base pay.</p> <p>Regional and group EBITDA thresholds replace the global gateway.</p> <p>External benchmarking to ASX Peer Group's and regional markets is used to inform market median remuneration for fixed and variable rewards.</p>

In addition to the STI offered to the Executive KMPs each year, they may receive an additional cash reward relating to specific strategic project execution and outcomes. Recommendations for such payments are considered by the Directors based on a recommendation from the Managing Director and must reflect outstanding performance and be a modest percentage of fixed remuneration. Any such reward, would be one-off in nature and not built into the annual remuneration opportunity for Executive KMPs.



# Directors' Report

## Remuneration Report (Continued)

### LTI

Term	Detail
1. Eligibility	Senior leaders who have a significant potential impact on share price and long-term value creation, including all KMP. The MD will be eligible for LTIs from FY25.
2. Award opportunity	The value of the Performance Rights issued each year to an eligible Executive KMP will typically be set between 50-100% of FAR. The opportunity for each eligible Executive KMP is determined at the beginning of each financial year in line with external benchmarking with ASX peers.
3. Award vehicle	Performance Rights, where each Performance Right entitles the eligible Executive KMP to the right to one ordinary share of Corporate Travel Management Limited for nil consideration, upon vesting.
4. Performance period	Performance is measured over three financial years.
5. Performance measures and weighting	<p><b>Gateway</b> A share price gateway (determined at the outset of the performance period) applies to the LTI. Where VWAP in the 20 business days prior to 1 July in the vesting year is below the gateway, no Performance Rights will vest.</p> <p><b>EBITDA measure</b> Where the share price gateway has been met, the Performance Rights will be tested against an EBITDA vesting schedule (which is determined at the time of grant).</p>
6. Allocation methodology	The number of Performance Rights awarded is calculated by dividing the opportunity by the fair value of the Performance Right.
7. Malus and clawback	Unvested Performance Rights may be reduced where the participant's actions have been found to be fraudulent, dishonest, in breach of his or their duties, contrary to CTM's values and behavioural standards or would bring CTM into disrepute.
8. Treatment on cessation of employment	Performance Rights will be forfeited upon cessation of employment with the Group with forfeited awards lapsing. The Board has discretion in exceptional circumstances to determine that Performance Rights remain on foot subject to the terms and conditions of the award. Exceptional circumstances include events such as retirement, redundancy, death, contractual obligations, and permanent disability.
9. Change of control provisions	Should a Change of Control Event occur, or the Board determines in its absolute discretion that a Change of Control Event may occur, the Board has absolute discretion to determine the appropriate treatment regarding any unvested awards.
10. Voting and dividends	Recipients of Performance Rights are not entitled to dividends until shares are allocated (based on vesting and meeting the relevant performance hurdles, employment condition, and conduct expectations).
11. Governance	<p>Shares issued under the Group's Omnibus Incentive Plan were approved by the shareholders in the 2020 Annual General Meeting. This is inclusive of shares that may be issued in respect of each outstanding offer of shares, options or rights if accepted or exercised under other equity plans.</p> <p>Executive KMP are not permitted to hedge LTI awards.</p> <p>CTM have the following Black-out periods that apply to all Company Personnel for:</p> <ul style="list-style-type: none"> <li>(a) half year results, from 1 January to (and including) the day of the results announcement;</li> <li>(b) full year results, from 1 July to (and including) the day of the results announcement;</li> <li>(c) Annual General Meeting, from 1 October (and including) the day of the Annual General Meeting; and</li> <li>(d) any other period designated as a Black-out Period by the Board.</li> </ul>
12. Changes in FY25	<p>The MD will have an FY25 LTI offer. The MD did not participate in this program in prior years, despite being an eligible recipient. The share price gateway is being changed to be determined based on the VWAP over the first 5 business days in September and the introduction of a vesting price hurdle in excess of the VWAP.</p> <p>A share outperformance incentive for Executive KMPs has been introduced where EBITDA growth rate exceeds the hurdle in the Executive KMP LTI.</p>

As included in the 2022 Annual Report, after the FY22 review of the Long-Term Incentive program, the Board made changes to the program to ensure the continued appropriateness for all stakeholders. From FY23 onwards, eligible senior leaders have been LTIs, which results in both Share Appreciation Rights and Performance Rights on foot during FY24.

Both LTI programs have different performance measures including EPS and a share price gateway for Share Appreciation Rights and an underlying EBITDA target and a share price gateway for Performance Rights. Additional details on Share Appreciation Rights and Performance Rights are included in this financial report in [note 29 'Share-based payments'](#).

# Directors' Report

## Remuneration Report (Continued)

### Overview of Non-Executive Director remuneration

Following the external remuneration benchmarking review of the Non-Executive Director fee structure and arrangements, it was determined that in line with ASX market practice that a member fee would be introduced to both the Audit and Risk Committee and Remuneration and Sustainability Committee. CTM will continue to maintain no fees for the Nomination Committee Chair or Nomination Committee members. Non-Executive Directors will continue to receive a base fee for Board and Board Committee membership and, where applicable, an additional fee from chairing a Board Committee in recognition of the higher workload and extra responsibilities. The Chairman will continue to receive an all-inclusive fee as Chairman of the Board and as a member of all Board Committees (including as Chair of the Nomination Committee). Board fees are not paid to Executive Directors. Executive KMP do not receive fees for directorships of any subsidiaries.

### FY25 Fee Changes

Following the external remuneration benchmarking review of the Non-Executive Director fee structure and arrangements, it was determined that effective 1 September 2024 the Non-Executive Director fees would be increased in a range from 8%-14%. The Board determined an inclusive fee payable in US dollars would continue to apply to Marissa Peterson as a US resident Director for Board and Committee membership. Fees paid to Non-Executive Directors are set out in the table below and are inclusive of superannuation (where applicable). Fees are reviewed annually by the Board.

	Fee
Chairman	\$300,000
Committee Chair	\$30,000
Audit and Risk Committee member	\$15,000
Remuneration and Sustainability member	\$15,000
Board member - Australian resident Directors	\$130,000
Board member - US resident Director <sup>1</sup>	US\$108,000

<sup>1</sup> This assumes an average exchange rate of 1 AUD equals 0.675 USD and is equivalent to AUD \$160,000. An adjustment may be made if the AUD strengthens against the USD during the financial year.

In line with industry practice, for any overseas travel to a Board meeting away from a Non-Executive Director's country of residence, a travel allowance of \$2,000 is paid to that Non-Executive Director. Total Non-Executive Director travel allowances paid in FY24 were \$30,372. Non-Executive Directors are reimbursed for expenses properly incurred in performing their duties as a Director of the Group. As part of the Non-Executive Director fee review for FY25, it has been determined that effective 1 September 2024, the travel allowance will increase by 5% to \$2,100.

Non-Executive Directors do not receive incentive payments, nor are they entitled to participate in any Group employee equity plans. They do not receive non-monetary benefits and do not participate in any retirement benefits scheme, other than statutory superannuation contributions, where applicable. This policy is consistent with Non-Executive Directors being responsible for objective and independent oversight of the Group.

# Directors' Report

## Remuneration Report (Continued)

### Remuneration governance and employment contracts

#### Remuneration policy and governance oversight

The Board, the Remuneration and Sustainability Committee, management and remuneration advisors work closely to apply CTM's remuneration principles such that CTM's remuneration framework supports our business strategy and supports sustainable shareholder value.

#### Board

- Reviews and approves remuneration outcomes, framework, strategy and policy.
- Approves targets, goals or funding pools.

#### Remuneration and Sustainability Committee

- Consists of all the Non-Executive Directors, with one performing the role of Chair. The Managing Director and Global COO are invited to attend but are not present when their remuneration are discussed.
- Reviews and recommends to the Board the remuneration framework, strategy and policy.
- Reviews and recommends to the Board remuneration review outcomes for Non-Executive Directors and Executive KMP.
- The Committee also advises the Board on talent development succession planning and sustainability, social, environmental and governance issues relevant to the Group.

#### Stakeholders

- Consult with shareholders, proxy advisors and other relevant stakeholders to provide input to the remuneration framework.

#### Management

- Recommendations on remuneration outcomes for Executive KMPs.
- Annual performance review for Executive KMP.
- Implement remunerations policies.

#### Remuneration advisors

- Extend advisors to provide independent remuneration advice and information.

# Directors' Report

## Remuneration Report (Continued)

### Other information

#### Minimum Shareholding Guidelines for Non-Executive Directors

To align the Non-Executive Directors' interests with the interests of shareholders, the Board has established guidelines to encourage Non-Executive Directors to acquire and hold shares within five years of their appointment, with a cost base of or value equal to 100% of base fees. Direct and indirect holdings count towards the minimum shareholding target.

#### Minimum Shareholding Guidelines for Executive KMP

Executive KMP are encouraged to progressively, through participation in the Group's equity incentive program, acquire and hold shares over a reasonable period from the date of their appointment. Similar to Non-executive Directors, Executive KMP are expected to acquire and hold shares within five years of their appointment, with a cost base of or value equal to 100% of base salary (as appropriate and excluding superannuation). Direct and indirect holdings will count towards the minimum shareholding target. It is expected that Executive KMP will sell no more than 60-70% of any shares awarded to them under any share plan until they reach the relevant threshold.

#### Securities Trading Policy

The Group's Securities Trading Policy prohibits employees from dealing in CTM securities while in possession of material non-public information relevant to CTM. It also prohibits entry into transactions in associated products that limit the economic risk of participating in unvested entitlements under equity-based remuneration schemes.

#### Contractual arrangements for Executive KMP

Each Executive KMP, including the Managing Director, has a formal contract, known as an employment agreement. There were no changes to the employment agreements for Executive KMP in FY24.

Executive KMP	Contract duration	Notice period by KMP	Notice period by Group	Termination payment
Jamie Pherous	No fixed duration	6 months	6 months	Combination of notice and payment in lieu totalling no less than 6 months
Laura Ruffles <sup>1</sup>	No fixed duration	6 months	6 months	Combination of notice and payment in lieu totalling no less than 6 months
Cale Bennett <sup>2</sup>	No fixed duration	12 weeks	12 weeks	Combination of notice and payment in lieu totalling no less than 12 weeks
James Patterson <sup>3</sup>	No fixed duration	6 months	6 months	Combination of notice and payment in lieu totalling no less than 6 months
James Spence	No fixed duration	6 months	6 months <sup>5</sup>	Combination of notice and payment in lieu totalling no less than 12 weeks. Termination due to change of control not less than 12 months.
Eleanor Noonan	No fixed duration	6 months	6 months	Combination of notice and payment in lieu totalling no less than 6 months
Kevin O'Malley <sup>4</sup>	30 June 2026	6 months	Nil	Combination of notice and payment in lieu totalling no less than 52 weeks
Larry Lo	No fixed duration	6 months	6 months	Combination of notice and payment in lieu totalling no less than 6 months
Debbie Carling	No fixed duration	3 months	3 months	Combination of notice and payment in lieu totalling no less than 3 months
Greg McCarthy	No fixed duration	12 weeks	12 weeks	Combination of notice and payment in lieu totalling no less than 12 weeks

1 Laura Ruffles ceased to be Executive Director and KMP on 12 March 2024.

2 Cale Bennett ceased to be KMP on 28 July 2023.

3 James Patterson was appointed Acting Global CFO on 28 July 2023 and ceased to be KMP on 27 May 2024.

4 Kevin O'Malley will cease to be KMP on 1 September 2024.

5 Termination by CTM due to change of control: 12 months.



# Directors' Report

## Remuneration Report (Continued)

### Other statutory disclosures

This section provides additional statutory disclosures that have not been reported earlier in the Remuneration Report.

#### KMP Remuneration

The following table sets out the statutory executive remuneration disclosures as required by the *Corporations Act* and its regulations, including the relevant Australian Accounting Standards principles.

		Fixed Remuneration				Variable Remuneration			
		Cash Salary and fees <sup>1</sup> \$	Non-cash benefits <sup>1</sup> \$	Leave <sup>2</sup> \$	Superannuation \$	STI <sup>1</sup> \$	Equity incentive <sup>3</sup> \$	Total \$	Performance related %
Name	Year								
Non-Executive Directors									
Ewen Crouch AM	FY24	238,899	-	-	25,532	-	-	264,431	-
	FY23	232,084	-	-	23,641	-	-	255,725	-
Sophie Mitchell	FY24	146,173	-	-	15,419	-	-	161,592	-
	FY23	141,658	-	-	14,244	-	-	155,902	-
Jon Brett	FY24	146,173	-	-	15,419	-	-	161,592	-
	FY23	141,658	-	-	14,244	-	-	155,902	-
Marissa Peterson <sup>4</sup>	FY24	174,888	-	-	-	-	-	174,888	-
	FY23	104,927	-	-	-	-	-	104,927	-
Sub-Total	FY24	706,133	-	-	56,370	-	-	762,503	-
	FY23	620,327	-	-	52,129	-	-	672,456	-
Executive Directors									
Jamie Pherous	FY24	643,286	5,860	30,916	27,399	-	-	707,461	-
	FY23	595,095	10,632	(948)	25,292	386,750	-	1,016,821	38
Laura Ruffles <sup>5</sup>	FY24	656,479	7,766	(7,550)	18,752	-	210,805	886,252	24
	FY23	820,480	10,380	62,880	25,292	545,125	390,524	1,854,681	50
Sub-Total	FY24	1,299,765	13,626	23,366	46,151	-	210,805	1,593,713	-
	FY23	1,415,575	21,012	61,932	50,584	931,875	390,524	2,871,502	-

1 Short-term benefits as per *Corporations Regulations 2001* 2M.3.03(1) Item 6.

2 Other long-term benefits as per *Corporations Regulations 2001* 2M.3.03(1) Item 8. The amounts disclosed in this column represent the increase in the associated provisions.

3 Equity-settled share-based payments as per *Corporations Regulations 2001* 2M.3.03(1) Item 11. These include negative amounts for rights forfeited.

4 Remuneration is determined in local currency and converted at average exchange rates.

5 Laura Ruffles ceased to be Executive Director and KMP on 12 March 2024.

# Directors' Report

## Remuneration Report (Continued)

		Fixed Remuneration				Variable Remuneration			
		Cash Salary and fees <sup>1</sup> \$	Non-cash benefits <sup>1</sup> \$	Leave <sup>2</sup> \$	Superannuation \$	STI <sup>1</sup> \$	Equity incentive <sup>3</sup> \$	Total \$	Performance related %
Name	Year								
Other Key Management Personnel									
Cale Bennett <sup>5</sup>	FY24	41,580	1,452	(7,460)	4,574	-	-	40,146	-
	FY23	537,633	8,758	20,700	25,292	178,500	(385,222)	385,661	-
James Patterson <sup>6</sup>	FY24	268,878	7,058	5,776	23,846	-	84,967	390,525	22
James Spence <sup>7</sup>	FY24	64,280	-	-	1,928	-	-	66,208	-
Eleanor Noonan <sup>8</sup>	FY24	566,872	7,901	(3,845)	29,824	-	83,504	684,256	12
	FY23	-	-	-	-	-	-	-	-
Larry Lo <sup>10</sup>	FY24	658,716	-	(10,000)	3,512	-	186,901	839,129	22
	FY23	617,192	-	(8,455)	3,411	171,864	198,237	982,249	38
Debbie Carling <sup>10</sup>	FY24	624,355	5,160	67,607	16,294	-	186,901	900,317	21
	FY23	503,856	4,160	(4,089)	15,161	198,660	198,237	915,985	43
Greg McCarthy	FY24	515,210	-	29,555	28,843	-	186,901	760,509	25
	FY23	397,210	-	12,365	25,292	28,000	198,237	661,104	34
Kevin O'Malley <sup>9,10</sup>	FY24	1,016,513	51,477	20,692	11,993	-	(6,558)	1,094,117	(1)
	FY23	878,113	46,591	(17,137)	7,686	493,920	305,514	1,714,687	47
Sub-Total	FY24	3,756,404	73,048	102,325	120,814	-	722,616	4,775,207	-
	FY23	2,934,004	59,509	3,384	76,842	1,070,944	515,003	4,659,686	-
Total	FY24	5,762,302	86,674	125,691	223,335	-	933,421	7,131,423	-
	FY23	4,969,906	80,521	65,316	179,555	2,002,819	905,527	8,203,644	-

1 Short-term benefits as per *Corporations Regulations 2001* 2M.3.03(1) Item 6.

2 Other long-term benefits as per *Corporations Regulations 2001* 2M.3.03(1) Item 8. The amounts disclosed in this column represent the increase in the associated provisions.

3 Equity-settled share-based payments as per *Corporations Regulations 2001* 2M.3.03(1) Item 11. These include negative amounts for rights forfeited.

4 Laura Ruffles ceased to be Executive Director and KMP on 12 March 2024.

5 Cale Bennett ceased to be KMP on 28 July 2023.

6 James Patterson was appointed Acting Global CFO on 28 July 2023 and ceased to be KMP on 27 May 2024.

7 James Spence was appointed Global CFO on 27 May 2024. As part of his remuneration package, he will receive sign-on shares and participate in CTM's Long Term Incentive (LTI) plan as a KMP subject to CTM's plan rules and Board approval.

For the sign-on shares, James will be granted \$1,000,000 worth of CTM shares (ASX: CTD) in FY25, based on the lower of \$20 and the 5-day volume-weighted average price (VWAP) up to and including 6 September 2024. These shares will vest in accordance with the following schedule:

- 25% vesting on 31 December 2024;
- 25% vesting on 31 December 2025;
- 25% vesting on 31 December 2026; and
- 25% vesting on 31 December 2027.

Additionally, James will receive an allocation of CTM shares under CTM's LTI plan rules in FY25. This allocation is based on the lower of \$20 per share and the VWAP used for other scheme participants for FY25. The fair value of these equity instruments will be measured at the grant date in accordance with AASB 2 *Share-based Payment*.

8 Eleanor Noonan was appointed Global COO on 1 July 2023.

9 Kevin O'Malley will cease to be KMP on 1 September 2024. Anita Salvatore will be appointed CEO - North America on 1 September 2024 and will be KMP for FY25.

10 Remuneration is determined in local currency and converted at average exchange rates.

# Directors' Report

## Remuneration Report (Continued)

### Equity instruments held by Key Management Personnel

The tables below show the number of shares, performance rights and share appreciation rights held by Non-Executive Directors and Executive KMP at the beginning and end of the financial year.

Common equity	Balance at 30 June 2023	Acquired	Received on vesting of rights	Disposed	Other changes during the year	Balance at 30 June 2024
<b>Non-Executive Directors</b>						
Ewen Crouch AM	14,100	3,400	-	-	-	17,500
Jon Brett	4,500	-	-	-	-	4,500
Sophie Mitchell	28,326	2,500	-	-	-	30,826
Marissa Peterson	10,000	-	-	-	-	10,000
<b>Executive Directors</b>						
Jamie Pherous <sup>1</sup>	17,500,000	87,500	-	(300,000)	-	17,287,500
Laura Ruffles <sup>2</sup>	50,000	-	-	-	(50,000)	-
<b>Other Key Management Personnel</b>						
Cale Bennett <sup>3</sup>	2,698	-	-	-	(2,698)	-
James Patterson <sup>4</sup>	-	-	-	-	-	-
James Spence <sup>5</sup>	-	-	-	-	-	-
Eleanor Noonan <sup>6</sup>	-	10,592	-	-	-	10,592
Kevin O'Malley	82,891	-	-	-	-	82,891
Larry Lo	139,412	-	-	-	-	139,412
Debbie Carling <sup>7</sup>	30,728	-	-	(30,728)	-	-
Greg McCarthy	120,262	-	-	(16,000)	-	104,262

Performance Rights	Balance as at 30 June 2023	Awarded during the year	Vested during the year	Lapsed / forfeited	Other changes during the year	Balance as at 30 June 2024
<b>Executive Director</b>						
Laura Ruffles <sup>2</sup>	30,219	27,197	-	-	(57,416)	-
<b>Other Key Management Personnel</b>						
James Patterson <sup>4</sup>	-	20,398	-	-	(20,398)	-
James Spence <sup>5</sup>	-	-	-	-	-	-
Eleanor Noonan <sup>6</sup>	-	20,398	-	-	8,000	28,398
Kevin O'Malley	30,219	27,197	-	-	-	57,416
Larry Lo	22,664	20,398	-	-	-	43,062
Debbie Carling	22,664	20,398	-	-	-	43,062
Greg McCarthy	22,664	20,398	-	-	-	43,062

1 Jamie Pherous did not receive consideration for the disposal of 300,000 ordinary shares by LJP2 Ltd. Jamie only holds an indirect interest through Pherous Holdings Group Pty Ltd that has a charge over the assets of LJP2 Pty Ltd as security for a loan made to LJP2 Pty Ltd.

2 Laura Ruffles ceased to be Executive Director and KMP on 12 March 2024.

3 Cale Bennett ceased to be KMP on 28 July 2023, after the reporting date and before the date the FY23 annual report was authorised for issue.

4 James Patterson was appointed Acting Global CFO on 28 July 2023 and ceased to be KMP on 27 May 2024.

5 James Spence was appointed Global CFO on 27 May 2024.

6 Eleanor Noonan was appointed Global COO on 1 July 2023.

7 Debbie Carling's opening balance of common equity has been restated. FY23 closing balance erroneously included 55,563 SARs which has been excluded from the opening balance of FY24.

# Directors' Report

## Remuneration Report (Continued)

Share Appreciation Rights	Balance as at 30 June 2023	Awarded during the year	Vested during the year	Lapsed / forfeited	Other changes during the year	Balance as at 30 June 2024
<b>Executive Directors</b>						
Laura Ruffles <sup>2</sup>	125,000	-	-	(62,500)	(62,500)	-
<b>Other Key Management Personnel</b>						
James Patterson <sup>4</sup>	-	-	-	-	-	-
James Spence <sup>5</sup>	-	-	-	-	-	-
Eleanor Noonan <sup>6</sup>	-	-	-	-	-	-
Kevin O'Malley	125,000	-	-	(125,000)	-	-
Larry Lo	75,000	-	-	(37,500)	-	37,500
Debbie Carling	75,000	-	-	(37,500)	-	37,500
Greg McCarthy	75,000	-	-	(37,500)	-	37,500

- 1 Jamie Pherous did not receive consideration for the disposal of 300,000 ordinary shares by LJP2 Ltd. Jamie only holds an indirect interest through Pherous Holdings Group Pty Ltd that has a charge over the assets of LJP2 Pty Ltd as security for a loan made to LJP2 Pty Ltd.
- 2 Laura Ruffles ceased to be Executive Director and KMP on 12 March 2024.
- 3 Cale Bennett ceased to be KMP on 28 July 2023, after the reporting date and before the date the FY23 annual report was authorised for issue.
- 4 James Patterson was appointed Acting Global CFO on 28 July 2023 and ceased to be KMP on 27 May 2024.
- 5 James Spence was appointed Global CFO on 27 May 2024.
- 6 Eleanor Noonan was appointed Global COO on 1 July 2023.



# Directors' Report

## Remuneration Report (Continued)

The following table sets out details of the PRs and SARs granted to persons in their capacity as Executive KMP that have not yet vested or been cancelled as at 30 June 2024. Additionally, movements during the period are noted.

Executive Directors	Grant Date	Vesting date <sup>1</sup>	No. of rights granted	Value per right at grant date	No. of rights vested during the year	Vested %	Forfeited/ Lapsed %	Maximum value yet to vest
Laura Ruffles <sup>2</sup>	25 October 2023	August 2026	27,197	8.38	-	-	100	-
	27 October 2022	August 2025	30,219	9.72	-	-	100	-
	28 October 2021	August 2024	62,500	6.05	-	-	100	-
	28 October 2021	August 2023	62,500	5.33	-	-	100	-
James Patterson <sup>3</sup>	25 October 2023	August 2026	20,398	8.38	-	-	100	-
Eleanor Noonan <sup>4</sup>	25 October 2023	August 2026	20,398	8.38	-	-	-	113,853
Kevin O'Malley <sup>5</sup>	25 October 2023	August 2026	27,197	8.38	-	-	-	151,802
	27 July 2022	August 2025	30,219	9.89	-	-	-	99,531
	1 July 2021	August 2024	62,500	4.39	-	-	100	-
	1 July 2021	August 2023	62,500	3.66	-	-	100	-
Larry Lo	25 October 2023	August 2026	20,398	8.38	-	-	-	113,853
	27 July 2022	August 2025	22,664	9.89	-	-	-	74,647
	1 July 2021	August 2024	37,500	4.39	-	-	-	-
	1 July 2021	August 2023	37,500	3.66	-	-	100	-
Debbie Carling	25 October 2023	August 2026	20,398	8.38	-	-	-	113,853
	27 July 2022	August 2025	22,664	9.89	-	-	-	74,647
	1 July 2021	August 2024	37,500	4.39	-	-	-	-
	1 July 2021	August 2023	37,500	3.66	-	-	100	-
Greg McCarthy	25 October 2023	August 2026	20,398	8.38	-	-	-	113,853
	27 July 2022	August 2025	22,664	9.89	-	-	-	74,647
	1 July 2021	August 2024	37,500	4.39	-	-	-	-
	1 July 2021	August 2023	37,500	3.66	-	-	100	-

1 SARs and PRs will vest in August of the stated year shortly after the full-year results are announced to the Australian Securities Exchange (ASX).

2 Laura Ruffles ceased to be Executive Director and KMP on 12 March 2024.

3 James Patterson was appointed Acting Global CFO on 28 July 2023 and ceased to be KMP on 27 May 2024.

4 Eleanor Noonan was appointed to Global COO on 1 July 2023.

5 Kevin O'Malley will cease to be a KMP on 1 September 2024. Anita Salvatore will be appointed CEO - North America on 1 September 2024 and will be KMP for FY25.

# Directors' Report

## Remuneration Report (Continued)

### Shares under options

There are currently no unissued ordinary shares of CTM under options. No share options were granted as equity compensation benefits during the financial year (FY23: nil).

### Loans to KMP

There have been no loans granted to Non-Executive Directors and Executive KMP of the Company or their related entities (FY23: nil).

### Other transactions and balances with KMP

Contingent consideration of \$700,000 in relation to the acquisition of SCT Travel Group Pty Ltd earned in FY23 was paid to Greg McCarthy in FY24. This completes the earn-out of the SCT Travel Group Pty Ltd, and Greg McCarthy's remuneration structure will now be aligned to all other KMPs in FY25.

In the normal course of business, the Group may enter into transactions with various entities that have Directors in common with CTM. Transactions with these entities are made on commercial arm's length terms and conditions. The relevant Directors do not participate in any decisions regarding these transactions.

Non-executive Directors and Executive KMP can acquire travel and event management services from the Group. All transactions are made on normal commercial terms and conditions and at market rates. There are no amounts outstanding in relation to these transactions at 30 June 2024.

End of Remuneration Report

# Directors' Report

Continued

## Insurance of officers and indemnities

The Company has entered into directors' and officers' insurance policies and paid an insurance premium in respect of the insurance policies, to the extent permitted by the *Corporations Act 2001* (Cth). The insurance policies cover former Directors of the Company along with the current Directors of the Company. Executive officers and employees of the Company and its related bodies corporate are also covered.

In accordance with Rule 24 of its Constitution, the Company, to the maximum extent permitted by law, must indemnify any current or former Director or Company Secretary and current or former executive officers of the Company or any of its related bodies corporate, against all liabilities incurred in those capacities. For the year ended 30 June 2024, no amounts have been paid pursuant to indemnities (FY23: nil).

A Deed of Indemnity, Access and Insurance is in place between the Company and Directors, the Company Secretary and some other current and former executives. The deed indemnifies those persons, to the extent permitted by law, against liabilities, including costs and expenses, incurred as a result of acting in their capacity as officers of the Company or its related bodies corporate.

The Company's Constitution also allows the Company to pay insurance premiums for contracts insuring the officers of the Company in relation to any such liabilities and legal costs. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contract, 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, PwC, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to PwC during or since the end of the financial year in respect of this indemnification (FY23: nil).

## Proceedings on behalf of the Company

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

During the period, no proceedings have been brought or intervened in on behalf of the Company with the leave of the Court under section 237 of the *Corporations Act*.

## Non-Audit Services

PwC provided \$261,205 of non-audit services during the year ended 30 June 2024, comprising:

- Tax compliance services - \$140,652
- Tax advisory services - \$114,053
- Other advisory services - \$6,500

The Directors are satisfied that the provision of these non-audit services is compatible with the general standard of independence for auditors in accordance with the *Corporations Act 2001* (Cth). The nature, value and scope of each type of non-audit service provided is considered by the Directors not to have compromised auditor independence.

## Auditor's independence declaration

The Auditor's Independence Declaration for the year ended 30 June 2024 has been received from PwC. This is set out on [page 57](#) of the Directors' Report.

## Rounding of amounts

Amounts in the Directors' Report are presented in Australian dollars (unless otherwise indicated) with values rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) instrument 2016/191.

This Report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Board.



**Ewen Crouch AM**  
Chairman



**Jamie Pherous**  
Managing Director

21 August 2024  
Brisbane

# Auditor's Independence Declaration



## Auditor's Independence Declaration

As lead auditor for the audit of Corporate Travel Management Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in black ink, appearing to read 'K Challenor'.

Kim Challenor  
Partner  
PricewaterhouseCoopers

Brisbane  
21 August 2024

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Liability limited by a scheme approved under Professional Standards Legislation.



# Consolidated Financial Statements

## General information

Corporate Travel Management Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 9,  
180 Ann Street,  
Brisbane Queensland 4000

The financial statements were authorised for issue by the directors on 21 August 2024. The directors have the power to amend and reissue the financial statements. All press releases, financial reports and other information are available at our Investor Centre on our website: [investor.travelctm.com.au](https://investor.travelctm.com.au).

The report is structured as follows:

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Revenue	4	710,420	653,402
Other income	5	6,437	6,679
<b>Total revenue and other income</b>		<b>716,857</b>	<b>660,081</b>
<b>Operating expenses</b>			
Employee benefits		(412,422)	(391,585)
Information technology and telecommunications		(63,375)	(58,305)
Occupancy		(5,260)	(6,215)
Travel and entertainment		(6,390)	(6,093)
Purchases and other direct costs		(9,576)	(9,524)
Administrative and general		(38,337)	(24,452)
Depreciation and amortisation	10, 16, 27	(60,079)	(55,229)
Impairment expense	26	(1,506)	(1,703)
<b>Total operating expenses</b>		<b>(596,945)</b>	<b>(553,106)</b>
<b>Operating profit</b>		<b>119,912</b>	<b>106,975</b>
Finance costs	18	(2,597)	(2,556)
<b>Profit before income tax expense</b>		<b>117,315</b>	<b>104,419</b>
Income tax expense	8	(30,930)	(25,649)
<b>Profit after income tax expense for the year</b>		<b>86,385</b>	<b>78,770</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(1,949)	35,656
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(1,949)</b>	<b>35,656</b>
<b>Total comprehensive income for the year</b>		<b>84,436</b>	<b>114,426</b>
<b>Profit for the year is attributable to:</b>			
Non-controlling interest	30	1,933	1,196
Ordinary Equity Holders of Corporate Travel Management Limited	24	84,452	77,574
		<b>86,385</b>	<b>78,770</b>
<b>Total comprehensive income for the year is attributable to</b>			
Non-controlling interest		1,814	1,491
Ordinary Equity Holders of Corporate Travel Management Limited		82,622	112,935
		<b>84,436</b>	<b>114,426</b>
	Note	2024 cents	2023 cents
<b>Earnings per share for profit attributable to the ordinary equity holders of Corporate Travel Management Limited</b>			
Basic earnings per share	6	57.9	53.1
Diluted earnings per share	6	57.9	52.9

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	134,771	150,985
Trade and other receivables	12	412,370	464,541
Inventories	13	1,310	1,867
Income tax receivable		1,209	-
Other assets		9,345	9,745
		<b>559,005</b>	<b>627,138</b>
Assets classified as held for sale	26	-	1,501
<b>Total current assets</b>		<b>559,005</b>	<b>628,639</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method	14	-	762
Financial assets at fair value through profit or loss	15	6,812	6,774
Property, plant and equipment	27	10,223	10,811
Right-of-use assets	16	35,783	34,476
Intangible assets	10	1,007,798	1,009,598
Deferred tax assets	8	23,482	31,530
Other assets		-	261
<b>Total non-current assets</b>		<b>1,084,098</b>	<b>1,094,212</b>
<b>Total assets</b>		<b>1,643,103</b>	<b>1,722,851</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	373,167	443,384
Borrowings	18	-	-
Lease liabilities	19	9,748	10,164
Income tax payable		-	11,442
Provisions	21	33,999	35,368
<b>Total current liabilities</b>		<b>416,914</b>	<b>500,358</b>
<b>Non-current liabilities</b>			
Trade and other payables	17	33	106
Borrowings	18	-	-
Lease liabilities	19	29,034	28,245
Deferred tax liabilities	8	2,267	3,078
Provisions	21	4,163	3,447
<b>Total non-current liabilities</b>		<b>35,497</b>	<b>34,876</b>
<b>Total liabilities</b>		<b>452,411</b>	<b>535,234</b>
<b>Net assets</b>		<b>1,190,692</b>	<b>1,187,617</b>
<b>Equity</b>			
Contributed equity	22	903,320	929,400
Reserves	23	91,573	90,714
Retained earnings	24	179,992	152,573
<b>Equity attributable to the ordinary equity holders of Corporate Travel Management Limited</b>		<b>1,174,885</b>	<b>1,172,687</b>
Non-controlling interests	30	15,807	14,930
<b>Total equity</b>		<b>1,190,692</b>	<b>1,187,617</b>

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

# Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2022	927,397	49,454	91,095	13,439	1,081,385
Profit after income tax expense for the year	-	-	77,574	1,196	78,770
Other comprehensive income for the year, net of tax	-	35,361	-	295	35,656
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>35,361</b>	<b>77,574</b>	<b>1,491</b>	<b>114,426</b>

## Transactions with ordinary equity holders in their capacity as ordinary equity holders

Contributions of equity, net of transaction costs (note 22 'Contributed equity')	2,003	-	-	-	2,003
Share-based payments (note 29 'Share-based payments')	-	5,899	-	-	5,899
Dividends paid (note 7 'Dividends paid and proposed')	-	-	(16,096)	-	(16,096)
<b>Balance at 30 June 2023</b>	<b>929,400</b>	<b>90,714</b>	<b>152,573</b>	<b>14,930</b>	<b>1,187,617</b>

	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2023	929,400	90,714	152,573	14,930	1,187,617
Profit after income tax expense for the year	-	-	84,452	1,933	86,385
Other comprehensive income for the year, net of tax	-	(1,830)	-	(119)	(1,949)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(1,830)</b>	<b>84,452</b>	<b>1,814</b>	<b>84,436</b>

## Transactions with ordinary equity holders in their capacity as ordinary equity holders

Share-based payments (note 29 'Share-based payments')	-	2,689	-	-	2,689
On-market buy-back (note 22 'Contributed equity')	(26,080)	-	-	-	(26,080)
Dividends paid (note 7 'Dividends paid and proposed')	-	-	(57,033)	(937)	(57,970)
<b>Balance at 30 June 2024</b>	<b>903,320</b>	<b>91,573</b>	<b>179,992</b>	<b>15,807</b>	<b>1,190,692</b>

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

# Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of consumption tax)		806,718	544,158
Payments to suppliers and employees (inclusive of consumption tax)		(645,401)	(459,089)
Dividend received		22	
Interest received		2,593	918
Finance costs		(2,283)	(2,171)
Income taxes paid		(34,880)	(3,514)
<b>Net cash from operating activities</b>	11	<b>126,769</b>	<b>80,302</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	27	(5,136)	(4,272)
Payments for intangibles	10	(42,427)	(32,544)
Proceeds from sale of property, plant and equipment		161	13
Payments of contingent/deferred consideration relating to acquisitions	9	(700)	(6,814)
Payments relating to purchase of controlled entities, net of cash acquired	9	-	(2,088)
Proceeds from sale of investment		1,377	-
<b>Net cash (used) in investing activities</b>		<b>(46,725)</b>	<b>(45,705)</b>
<b>Cash flows from financing activities</b>			
On-market buy-back	22	(26,080)	-
Dividends paid to company's shareholders	7	(57,033)	(16,096)
Dividends paid to non-controlling interests in subsidiaries	30	(937)	-
Principal elements of lease payments		(10,348)	(11,639)
<b>Net cash (used) in financing activities</b>		<b>(94,398)</b>	<b>(27,735)</b>
Net (decrease)/increase in cash and cash equivalents		(14,354)	6,862
Cash and cash equivalents at the beginning of the financial year		150,985	142,054
Effects of exchange rate changes on cash and cash equivalents		(1,860)	2,069
<b>Cash and cash equivalents at the end of the financial year</b>		<b>134,771</b>	<b>150,985</b>

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



# Notes to the Consolidated Financial Statements

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# Notes to the Consolidated Financial Statements

## Note 1. Basis of preparation

### (a) Basis of consolidation

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

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

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

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. For subsidiaries acquired within the current financial year, financial statements will be prepared from the date control is transferred to the Group through to the end of the current reporting period. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

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

### (b) Foreign currency translation

#### (i) Functional and presentation currency

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

#### (ii) Transactions and balances

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

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in profit or loss in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as part of the fair value gain or loss.

#### (iii) Foreign operations

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

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

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

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

# Notes to the Consolidated Financial Statements

## Note 2. Critical accounting judgements, estimates and assumptions

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

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

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

- **The recognition of revenue from contract liabilities:**
  - [note 4 'Revenue'](#)
- **The recognition and recoverability of a net deferred tax asset relating to income tax losses:**
  - [note 8 'Income tax'](#)
- **Value of intangible assets relating to acquisitions:**
  - [note 10 'Intangible assets'](#)
- **Software developed or acquired not as part of a business combination:**
  - [note 10 'Intangible assets'](#)
- **Value of investments:**
  - [note 14 'Investments accounted for using the equity method'](#)
  - [note 15 'Financial assets at fair value through profit or loss'](#)
  - [note 26 'Assets classified as held for sale'](#)
- **Expected credit losses:**
  - [note 20 'Financial risk management'](#)
- **Provisions:**
  - [note 21 'Provisions'](#)
- **Impairment testing of goodwill:**
  - [note 25 'Impairment testing of goodwill'](#)
- **Share based payments:**
  - [note 29 'Share-based payments'](#)

# Notes to the Consolidated Financial Statements

## Note 3. Segment reporting

### (a) Description of segments

The operating segments are based on the reports reviewed by the Chief Operating Decision Makers ('CODMs'), a group of key senior managers who assess performance and determine resource allocation.

The CODMs as at 30 June 2024 were the Managing Director, Jamie Pherous (MD), Global Chief Financial Officer, James Spence (CFO) and Global Chief Operating Officer, Eleanor Noonan (COO).

The CODMs consider, organise and manage the business from a geographic perspective. The CODMs have identified four operating travel and related service segments being Australia and New Zealand, North America, Asia, and Europe. There are currently no non-reportable segments.

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

The CODMs assess the performance of the operating segments based on a measure of underlying EBITDA. This measurement basis excludes the effects of the costs of acquisitions, acquisition related adjustments, and other non-recurring items during the year.

The segment information provided to the CODMs for the reportable segments for the year ended 30 June 2024 is as follows:

	Australia and New Zealand \$'000	North America \$'000	Asia \$'000	Europe \$'000	Other <sup>1</sup> \$'000	Total \$'000
<b>June 2024</b>						
Total revenue from external parties	168,816	309,625	63,656	168,323	-	710,420
Other income	443	1,918	447	955	2,674	6,437
<b>Total revenue and other income</b>	<b>169,259</b>	<b>311,543</b>	<b>64,103</b>	<b>169,278</b>	<b>2,674</b>	<b>716,857</b>
Underlying EBITDA	44,859	59,698	17,922	97,739	(18,493)	201,725
Total segment assets	421,364	592,182	198,161	408,818	22,578	1,643,103
Total segment liabilities	108,897	50,544	109,630	177,322	6,018	452,411
<b>June 2023</b>						
Total revenue from external parties	157,761	302,486	50,542	142,613	-	653,402
Other income	2,377	1,216	1,038	391	1,657	6,679
<b>Total revenue and other income</b>	<b>160,138</b>	<b>303,702</b>	<b>51,580</b>	<b>143,004</b>	<b>1,657</b>	<b>660,081</b>
Underlying EBITDA	42,404	44,789	13,945	84,085	(18,161)	167,062
Total segment assets	422,856	592,817	200,174	453,631	53,373	1,722,851
Total segment liabilities	115,746	63,093	93,281	258,076	5,038	535,234

<sup>1</sup> The other segment represents the Group's support service, created to support the operating segments and growth of the global business.

# Notes to the Consolidated Financial Statements

## Note 3. Segment reporting (continued)

### (c) Other segment information

#### Underlying EBITDA

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

	2024 \$'000	2023 \$'000
<b>Underlying EBITDA from Continuing Operations</b>	<b>201,725</b>	<b>167,062</b>
	2024 \$'000	2023 \$'000
<b>Underlying EBITDA</b>	<b>201,725</b>	<b>167,062</b>
Interest revenue	2,593	918
Finance costs	(944)	(1,020)
Interest on lease liabilities	(1,653)	(1,536)
Depreciation - Property, plant and equipment	(5,936)	(5,800)
Depreciation - Right-of-use assets	(11,130)	(11,173)
Amortisation - Intangibles	(27,929)	(23,649)
<b>Underlying profit before income tax expense from continuing operations</b>	<b>156,726</b>	<b>124,802</b>
<b>Non-recurring items</b>		
Integration costs	(5,413)	(5,179)
Restructuring costs	(10,466)	-
Bad and doubtful debts	(6,942)	1,107
	<b>(22,821)</b>	<b>(4,072)</b>
<b>Impairment - Held for sale assets</b>	<b>(1,506)</b>	<b>(1,703)</b>
<b>Amortisation - client contracts and relationships</b>	<b>(15,084)</b>	<b>(14,608)</b>
<b>Profit before income tax from continuing operations</b>	<b>117,315</b>	<b>104,419</b>

### Accounting policy

AASB 8 *Operating Segments* requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner that is consistent with the internal reporting provided to the CODMs.

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



# Notes to the Consolidated Financial Statements

## Note 4. Revenue

### (a) Disaggregation of revenue from contracts with customers

	Australia and New Zealand \$'000	North America \$'000	Asia \$'000	Europe \$'000	Total \$'000
<b>2024</b>					
Transactional revenue	161,628	260,185	58,587	158,477	<b>638,877</b>
Volume based incentive revenue	3,139	32,147	5,069	7,126	<b>47,481</b>
Revenue from sale of inventory	-	11,707	-	-	<b>11,707</b>
Licensing revenue	3,769	5,106	-	735	<b>9,610</b>
Other revenue	280	480	-	1,985	<b>2,745</b>
<b>Total revenue from external parties</b>	<b>168,816</b>	<b>309,625</b>	<b>63,656</b>	<b>168,323</b>	<b>710,420</b>
	Australia and New Zealand \$'000	North America \$'000	Asia \$'000	Europe \$'000	Total \$'000
<b>2023</b>					
Transactional revenue	148,677	252,262	49,009	134,844	<b>584,792</b>
Volume based incentive revenue	4,780	34,324	1,509	5,254	<b>45,867</b>
Revenue from sale of inventory	-	11,693	-	-	<b>11,693</b>
Licensing revenue	2,908	4,032	-	1,104	<b>8,044</b>
Other revenue	1,396	175	24	1,411	<b>3,006</b>
<b>Total revenue from external parties</b>	<b>157,761</b>	<b>302,486</b>	<b>50,542</b>	<b>142,613</b>	<b>653,402</b>

### (b) Assets and liabilities related to contracts with customers

(i) The Group has contract assets related to contracts with suppliers:

	2024 \$'000	2023 \$'000
<b>Contract assets</b>	<b>20,780</b>	<b>14,917</b>

Contract assets represent only current balances for amounts outstanding from suppliers for volume based incentive revenue.

(ii) The Group has contract liabilities related to contracts with customers:

	2024 \$'000	2023 \$'000
<b>Contract liabilities</b>	<b>23,866</b>	<b>16,025</b>

Contract liabilities are amounts received from third parties that are subsequently recognised as revenue in line with the performance obligations attached to the relevant contract. Where modifications to existing agreements have occurred, they have been assessed based on the facts and substance of the individual contractual arrangements in accordance with AASB 15. Judgement is applied to determine performance obligations, stand-alone selling price and progress towards satisfaction of the performance obligations, and therefore the timing and amount of revenue recognised.

	2024 \$'000	2023 \$'000
<b>Revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>12,006</b>	<b>6,791</b>

# Notes to the Consolidated Financial Statements

## Note 4. Revenue (continued)

### Accounting policy

#### Transactional revenue

Transactional revenue is revenue derived from clients and suppliers generated from the provision of travel and accommodation agency services to clients. The performance obligation is the facilitation of travel and accommodation related services on behalf of clients. Transactional revenue is the fixed amount per client transaction and is recognised at either the ticketed date of the travel booking or on the date of travel, depending on the terms of the contract, or as earned per the contract.

Transactional revenue also includes Pay Direct Commission, which is recognised when the performance obligation has been satisfied and the amount of the commission is highly probable, which is either upon receipt from the supplier or when it is confirmed commissionable by the supplier.

In addition, the Group manages projects and events for clients, including the provision of accommodation services. Revenue is earned in the form of management fees as well as any margin earned on securing accommodation and travel services. Revenue is recognised over the duration of the project or event as activities are performed, individual performance obligations are satisfied or when amounts are confirmed commissionable by the client.

#### Volume based incentive revenue

Volume based incentive revenue is revenue derived from contracts with suppliers. The revenue is variable and is dependent upon the achievement of contractual performance criteria specific to each supplier. Revenue is recognised over time and is measured as the amount that is deemed highly probable to be received, which has been determined using the most likely amount method and the Group's experience with the contracts.

#### Revenue from sale of inventory

Revenue from sale of inventory is revenue derived from the sale of gift cards for loyalty programs within the US market. This revenue is recognised at the time the order is dispatched to the customer.

#### Licencing Revenue

Licencing revenue is revenue derived from the right to use CTM's software and travel supply network. This revenue is recognised over time in-line with the satisfaction of the performance obligation, being the provision of access to software and the travel supply network.

#### Other Revenue

Other revenue is recognised when the transfer of the promised goods or service to the customer has been completed.

Other revenue includes interest revenue, rental income, and other minor operating revenue.

# Notes to the Consolidated Financial Statements

## Note 5. Other income

This note provides a breakdown of the items included in other income.

	2024 \$'000	2023 \$'000
Net foreign exchange gains	329	1,728
Net fair value gain/(loss) on investments	13	(15)
Government grants	375	663
Interest Income	2,593	918
Other	3,127	3,385
<b>Other income</b>	<b>6,437</b>	<b>6,679</b>

In FY24, the Group received government assistance to support staff costs in Singapore.

There are no unfulfilled conditions or other contingencies attached to these grants. The Group did not benefit directly from any other forms of government assistance. Government grant income offsets the cost of retaining additional staff.

### Accounting policy

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. If conditions are attached to the grant that must be satisfied before the Group is eligible to receive the contribution, the recognition of the grant as revenue is deferred until those conditions are satisfied.

# Notes to the Consolidated Financial Statements

## Note 6. Earnings per share

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

	2024 \$'000	2023 \$'000
<b>Earnings per share for profit from continuing operations</b>		
Profit after income tax	86,385	78,770
Non-controlling interest	(1,933)	(1,196)
<b>Profit after income tax attributable to the ordinary equity holders of Corporate Travel Management Limited</b>	<b>84,452</b>	<b>77,574</b>
	Number	Number
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	145,943,043	146,173,544
Adjustments for calculation of diluted earnings per share	-	599,037
<b>Weighted average number of ordinary shares used as a denominator in calculating diluted earnings per share</b>	<b>145,943,043</b>	<b>146,772,581</b>

## Accounting policy

### Basic earnings per share

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

### Diluted earnings per share

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

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

# Notes to the Consolidated Financial Statements

## Note 7. Dividends paid and proposed

Dividends paid during the financial year were as follows:

	2024 \$'000	2023 \$'000
Final ordinary dividend for the year ended 30 June 2023 of 22 cents per fully paid share paid on 5 October 2023 (for the year ended 30 June 2022 of 5 cents per fully paid share paid on 5 October 2022)	32,192	7,316
Interim ordinary dividend for the year ended 30 June 2024 of 17 cents per fully paid share paid on 5 April 2024 (for the year ended 30 June 2023 of 6 cents per fully paid share paid on 14 April 2023)	24,841	8,780
<b>Total dividends paid</b>	<b>57,033</b>	<b>16,096</b>

### Dividends not recognised at the end of the reporting period

	2024 \$'000	2023 \$'000
<b>Approved by the Board of Directors in August but not recognised as a liability as at 30 June</b>	<b>17,358</b>	<b>32,192</b>

The aggregate amount of proposed dividend is expected to be paid out of retained earnings, but not recognised as a liability at year end.

	2024 \$'000	2023 \$'000
<b>Franking credits available for subsequent reporting periods based on a tax rate of 30% (2023: 30%)</b>	<b>-</b>	<b>-</b>

Franking credits are calculated from the balance of the franking account at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or of receivables for income tax and dividends after the end of the year.

### Accounting policy

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance dates. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.



# Notes to the Consolidated Financial Statements

## Note 8. Income tax

	2024 \$'000	2023 \$'000
<b>Current income tax</b>		
Current tax on profits for the year	25,581	19,222
Adjustments for current tax of prior periods	(1,560)	435
<b>Deferred income tax</b>		
Decrease in deferred tax assets	5,318	10,848
Increase/(decrease) in deferred tax liabilities	1,591	(4,856)
<b>Aggregate income tax expense</b>	<b>30,930</b>	<b>25,649</b>
<i>Numerical reconciliation of income tax expense to prima facie tax payable</i>		
<b>Profit before income tax expense</b>	<b>117,315</b>	<b>104,419</b>
<b>Tax at the statutory tax rate of 30%</b>	<b>35,195</b>	<b>31,326</b>
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible amounts	625	7,705
Other amounts	1,921	(6,114)
	<b>37,741</b>	<b>32,917</b>
Adjustments for current tax of prior periods	(1,560)	435
Recognition of temporary differences previously not brought to account	1,409	(2,778)
Difference in overseas tax rates	(6,267)	(4,354)
Research and development tax credit	(337)	(382)
Utilisation of previously unrecognised tax losses	(56)	(189)
<b>Income tax expense</b>	<b>30,930</b>	<b>25,649</b>

## Deferred income tax

	2024 \$'000	2023 \$'000
<b>Deferred tax assets</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Provisions	13,461	14,830
Employee benefits	2,125	2,356
Lease liabilities	8,750	8,531
Tax losses	37,643	42,514
Other	1,185	444
	<b>63,164</b>	<b>68,675</b>
Set-off of deferred tax liabilities pursuant to set-off provisions	(39,682)	(37,145)
<b>Net deferred tax assets</b>	<b>23,482</b>	<b>31,530</b>

	2024 \$'000	2023 \$'000
<b>Deferred tax liabilities</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Depreciation and amortisation	35,336	35,430
Contract assets	(1,696)	(1,636)
Right-of-use assets	7,984	7,742
Other	325	(1,313)
	<b>41,949</b>	<b>40,223</b>
Set-off of deferred tax assets pursuant to set-off provisions	(39,682)	(37,145)
<b>Net deferred tax liabilities</b>	<b>2,267</b>	<b>3,078</b>

# Notes to the Consolidated Financial Statements

## Note 8. Income tax (continued)

	Opening balance \$'000	(Charged)/ credited in year via P&L \$'000	(Charged)/ credited in year via equity \$'000	Acquisition of subsidiaries \$'000	Change in FX rates \$'000	At 30 June \$'000
<b>Deferred tax assets</b>						
<b>2024</b>						
Provisions	14,830	(1,365)	-	-	(4)	13,461
Employee benefits	2,356	11	(242)	-	-	2,125
Lease liabilities	8,531	209	-	-	10	8,750
Tax losses	42,514	(4,924)	-	-	53	37,643
Other	444	751	-	-	(10)	1,185
	<b>68,675</b>	<b>(5,318)</b>	<b>(242)</b>	<b>-</b>	<b>49</b>	<b>63,164</b>

	Opening balance \$'000	(Charged)/ credited in year via P&L \$'000	(Charged)/ credited in year via equity \$'000	Acquisition of subsidiaries \$'000	Change in FX rates \$'000	At 30 June \$'000
<b>Deferred tax assets</b>						
<b>2023</b>						
Provisions	12,715	1,894	-	38	183	14,830
Employee benefits	6,232	(5,351)	1,475	-	-	2,356
Lease liabilities	11,285	(3,041)	-	-	287	8,531
Tax losses	45,934	(4,850)	-	-	1,430	42,514
Other	-	500	-	-	(56)	444
	<b>76,166</b>	<b>(10,848)</b>	<b>1,475</b>	<b>38</b>	<b>1,844</b>	<b>68,675</b>

	Opening balance \$'000	(Charged)/ credited in year via P&L \$'000	(Charged)/ credited in year via equity \$'000	Acquisition of subsidiaries \$'000	Change in FX rates \$'000	At 30 June \$'000
<b>Deferred tax liabilities</b>						
<b>2024</b>						
Depreciation and amortisation	35,430	(14)	-	-	(80)	35,336
Contract assets	(1,636)	(69)	-	-	9	(1,696)
Right-of-use assets	7,742	235	-	-	7	7,984
Other	(1,313)	1,439	199	-	-	325
	<b>40,223</b>	<b>1,591</b>	<b>199</b>	<b>-</b>	<b>(64)</b>	<b>41,949</b>

	Opening balance \$'000	(Charged)/ credited in year via P&L \$'000	(Charged)/ credited in year via equity \$'000	Acquisition of subsidiaries \$'000	Change in FX rates \$'000	At 30 June \$'000
<b>Deferred tax liabilities</b>						
<b>2023</b>						
Depreciation and amortisation	34,328	(275)	-	632	745	35,430
Contract assets	(101)	(1,765)	-	-	230	(1,636)
Right-of-use assets	10,044	(2,572)	-	-	270	7,742
Other	185	(244)	(1,236)	-	(18)	(1,313)
	<b>44,456</b>	<b>(4,856)</b>	<b>(1,236)</b>	<b>632</b>	<b>1,227</b>	<b>40,223</b>

The Group has tax losses that arose in foreign subsidiaries of \$45,265,000 (2023: \$41,568,000) that are available for offsetting against future taxable profits of the companies in which the losses arose. In most cases, the unused tax losses have no expiry date. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and there is insufficient evidence to support recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by \$8,530,000 (2023: \$7,621,000).

# Notes to the Consolidated Financial Statements

## Note 8. Income tax (continued)

### Accounting policy

#### Tax consolidation

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

#### Tax effect accounting by members of the tax consolidated group

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

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

The income tax expense (or benefit) for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. It includes adjustments for tax expected to be payable or recoverable in respect of previous periods. Where the amount of tax payable or recoverable is uncertain, management establishes provisions based on either: the Group's judgment of the most likely amount of the liability or recovery or; where there is a range of possible non-binary outcomes, the expected value calculated under a probability weighted approach.

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

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

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

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

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

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

#### Other taxes

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position. Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

# Notes to the Consolidated Financial Statements

## Note 9. Business combinations

### Prior period business combinations

#### 1000 Mile Travel Group

The Group acquired 100% of the shares of 1000 Mile Travel Group Pty Limited ("1000 Mile") with effect from 1 July 2022. In the Group's FY23 Financial Statements, provisional acquisition disclosures were made detailing the fair value of consideration paid, and the net assets acquired for the 1000 Mile. During FY24, the provisional fair values of the assets and liabilities of the acquired business were finalised without any material adjustments.

#### SCT Travel Group Pty Ltd

During the year ended 30 June 2024, a deferred consideration amount of \$700,000 was paid to Greg McCarthy (CEO of Australia and New Zealand) in relation to the acquisition of SCT Travel Group Pty Ltd, trading as Platinum Travel Corporation.

### Accounting policy

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred is measured as the fair value of the assets acquired, shares issued or liabilities incurred or assumed at the date of exchange. Acquisition-related costs are expensed in the period in which the costs are incurred.

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

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

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

Contingent consideration is classified as a financial liability at acquisition. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in other income or other expenses, and interest expense resulting from discounting is recognised within finance costs in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Any subsequent adjustment to the final contingent consideration, based on actual results as at 30 June 2024, has been reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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

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

### Critical estimates, assumptions and judgements

#### Value of intangible assets relating to acquisitions

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

Acquired software has been valued using the cost to re-create method. These calculations require the use of assumptions including the period of time and the cost of the people it would take to rebuild the software.

Acquired other intangible assets were valued using the relief from royalty method. These calculations require the use of assumptions including the projection of financial performance and the estimation of a suitable royalty rate, useful life and discount rate.

#### Value of financial assets held at fair value through profit or loss and investments accounted for under the equity method

The Group has allocated portions of the cost of acquisitions to financial assets held at fair value through profit or loss. As these minority interests are unlisted securities, significant inputs used to calculate the fair value of these interests are unable to be based upon observable market data and assumptions must be used. The Group relies upon financial information provided by the controlling interest for measurement purposes.

The Group has allocated portions of the cost of acquisitions to investments accounted for under the equity method. Whilst the Group has significant influence over the investee, it does not have a controlling interest and relies upon financial information provided by the investee to calculate the value of these investments.

# Notes to the Consolidated Financial Statements

## Note 10. Intangible assets

	2024 \$'000	2023 \$'000
Goodwill - at cost	923,284	924,497
Less: Accumulated amortisation & impairment	(23,100)	(23,133)
	<b>900,184</b>	<b>901,364</b>
Customer contracts - at cost	139,527	139,680
Less: Accumulated amortisation	(104,277)	(89,467)
	<b>35,250</b>	<b>50,213</b>
Software - at cost	179,172	139,012
Less: Accumulated amortisation & impairment	(112,840)	(85,658)
	<b>66,332</b>	<b>53,354</b>
Other intangible assets - at cost	8,345	6,855
Less: Accumulated amortisation	(2,313)	(2,188)
	<b>6,032</b>	<b>4,667</b>
	<b>1,007,798</b>	<b>1,009,598</b>

## Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Client contracts and relationships \$'000	Software \$'000	Goodwill \$'000	Other intangible assets \$'000	Total \$'000
<b>Balance at 1 July 2022</b>	<b>62,291</b>	<b>43,474</b>	<b>865,769</b>	<b>3,663</b>	<b>975,197</b>
Additions	-	32,544	-	-	32,544
Additions through business combinations <a href="#">note 9 'Business combinations'</a>	1,228	-	4,489	877	6,594
Disposals	-	(50)	-	-	(50)
Amortisation expense	(14,608)	(23,629)	-	(20)	(38,257)
Exchange differences	1,302	1,015	31,106	147	33,570
<b>Balance at 30 June 2023</b>	<b>50,213</b>	<b>53,354</b>	<b>901,364</b>	<b>4,667</b>	<b>1,009,598</b>
Additions	-	40,922	-	1,505	42,427
Amortisation expense	(15,084)	(27,801)	-	(128)	(43,013)
Exchange differences	121	(143)	(1,180)	(12)	(1,214)
<b>Balance at 30 June 2024</b>	<b>35,250</b>	<b>66,332</b>	<b>900,184</b>	<b>6,032</b>	<b>1,007,798</b>



# Notes to the Consolidated Financial Statements

## Note 10. Intangible assets (continued)

### Accounting policy

#### Client contracts and relationships

Client contracts and relationships are acquired as part of a business combinations (refer [note 9 'Business combinations'](#) for details). They are recognised at their fair value at the date of acquisition and amortised based on a straight line basis.

#### Software developed or acquired not as part of a business combination

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

#### Software acquired as part of a business combination

Identifiable intangible software assets acquired through a business combination, which are expected to contribute future period financial benefits through revenue generation and/or cost reduction are capitalised as software and systems assets.

#### Other

Other intangible assets are recognised at fair value and are amortised over their useful life. Other intangible assets with an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that the intangible asset may be impaired.

#### Amortisation expense

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

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

Item	Years	Method	Acquired/ Internally generated
Client contracts and relationships	3 - 6	Straight-line	Acquired
Software developed and acquired	3 - 5	Straight-line	Acquired/ Internally generated
Other intangible assets	2 - 10	Straight-line	Acquired

Where amortisation is charged on assets with finite lives, this expense is recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income in the expense category 'depreciation and amortisation'.

#### Impairment expense

Goodwill and indefinite life intangibles are tested for impairment annually, or whenever facts and circumstances indicate possible impairment. An impairment loss is recognised when the carrying amount exceeds recoverable amount. The recoverable amount is the higher of fair value less costs of disposal or value-in-use.

#### Goodwill

Goodwill is reviewed for impairment, annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired (refer [note 25 'Impairment testing of goodwill'](#)).

### Critical estimates, assumptions and judgements

#### Client contracts and relationships

The Group recognises customer contracts and relationships arising from business combinations. Estimates and judgements are used in determining the fair value of future benefits of contracts and relationships acquired.

#### Software developed or acquired not as part of a business combination

The Group recognises internally generated software assets arising from development once they meet the criteria set out in the Australian Accounting Standards. Estimates are used in determining the useful life for amortisation. There is also judgement involved in assessing how the assets will deliver probable future economic benefit to the Group.

#### Goodwill

Refer [note 25 'Impairment testing of goodwill'](#).

#### Software acquired as part of a business combination

Refer [note 9 'Business combinations'](#).

# Notes to the Consolidated Financial Statements

## Note 11. Cash and cash equivalents

	2024 \$'000	2023 \$'000
Cash at bank and on hand	113,028	138,646
Client cash	21,743	12,339
<b>Total cash and cash equivalents</b>	<b>134,771</b>	<b>150,985</b>

Cash at bank and on hand and client cash earns interest at floating rates. The range of deposit rates as at 30 June 2024 was: 0.00% to 5.0% (2023: 0.00% to 4.5%).

### Accounting policy

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

Client cash represents amounts contributed by clients that the Group is required by regulation or contract to hold separately before payment to suppliers.

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

	2024 \$'000	2023 \$'000
<b>Reconciliation of profit after income tax to net cash inflow/(outflow) from operating activities</b>		
Profit for the year	86,385	78,770
Adjustments for:		
Depreciation and amortisation	60,079	55,229
Impairment expense	1,506	1,703
Net exchange differences	-	5
Non-cash interest	314	381
Non-cash employee benefits expense - share-based payments	2,997	4,575
Net (gain)/loss on disposal of investment	(647)	-
Net loss/(gain) on disposal of non-current assets	278	(1,545)
Unrealised (gain)/loss on financial assets held at fair value	(44)	803
Decrease/(increase) in trade and other receivables	50,259	(162,240)
Decrease in prepayments	512	299
Increase in deferred tax balances	6,956	6,686
(Decrease)/increase in income tax payable	(10,906)	15,449
(Decrease)/increase in payables and provisions	(71,469)	80,631
Decrease/(increase) in inventory	549	(444)
<b>Net cash flow from operating activities</b>	<b>126,769</b>	<b>80,302</b>

# Notes to the Consolidated Financial Statements

## Note 11. Cash and cash equivalents (continued)

### Net cash/(debt) reconciliation

This section sets out an analysis of net cash/(debt) and the movements in net cash/(debt) for each of the periods presented.

Current assets	Cash \$'000	Borrowings \$'000	Leases \$'000	Total \$'000
<b>Net cash/(debt) at 1 July 2022</b>	<b>142,054</b>	-	<b>(48,352)</b>	<b>93,702</b>
Cash flows	6,862	-	11,639	18,501
Additions	-	-	(6,352)	(6,352)
Disposals	-	-	5,845	5,845
Foreign exchange adjustments	2,069	-	(1,189)	880
<b>Net cash/(debt) at 30 June 2023</b>	<b>150,985</b>	-	<b>(38,409)</b>	<b>112,576</b>
Cash flows	(14,354)	-	10,348	(4,006)
Additions	-	-	(21,115)	(21,115)
Disposals	-	-	10,409	10,409
Foreign exchange adjustments	(1,860)	-	(14)	(1,874)
<b>Net cash/(debt) at 30 June 2024</b>	<b>134,771</b>	-	<b>(38,781)</b>	<b>95,990</b>

# Notes to the Consolidated Financial Statements

## Note 12. Trade and other receivables

	2024 \$'000	2023 \$'000
<b>Current assets</b>		
Trade receivables <sup>1</sup>	55,964	76,924
Client receivables <sup>1</sup>	343,071	364,749
Contract assets	20,780	14,917
Less: Allowance for expected credit losses	(16,746)	(10,474)
	<b>403,069</b>	<b>446,116</b>
Deposits <sup>2</sup>	7,165	5,935
Other receivables	2,136	12,490
	<b>9,301</b>	<b>18,425</b>
<b>Total current trade and other receivables</b>	<b>412,370</b>	<b>464,541</b>

1 Trade and client receivables are non-interest bearing and are generally on terms ranging from 7 to 30 days.

2 Deposits balance represents advanced deposits to suppliers and deposits made on behalf of clients for travel which will occur at a future date.

### Accounting policy

Trade and client receivables are recognised initially at fair value and, subsequently, measured at amortised cost using the effective interest method, less a provision for impairment in accordance with the simplified approach permitted by AASB 9 *Financial Instruments* (AASB 9).

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected credit loss provision for all trade and client receivables and contract assets (refer [note 20](#) 'Financial risk management').

# Notes to the Consolidated Financial Statements

## Note 13. Inventories

A reconciliation of the values of inventory at the beginning and end of the current and previous financial year is set out below:

Current assets	2024 \$'000	2023 \$'000
Inventory	1,310	1,867

### Amounts recognised in profit or loss

Inventories recognised as an expense during the year ended 30 June 2024 amounted to \$9,576,000 (2023: \$9,524,000). These were included in purchases and other direct costs in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Inventory represents gift cards for a loyalty program in the US market.

### Accounting policy

Inventory is valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Revenue from the sale of inventory is recognised at the time the order is fulfilled and sent to the customer. Cost of goods sold is recognised as an expense of the value of inventory sold.



# Notes to the Consolidated Financial Statements

## Note 14. Investments accounted for using the equity method

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

The following table presents the Group's investments accounted for using the equity method at 30 June 2024:

Name of company	Principal activity	Ownership Interest Jun 2024 %	Ownership Interest Jun 2023 %	Investment in associates Jun 2024 \$'000	Investment in associates Jun 2023 \$'000
2120 Tower LLC (North America) <sup>1</sup>	Commercial real estate	37.78	37.78	-	-
MFG Reisen GmbH (Europe) <sup>2</sup>	Travel services	-	40.00	-	762

<sup>1</sup> The owner collective of 2120 Tower LLC (North America) are currently undertaking to sell the building to which this investment relates, resulting in this asset being classified as an asset held for sale at 30 June 2023. Refer [note 26 'Assets classified as held for sale'](#) for more information. The assets classified as held for sale has been written down to nil in FY24.

<sup>2</sup> Investment in MFG Reisen GmbH (Europe) was disposed during the year.

## Accounting policy

### Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the Consolidated Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

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

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

# Notes to the Consolidated Financial Statements

## Note 15. Financial assets at fair value through profit or loss

Minority interest investments are investments in entities over which the Group does not have significant influence or joint control. This is generally the case where the Group holds less than 20% share capital. These investments are accounted for at fair value through profit or loss.

The following table presents the Group's financial assets measured and recognised at fair value at 30 June 2024:

	2024 \$'000	2023 \$'000
Minority interest investments	6,812	6,774

Refer [note 28 'Fair value measurement'](#) for further information on fair value measurement.

# Notes to the Consolidated Financial Statements

## Note 16. Right-of-use assets

	2024 \$'000	2023 \$'000
Buildings - right-of-use	58,699	63,195
Accumulated depreciation	(21,983)	(28,011)
Accumulated impairment	(933)	(938)
<b>Total right-of-use assets (buildings)</b>	<b>35,783</b>	<b>34,246</b>
Motor vehicles - right-of-use	-	424
Less: Accumulated depreciation	-	(194)
<b>Total right-of-use assets (motor vehicles)</b>	<b>-</b>	<b>230</b>
<b>Total right-of-use assets</b>	<b>35,783</b>	<b>34,476</b>

	2024 \$'000	2023 \$'000
Opening net book value	34,476	42,423
Additions	21,388	6,391
Terminations	(9,005)	(4,250)
Depreciation	(11,130)	(11,172)
Exchange differences	54	1,084
<b>Closing net book value</b>	<b>35,783</b>	<b>34,476</b>

	2024 \$'000	2023 \$'000
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in operating expenses)	31	162
Expense relating to variable lease payments not included in lease liabilities (included in operating expenses)	466	735

### Accounting policy

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Extension and termination options are included in a number of building leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension and termination options held and exercisable only by the Group and not by the respective lessors. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

# Notes to the Consolidated Financial Statements

## Note 17. Trade and other payables

	2024 \$'000	2023 \$'000
<b>Current liabilities</b>		
Trade payables <sup>1</sup>	100,956	31,718
Client payables <sup>1</sup>	193,846	316,747
Other payables and accruals <sup>2</sup>	54,499	78,194
Contract Liabilities	23,866	16,025
Deferred consideration payable	-	700
<b>Total current trade and other payables</b>	<b>373,167</b>	<b>443,384</b>
<b>Non-current liabilities</b>		
Other payables and accruals	33	106
<b>Total trade and other payables</b>	<b>373,200</b>	<b>443,490</b>

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

2 The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

### Accounting policy

Client payables result from the provision of travel services and products to clients, and which may also include payables to clients, where clients did not use the travel services and products, or where services were not rendered. Trade payables result from other activities required to provide those travel services, such as corporate services.

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. 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 amortised cost using the effective interest method.

Other payables and accruals primarily represent liabilities for goods and services received and amounts recognised as redundancy payments.

Contract liabilities represent amounts received from third parties that are subsequently recognised as revenue in line with the performance obligations attached to the relevant contract.

Deferred consideration payable are recognised where contingent consideration hurdles have been satisfied, or where there are subsequent working capital adjustments, in relation to previously acquired entities.

# Notes to the Consolidated Financial Statements

## Note 18. Borrowings

### Borrowings

The carrying amounts of the Group's borrowings were as follows at 30 June:

	2024 \$'000	2023 \$'000
<b>Total borrowings</b>	-	-

The Group has an unsecured syndicated bank loan facility with a total available limit of \$100,000,000 and an availability period until 1 July 2025.

Capitalised establishment costs relating to the debt facility are amortised over the life of the facility. As at 30 June 2024, the establishment costs paid which are recognised as current is \$258,000.

The Group has remained in compliance with requirements under its bank facilities throughout the period.

### Bank guarantees/letters of credit

The Group provides bank guarantees and letters of credit primarily for the benefit of suppliers in accordance with the requirements of state travel agency licensing, the UK based Rail Delivery Group (RDG), the Airline Reporting Corporation (ARC), and the International Air Transport Association (IATA). The bank guarantee requirements represent a barrier to entry for competitors in these markets and provide a cost advantage for the Group. The table below shows the outstanding balance of guarantees issued by the Group at 30 June. This balance is not expected to grow materially in future years.

	2024 \$'000	2023 \$'000
<b>Bank guarantees</b>	<b>18,162</b>	<b>18,724</b>

### Finance costs

	2024 \$'000	2023 \$'000
Commitment fees	893	883
Interest expense - leases	1,654	1,542
Other finance costs	50	131
<b>Total finance costs</b>	<b>2,597</b>	<b>2,556</b>

## Accounting policy

### Borrowings

Borrowings are initially recognised at fair value and are then subsequently measured at amortised cost using the effective interest rate method. Establishment costs are capitalised and are amortised over the life of the related borrowing unless there are no borrowings noted in which case capitalised establishment costs are recognised as Other Assets.

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

### Finance costs

This expense is recognised as interest accrues, using the effective interest method for bank loans and an incremental borrowing rate for lease liabilities. These methods calculate the amortised cost of a financial liability and allocate the interest expense over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount of the financial liability.

# Notes to the Consolidated Financial Statements

## Note 19. Lease liabilities

	2024 \$'000	2023 \$'000
<b>Current liabilities</b>		
Lease liabilities - buildings	9,748	10,125
Lease liabilities - vehicles	-	39
	<b>9,748</b>	<b>10,164</b>
<b>Non-current liabilities</b>		
Lease liabilities - buildings	29,034	28,186
Lease liabilities - vehicles	-	59
	<b>29,034</b>	<b>28,245</b>
<b>Total lease liabilities</b>	<b>38,782</b>	<b>38,409</b>

Reconciliation of lease liabilities at 30 June was as follows:

	2024 \$'000	2023 \$'000
Opening net book value	38,409	48,352
Additions	21,115	6,352
Terminations	(10,409)	(5,845)
Repayment of principal element of lease liabilities	(10,348)	(11,639)
Exchange differences	15	1,189
	<b>38,782</b>	<b>38,409</b>

### Accounting policy

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.



# Notes to the Consolidated Financial Statements

## Note 20. Financial risk management

The Group is exposed to market risk (interest rate risk and foreign exchange risk), credit risk, and liquidity risk in the normal course of business. The Group's financial risk management is controlled by a central treasury department under policies approved by the Board. Group Treasury identifies, evaluates, and hedges financial risks in co-operation with the Group's operating units and in accordance with the Board-approved Treasury Policy. The Treasury Policy provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

### (a) Market risk

#### Interest rate risk

The Group's income and financial cash flows are impacted by changes in market interest rates, as the Group holds both interest bearing assets and liabilities.

The Group's main interest rate exposure during the period arose from interest receivable on cash deposited with banks. As at 30 June 2024, the Group had no outstanding variable rate borrowings (refer [note 18 'Borrowings'](#)).

Interest rate risk is managed using natural hedges, borrowing terms available under facility documents or using interest rate derivatives. As at the balance date, the Group had no interest rate derivatives outstanding. The Group has considered its exposure to interest rate movements and notes that significant changes in interest rates would not result in a material impact to finance costs.

#### Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk. Foreign exchange risk arises from future transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity.

When managing its net risk position, the Group uses foreign exchange spot and forward contracts. The Group's multi-currency debt facility also allows for borrowings in relevant currencies to provide an offset to revaluation of foreign currency assets where funding is also required.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows.

	Cash and cash equivalents \$'000	Trade and other receivables \$'000	Related party loans \$'000	Trade and other payables \$'000	Borrowings \$'000	Total \$'000
<b>2024</b>						
EUR	1,567	5,529	(3,172)	(1,025)	-	<b>2,899</b>
CHF	602	301	124	539	-	<b>1,566</b>
USD	-	29	1,844	(565)	-	<b>1,308</b>
NZD	-	32	451	-	-	<b>483</b>
SEK	166	48	61	22	-	<b>297</b>
JPY	-	-	-	(108)	-	<b>(108)</b>
Other	141	14	-	(131)	-	<b>24</b>
<b>Total foreign exchange risk</b>	<b>2,476</b>	<b>5,953</b>	<b>(692)</b>	<b>(1,268)</b>	<b>-</b>	<b>6,469</b>

Based on the 30 June 2024 balances, a 10% stronger and 10% weaker Australian dollar against the currencies held, would result in a loss of \$588,000 and a gain of \$719,000 respectively.

# Notes to the Consolidated Financial Statements

## Note 20. Financial risk management (continued)

	Cash and cash equivalents \$'000	Trade and other receivables \$'000	Related party loans \$'000	Trade and other payables \$'000	Borrowings \$'000	Total \$'000
<b>2023</b>						
EUR	3,118	4,575	(4,112)	660	-	<b>4,241</b>
HKD	5,055	7	(7,103)	(48)	-	<b>(2,089)</b>
NZD	3	15	3,262	-	-	<b>3,280</b>
USD	61	237	243	(789)	-	<b>(248)</b>
CHF	319	1,022	(184)	(789)	-	<b>368</b>
SEK	3,402	647	2,485	(2,757)	-	<b>3,777</b>
Other	79	21	203	(424)	-	<b>(121)</b>
<b>Total foreign exchange risk</b>	<b>12,037</b>	<b>6,524</b>	<b>(5,206)</b>	<b>(4,147)</b>	<b>-</b>	<b>9,208</b>

Based on the 30 June 2023 balances, a 10% stronger and 10% weaker Australian dollar against the currencies held, would have resulted in a loss of \$837,000 and a gain of \$1,023,000 respectively.

The following table summarises the foreign exchange rates for the key currencies used in the preparation of the annual report.

	AUD/USD	AUD/GBP	AUD/HKD
<b>2024</b>			
Spot rate	0.6670	0.5274	5.2081
Average rate	0.6557	0.5206	5.1271
	AUD/USD	AUD/GBP	AUD/HKD
<b>2023</b>			
Spot rate	0.6664	0.5249	5.2235
Average rate	0.6733	0.5595	5.2771

### (b) Credit risk

Credit risk arises from cash and cash equivalents placed on deposit with counterparties and balances owing from clients and suppliers.

The Group's exposure to credit risk relating to cash and cash equivalents arises from the ability of the counterparty to repay funds placed on deposit. The Group's cash and cash equivalent investments are held on deposit with counterparties holding an investment grade credit rating.

The Group's policy is that all clients which wish to trade on credit terms are subject to credit verification procedures, and subsequent risk limits, which are set for each individual client in accordance with the Group's policies. For some client receivables, the Group may also obtain security in the form of deposits. In addition, receivable balances are actively monitored on an ongoing basis, with the result that the Group's exposure to bad debts has been historically negligible.

Trade and other receivables are subject to the expected credit loss model. The Group has applied the AASB 9 *Financial Instruments* simplified approach to measuring the expected credit loss, which uses a lifetime expected loss allowance for all receivables and contract assets.

Contract assets represent balances earned which are not yet unconditional and have the same characteristics as trade receivables. The Group has, therefore, concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

To measure the expected credit losses, receivables and contract assets have been grouped based on shared credit risk characteristics (by client industry or supplier type) and the days past due. Based on the grouping of clients, an expected loss rate has been applied. Any individual receivable or contract asset which had significantly increased credit risk, were individually assessed and allowed for. Historic loss events and forward-looking assumptions have been factored into the expected loss allowance calculation for these assets as at 30 June 2024.

# Notes to the Consolidated Financial Statements

## Note 20. Financial risk management (continued)

On this basis, the loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows:

	Current (\$'000)	More than 30 days past due (\$'000)	More than 60 days past due (\$'000)	More than 90 days past due (\$'000)	Total (\$'000)
<b>2024</b>					
Expected loss rate (%)	1%	2%	4%	36%	4%
Carrying amount – client receivables	280,131	12,458	14,849	35,633	343,071
Carrying amount – trade receivables	53,838	252	1,553	321	55,964
Carrying amount – contract assets	20,780	-	-	-	20,780
Loss allowance	2,666	298	732	13,050	16,746
	Current (\$'000)	More than 30 days past due (\$'000)	More than 60 days past due (\$'000)	More than 90 days past due (\$'000)	Total (\$'000)
<b>2023</b>					
Expected loss rate (%)	1%	2%	6%	7%	2%
Carrying amount – client receivables	268,483	31,917	29,745	42,135	372,280
Carrying amount – trade receivables	38,026	304	3,589	3,303	45,222
Carrying amount – contract assets	14,917	-	-	-	14,917
Loss allowance	4,390	714	2,121	3,249	10,474

The loss allowances for receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Client Receivables \$'000	Trade Receivables \$'000	Contract Assets \$'000
<b>Opening loss allowance as at 1 July 2023</b>	<b>7,141</b>	<b>2,508</b>	<b>824</b>
Increase/(decrease) in loss allowances recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	8,539	(1,198)	(570)
Receivables written-off during the year as uncollectible	(498)	-	-
<b>Closing loss allowance as at 30 June 2024</b>	<b>15,182</b>	<b>1,310</b>	<b>254</b>
	Client Receivables \$'000	Trade Receivables \$'000	Contract Assets \$'000
<b>Opening loss allowance as at 1 July 2022</b>	<b>5,703</b>	<b>3,190</b>	<b>787</b>
Increase/(decrease) in loss allowances recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	1,557	(682)	37
Receivables written off during the year as uncollectible	(119)	-	-
<b>Closing loss allowance as at 30 June 2023</b>	<b>7,141</b>	<b>2,508</b>	<b>824</b>

Receivables and contract assets are written-off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a client or supplier to engage in a repayment plan.

Losses on client and trade receivables and contract assets are presented as bad and doubtful debts for client receivables and transactional overrides or a write-back of revenue for volume-based overrides. Subsequent recoveries will be recognised against the same line items.

# Notes to the Consolidated Financial Statements

## Note 20. Financial risk management (continued)

### (c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure sufficient cash and credit facilities are available to meet its liabilities when due, under both normal and stressed conditions.

In addition to the cash position outlined in [note 11 'Cash and cash equivalents'](#), the Group has the following credit facilities available at 30 June 2024. The bank loan amounts in FY24 include the Group's \$100,000,000 multi-currency revolving loan facility which matures in July 2025.

	2024 \$'000	2023 \$'000
<b>Bank loans</b>		
Used	-	-
Unused	100,000	100,000
<b>Total bank loans available</b>	<b>100,000</b>	<b>100,000</b>
<b>Credit cards</b>		
Used	70,475	76,884
Unused	90,560	88,197
<b>Total credit cards limit</b>	<b>161,035</b>	<b>165,081</b>
<b>Overdraft facilities</b>		
Used	-	-
Unused	19,153	9,554
<b>Total overdraft facilities available</b>	<b>19,153</b>	<b>9,554</b>

The Group's credit card facilities are primarily used for client bookings via virtual credit cards.

The following table summarises the contractual timing of undiscounted cash flows of financial liabilities, expressed in AUD as at 30 June 2024. No derivative financial instruments were held as at the reporting date. Cash flows for financial liabilities without a fixed amount or timing are based on the conditions existing at 30 June 2024.

Contractual maturities of financial liabilities	Less than 6 months \$'000	6 - 12 months \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount of liabilities \$'000
<b>June 2024</b>							
Trade and other payables	358,404	14,763	33	-	-	373,200	373,200
Lease liabilities	5,883	5,228	8,820	16,977	7,106	44,014	38,782
<b>Total non-derivative financial liabilities</b>	<b>364,287</b>	<b>19,991</b>	<b>8,853</b>	<b>16,977</b>	<b>7,106</b>	<b>417,214</b>	<b>411,982</b>
Contractual maturities of financial liabilities	Less than 6 months \$'000	6 - 12 months \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount of liabilities \$'000
<b>June 2023</b>							
Trade and other payables	428,245	15,139	106	-	-	443,490	443,490
Lease liabilities	5,764	4,854	8,325	16,186	3,944	39,073	38,409
<b>Total non-derivative financial liabilities</b>	<b>434,009</b>	<b>19,993</b>	<b>8,431</b>	<b>16,186</b>	<b>3,944</b>	<b>482,563</b>	<b>481,899</b>

# Notes to the Consolidated Financial Statements

## Note 21. Provisions

	Employee entitlements \$'000	Provisions for other liabilities and charges \$'000	Total \$'000
<b>Movements in provisions</b>			
<b>At 1 July 2023</b>	<b>12,167</b>	<b>26,648</b>	<b>38,815</b>
Arising during the year	15,569	54,577	70,146
Utilised	(15,785)	(51,635)	(67,420)
Write back of provision	(89)	(3,393)	(3,482)
Exchange differences	224	(121)	103
<b>At 30 June 2024</b>	<b>12,086</b>	<b>26,076</b>	<b>38,162</b>
<b>At 1 July 2022</b>	<b>10,146</b>	<b>20,439</b>	<b>30,585</b>
Acquisition of subsidiary	129	-	129
Arising during the year	15,624	56,989	72,613
Utilised	(13,483)	(47,214)	(60,697)
Write back of provision	(285)	(3,724)	(4,009)
Transfer to deferred consideration payable	-	(700)	(700)
Exchange differences	36	858	894
<b>At 30 June 2023</b>	<b>12,167</b>	<b>26,648</b>	<b>38,815</b>
<b>2024</b>			
Current	10,905	23,094	33,999
Non-current	1,181	2,982	4,163
	<b>12,086</b>	<b>26,076</b>	<b>38,162</b>
<b>2023</b>			
Current	11,237	24,131	35,368
Non-current	930	2,517	3,447
	<b>12,167</b>	<b>26,648</b>	<b>38,815</b>

### Accounting policy

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. At the end of the reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

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

# Notes to the Consolidated Financial Statements

## Note 21. Provisions (continued)

### Employee benefits

#### Short-term employee benefits

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

#### Other long-term employee benefits

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

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

#### Retirement benefit obligations

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

#### Bonus plans

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

#### Provision for other liabilities and charges

##### Provision for unclaimed charges

The Group recognises a provision for unclaimed charges, arising from the sale of travel services. Based on historical data and past experience, management considers the possibility of claims and, if appropriate, it is written back to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

##### Make good provision

The Group is required to restore the leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease and the useful life of the assets.



# Notes to the Consolidated Financial Statements

## Note 22. Contributed equity

	2024 \$'000	2023 \$'000
<b>Share capital - fully paid</b>	<b>903,320</b>	<b>929,400</b>

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

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

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

### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
<b>Balance</b>	<b>1 July 2022</b>	<b>145,190,637</b>		<b>927,397</b>
Shares issued as consideration for the acquisition of 1000 Mile Travel Group	1 July 2022	106,336	\$18.84	2,003
Share appreciation rights vested	24 August 2022	1,028,773		
<b>Balance</b>	<b>30 June 2023</b>	<b>146,325,746</b>		<b>929,400</b>
On-market buy-back	Various during FY24	(1,676,810)	\$15.55	(26,080)
<b>Balance</b>	<b>30 June 2024</b>	<b>144,648,936</b>		<b>903,320</b>

During the year ended 30 June 2024, the Company executed its ordinary share on-market buy-back for a consideration of \$26,080,000 (including transaction costs). A total of 1,676,810 shares (representing 1.15% of the Company's issued share capital) were bought back at an average price of \$15.55 per share. This resulted in 1,676,810 shares being cancelled during the year ended 30 June 2024.

The current on-market buy-back program announced on 25 October 2023 will end on 13 November 2024.

### Accounting policy

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

### Capital management

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

The Group's optimal capital structure includes a mix of debt (refer [note 18 'Borrowings'](#)), cash (refer [note 11 'Cash and cash equivalents'](#)) and equity attributable to the parent's equity holders.

When determining dividend returns to shareholders the Board considers a number of factors, including the Group's anticipated cash requirements to fund its growth, operational plan, and current and future economic conditions.

# Notes to the Consolidated Financial Statements

## Note 23. Reserves

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

	Foreign currency translation \$'000	Share-based payments \$'000	Total \$'000
<b>At 30 June 2022</b>	<b>56,205</b>	<b>(6,751)</b>	<b>49,454</b>
Currency translation difference	34,125	(150)	33,975
Deferred tax	1,236	-	1,236
<b>Other comprehensive income</b>	<b>35,361</b>	<b>(150)</b>	<b>35,211</b>
<b>Share-based payments</b>			
Expense for the year	-	4,574	4,574
Effect of tax	-	1,475	1,475
<b>At 30 June 2023</b>	<b>91,566</b>	<b>(852)</b>	<b>90,714</b>
Currency translation difference	(1,631)	(66)	(1,697)
Deferred tax	(199)	-	(199)
<b>Other comprehensive income</b>	<b>(1,830)</b>	<b>(66)</b>	<b>(1,896)</b>
<b>Share-based payments</b>			
Expense for the year	-	2,997	2,997
Effect of tax	-	(242)	(242)
<b>At 30 June 2024</b>	<b>89,736</b>	<b>1,837</b>	<b>91,573</b>

## Nature and purpose of reserves

### Foreign currency translation

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

### Share-based payments

The share-based payments reserve is used to recognise an expense for the grant date fair value of deferred shares granted to employees but not yet vested over the vesting period, as well as deferred tax associated with future tax deductions.

# Notes to the Consolidated Financial Statements

## Note 24. Retained earnings

	2024 \$'000	2023 \$'000
Retained earnings at the beginning of the financial year	152,573	91,095
Profit after income tax expense for the year	84,452	77,574
Dividends paid (refer <a href="#">note 7 'Dividends paid and proposed'</a> )	(57,033)	(16,096)
<b>Retained earnings at the end of the financial year</b>	<b>179,992</b>	<b>152,573</b>

# Notes to the Consolidated Financial Statements

## Note 25. Impairment testing of goodwill

For goodwill impairment testing, a cash-generating unit (CGU) for the Group, has been defined as the lowest level of travel services operations to which goodwill relates, where individual cash flows can be identified.

	2024 \$'000	2023 \$'000
<b>The carrying amount of goodwill to the cash generating unit:</b>		
Travel services - Australia and New Zealand	214,941	215,026
Travel services - North America	452,655	453,063
Travel services - Asia	58,095	57,940
Travel services - Europe	174,493	175,334
<b>Total goodwill</b>	<b>900,184</b>	<b>901,363</b>

The recoverable amount of each cash-generating unit (CGU) has been determined based on forecast cash flows, with the value-in-use (VIU) basis being used for all valuations. Forecasts were determined by management using both internal and external data. The forecasts for each CGU are extrapolated using the annual growth rates in the table below up to year 5, and the long term growth rates in the table below beyond year 5. The growth rates up to year 5 assumed in the modelling have been set to align the forecast cashflows with the Group's business planning and 5-year strategy.

The following table sets out the remaining key assumptions for those cash-generating units that have goodwill allocated to them.

	ANZ %	NA %	Asia %	Europe %
<b>2024</b>				
Pre-tax nominal discount rate applied to the cash flow projection	12.70	12.59	11.53	13.46
<b>Cash flows beyond the next financial year and upon the end of project contracts in Europe, up to year 5, are extrapolated using an average nominal growth rate of:</b>				
Revenue	7.50	10.00	7.00	10.00
Operating expenses	6.00	10.00	7.00	4.00
Long-term growth rate	2.00	2.00	2.00	2.00
<b>2023</b>				
Pre-tax nominal discount rate applied to the cash flow projection	13.79	13.41	13.35	15.31
<b>Cash flows upon the return to pre-COVID-19 pro forma levels (in ANZ, Asia and North America) or upon the end of project contracts (in Europe) are extrapolated using an average nominal growth rate of:</b>				
Revenue	3.50	3.50	3.50	3.50
Operating expenses	3.50	3.50	3.50	3.50
Long-term growth rate	2.00	2.00	2.00	2.00

# Notes to the Consolidated Financial Statements

## Note 25. Impairment testing of goodwill (continued)

The following key assumptions were used in the modelling:

- Pre-tax discount rates - reflect specific risks and conditions relating to the relevant cash-generating units and the countries in which they operate.
- Revenue - the basis used to determine the amount assigned to sales volume is based on historical experience, expected client retentions and wins, and adjusted for growth and other known circumstances.
- Operating expenses - the basis used to determine the amount assigned to the forecast costs are based on historical margins and patterns of revenue, adjusted for growth and other known circumstances.
- Long term growth rates - the growth rate used to extrapolate cash flows beyond the current period is based on historical experience and future expectations for growth in the context of inflation expectations in the countries in which the cash-generating units operate.

### Sensitivity to changes in key assumptions

Management recognises that there are various reasons the estimates used in these assumptions may vary. Management does not believe that there are reasonably possible changes in any one key assumption that would result in an impairment charge in any of the CGUs.

### Accounting policy

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

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

# Notes to the Consolidated Financial Statements

## Note 26. Assets classified as held for sale

Through a wholly owned subsidiary (TTRE Inc) CTM holds a 37.78% interest in 2120 Tower LLC. 2120 Tower LLC is a limited liability company that owns an equity interest in the building of CTM's North America headquarters. The investment in 2120 Tower LLC has been accounted for based on the equity method of accounting from its inception (refer [note 14](#) 'Investments accounted for using the equity method'). The asset is periodically compared to commercial real estate market rates equivalents to support the underlying value of the investment to assess the recoverable amount of the investment. As a result of evidence that the market price for commercial real estate has deteriorated, the carrying value of asset has decreased and CTM has recognised an impairment expense of \$1,506,000.

Current assets	2024 \$'000	2023 \$'000
Investments	-	1,501

### Accounting policy

Assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write-down of assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.



# Notes to the Consolidated Financial Statements

## Note 27. Property, plant and equipment

	Furniture, fixtures and equipment \$'000	Computer equipment \$'000	Leasehold improvements \$'000	Other \$'000	Total \$'000
<b>Year ended 30 June 2024</b>					
Cost	6,338	18,354	11,279	2,204	38,175
Accumulated depreciation	(4,591)	(14,871)	(7,003)	(1,487)	(27,952)
	<b>1,747</b>	<b>3,483</b>	<b>4,276</b>	<b>717</b>	<b>10,223</b>
Opening net book amount	2,324	4,894	3,014	579	10,811
Additions	533	1,546	3,058	680	5,817
Disposals	(88)	(8)	(144)	(199)	(439)
Depreciation charge	(1,017)	(2,961)	(1,614)	(344)	(5,936)
Exchange differences	(5)	12	(38)	1	(30)
<b>Closing net book amount</b>	<b>1,747</b>	<b>3,483</b>	<b>4,276</b>	<b>717</b>	<b>10,223</b>
<b>Year ended 30 June 2023</b>					
Cost	6,896	19,021	11,061	1,746	38,724
Accumulated depreciation	(4,572)	(14,127)	(8,047)	(1,167)	(27,913)
	<b>2,324</b>	<b>4,894</b>	<b>3,014</b>	<b>579</b>	<b>10,811</b>
Opening net book amount	2,089	5,314	3,603	586	11,592
Additions	952	2,554	766	402	4,674
Disposals	(27)	(14)	(17)	-	(58)
Depreciation charge	(924)	(3,030)	(1,475)	(371)	(5,800)
Transfers	87	(87)	-	-	-
Exchange differences	147	157	137	(38)	403
<b>Closing net book amount</b>	<b>2,324</b>	<b>4,894</b>	<b>3,014</b>	<b>579</b>	<b>10,811</b>

### Accounting policy

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

### Derecognition

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

Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the year the asset is derecognised.

### Depreciation expense

Depreciation is calculated on property, plant and equipment using the following estimated useful lives and methods:

Item	Years	Method
Leasehold improvements	3 - 15	Straight line
Computer equipment	3 - 5	Straight line
Furniture, fixtures and equipment	4 - 10	Straight line

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

# Notes to the Consolidated Financial Statements

## Note 28. Fair value measurement

### Fair value hierarchy

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2024 on a recurring basis.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>At 30 June 2024</b>				
<b>Financial assets at fair value through profit or loss</b>	-	-	6,812	6,812
<b>At 30 June 2023</b>				
<b>Financial assets at fair value through profit or loss</b>	-	-	6,774	6,774

The following table presents the changes in level 3 instruments for the year ended 30 June 2024:

	Unlisted equity securities \$'000	Total \$'000
<b>Balance at 30 June 2023</b>	6,774	6,774
Gains recognised in other comprehensive income	38	38
<b>Balance at 30 June 2024</b>	6,812	6,812

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets and liabilities held by the Group is the closing bid or ask price as appropriate. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

### Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

# Notes to the Consolidated Financial Statements

## Note 29. Share-based payments

The Group currently operates an Omnibus Incentive Plan (Incentive Plan) for equity-settled compensation. The Incentive Plan enables CTM to offer a range of different awards, including share appreciation rights (SARs), options, performance rights (PRs) and tax exempt shares. The grant of awards under the Incentive Plan forms an integral part of effectively rewarding executive management, and serves a number of positive purposes, including acting as a retention tool for key employees as well as linking the award of management incentives to shareholder value creation and aligning the interests of senior executives with those of shareholders to encourage the long-term sustainable growth of CTM.

Participation in the Incentive Plan is at the Board's absolute discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

### Performance Rights

In FY24, PRs were awarded under the Incentive Plan. PRs granted under the Incentive Plan carry no dividend or voting rights.

The PRs only vest if certain criteria are met, the employee remains in service through to the vesting date, and upon the achievement of vesting conditions over the performance period. In the case of PRs issued in FY24, vesting conditions include share price and EBITDA hurdles.

There is no consideration payable by the participant upon exercising vested PRs. The number of shares to be issued is the same as the number of PRs held.

Further details can be found in the [Remuneration Report](#).

The following table summarises the movement in PRs granted under the plan:

	2024 Number of PRs	2023 Number of PRs
Opening balance	666,184	-
Granted during the year	693,979	737,200
Vested during the year	-	-
Forfeited during the year	(284,069)	(71,016)
<b>As at 30 June</b>	<b>1,076,094</b>	<b>666,184</b>
<b>Vested and exercisable at 30 June</b>	<b>-</b>	<b>-</b>

During FY24, 284,069 PRs granted were subsequently forfeited in the year.

PRs outstanding at the end of the year have the following performance period:

Grant date	Performance period	Vesting date	Base Price \$	Number of PRs 30 June 2024	Number of PRs 30 June 2023
27 July 2022	1 July 2022 - 30 June 2025	30 June 2025	18.81	436,817	592,146
27 October 2022	1 July 2022 - 30 June 2025	30 June 2025	18.81	61,950	61,950
22 November 2022	1 July 2022 - 30 June 2025	30 June 2025	18.81	3,022	12,088
25 October 2023	1 July 2023 - 30 June 2026	30 June 2026	17.92	574,305	-
<b>As at 30 June</b>				<b>1,076,094</b>	<b>666,184</b>

# Notes to the Consolidated Financial Statements

## Note 29. Share-based payments (continued)

### Fair value of PRs granted

The assessed weighted average fair value at grant date of the PRs granted during the year ended 30 June 2024 was \$8.38. The fair value at grant date was determined using a pricing model that assess the present value of the probability weighted share price upon vesting of the PRs at the vesting date. The model takes into account key inputs such as the share price at the time of the grant, the term of the performance right, the expected price volatility of the underlying share and the risk free interest rate for the term of the PR.

The fair value model inputs for PRs granted during the year ended 30 June 2024 included:

	Price hurdle \$	Grant date	Vesting date	Share price at grant date \$	Expected price volatility of CTM's shares %	Expected dividend yield %	Risk-free interest rate %
PRs are granted for no consideration and Group's share price growth over a 3 year vesting period	17.92	25 October 2023	August 2026 <sup>1</sup>	16.74	35.00	3.43	4.25

<sup>1</sup> Vesting date: The Performance Rights will vest in August of the stated year shortly after the full-year results are announced to the Australian Securities Exchange (ASX).

The assessed weighted average fair value at grant date of the PRs granted during the year ended 30 June 2023 was \$9.86. The fair value at grant date was determined using a pricing model that assess the present value of the probability weighted share price upon vesting of the PRs at the vesting date. The model takes into account key inputs such as the share price at the time of the grant, the term of the performance right, the expected price volatility of the underlying share and the risk free interest rate for the term of the PR.

The fair value model inputs for PRs granted during the year ended 30 June 2023 included:

	Price hurdle \$	Grant date	Vesting date	Share price at grant date \$	Expected price volatility of CTM's shares %	Expected dividend yield %	Risk-free interest rate %
PRs are granted for no consideration and Group's share price growth over a 3 year vesting period	18.81	27 July 2022	August 2025 <sup>1</sup>	17.72	35.00	1.00	3.00
PRs are granted for no consideration and Group's share price growth over a 3 year vesting period	18.81	27 October 2022	August 2025 <sup>1</sup>	17.47	35.00	1.00	3.00
PRs are granted for no consideration and Group's share price growth over a 3 year vesting period	18.81	22 November 2022	August 2025 <sup>1</sup>	16.47	35.00	1.00	3.00

<sup>1</sup> Vesting date: The Performance Rights will vest in August of the stated year shortly after the full-year results are announced to the Australian Securities Exchange (ASX).

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

### SARs

Prior to FY23, SARs were awarded under the Incentive Plan. SARs granted under the Incentive Plan carry no dividend or voting rights.

The SARs only vest if certain criteria are met, the employee remains in service through to the vesting date, and upon the achievement of earnings per share growth targets over the performance period.

There is no consideration payable by the participant upon exercising vested SARs. The number of shares to be issued upon vesting of SARs is calculated by reference to an increase in the price of CTM's shares from a base price determined by the Board and the five-day volume weighted average price of CTM's shares immediately preceding the date that the Board determines that the vesting conditions are satisfied or waived.

Further details can be found in the [Remuneration Report](#).

# Notes to the Consolidated Financial Statements

## Note 29. Share-based payments (continued)

The following table summarises the movement in SARs granted under the plan:

	2024 Number of SARs	2023 Number of SARs
<b>Opening balance</b>	<b>1,883,000</b>	<b>4,812,500</b>
Granted during the year	-	-
Vested during the year	-	(2,417,000)
Forfeited or lapsed during the year	(1,210,584)	(512,500)
<b>As at 30 June</b>	<b>672,416</b>	<b>1,883,000</b>
<b>Vested and exercisable at 30 June</b>	<b>170,767</b>	<b>939,741</b>

SARs outstanding at the end of the year have the following performance periods.

Grant date	Performance period	Number of SARs 30 June 2024	Number of SARs 30 June 2023
1 July 2021	1 July 2021 - 30 June 2023	-	879,000
1 July 2021	1 July 2021 - 30 June 2024	609,916	879,000
28 October 2021	1 July 2021 - 30 June 2023	-	62,500
28 October 2021	1 July 2021 - 30 June 2024	62,500	62,500
		<b>672,416</b>	<b>1,883,000</b>

609,916 and 62,500 SARs granted on 1 July 2021 and 28 October 2021, respectively, with a performance period ending 30 June 2024, lapsed without value as the volume weighted average price (VWAP) of CTM's shares in the 5 trading days prior to 30 June 2024, \$13.52, was not higher than \$21.19 (the base price), which was a vesting condition.

### Fair value of SARs granted

There were no SARs issued in FY24. The assessed weighted average fair value at grant date of the SARs granted during the year ended 30 June 2022 was \$4.11. The fair value at grant date was determined using the Black-Scholes pricing model that takes into account the share price at the time of the grant, the base price, the term of the SAR, the expected dividend yield, the expected price volatility of the underlying share and the risk free interest rate for the term of the SAR.

The fair value model inputs for PRs granted during the year ended 30 June 2022 included:

	Price hurdle \$	Grant date	Vesting date	Share price at grant date \$	Expected price volatility of CTM's shares %	Expected dividend yield %	Risk-free interest rate %
SARs are granted for no consideration and vest based on the Group's Earnings per Share growth over a 3 year vesting period	21.19	1 July 2021	August 2024 <sup>1</sup>	21.32	32.00	1.00	0.25
SARs are granted for no consideration and vest based on the Group's Earnings per Share growth over a 3 year vesting period	21.19	28 October 2021	August 2024 <sup>1</sup>	24.00	32.00	1.00	0.25

<sup>1</sup> Vesting date: The Share Appreciation Rights will vest in August of the stated year shortly after the full-year results are announced to the Australian Securities Exchange (ASX).

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

# Notes to the Consolidated Financial Statements

## Note 29. Share-based payments (continued)

### Expenses arising from SARs and PRs

An expense for the year of \$2,997,000 has been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income with a corresponding amount recognised in the share based payment reserve (refer [note 23 'Reserves'](#)). The expense recognised is based on the number of unvested SARs and PRs on issue that are expected to vest.

### Accounting policy

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

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



# Notes to the Consolidated Financial Statements

## Note 30. Interest in other entities

### (a) Subsidiary entities

The Group's subsidiary entities at 30 June 2024 are set out in the following table. Unless otherwise stated, each entity has share capital consisting solely of ordinary shares that are held by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Company	Region	Country	Ownership 2024 %	Ownership 2023 %
Corporate Travel Management Group Pty Ltd <sup>1</sup>	ANZ	Australia	100.00	100.00
Floron Nominees Pty Ltd	ANZ	Australia	100.00	100.00
Sainten Pty Ltd	ANZ	Australia	100.00	100.00
ETM Travel Pty Ltd	ANZ	Australia	100.00	100.00
Travellogic Pty. Limited	ANZ	Australia	100.00	100.00
Andrew Jones Travel Pty Ltd <sup>2</sup>	ANZ	Australia	-	100.00
Travelcorp (Aust) Pty Ltd	ANZ	Australia	100.00	100.00
Tramada Holdings Pty Ltd	ANZ	Australia	100.00	100.00
Tramada International Pty Ltd	ANZ	Australia	100.00	100.00
Tramada Systems Pty Ltd	ANZ	Australia	100.00	100.00
CTM Finance Pty Ltd	ANZ	Australia	100.00	100.00
QBT PTY Ltd <sup>1</sup>	ANZ	Australia	100.00	100.00
TravelEdge Pty Ltd	ANZ	Australia	100.00	100.00
Inspire Travel Management Pty Ltd	ANZ	Australia	100.00	100.00
Show Group Pty Ltd	ANZ	Australia	100.00	100.00
STA Travel Academic Pty Ltd	ANZ	Australia	100.00	100.00
Nexus Point Travel Pty Ltd	ANZ	Australia	100.00	100.00
Granted Worldwide Pty Ltd	ANZ	Australia	100.00	100.00
Communico Services Pty Ltd	ANZ	Australia	100.00	100.00
1000 Mile Travel Group Pty Ltd	ANZ	Australia	100.00	100.00
Corporate Travel Management (New Zealand) Limited <sup>1</sup>	ANZ	New Zealand	100.00	100.00
CTMNZ Holdings Ltd	ANZ	New Zealand	100.00	100.00
Atlantic & Pacific Business Travel Ltd	ANZ	New Zealand	100.00	100.00
Atlas Limited	ANZ	New Zealand	100.00	100.00
Show Group (NZ) Ltd	ANZ	New Zealand	100.00	100.00
CTMNA Holdings Limited <sup>1</sup>	North America	United States of America	100.00	100.00
Corporate Travel Management North America Inc <sup>1</sup>	North America	United States of America	100.00	100.00
Travefy Incorporated	North America	United States of America	10.00	10.00
TTRE Inc	North America	United States of America	100.00	100.00
TTINV Inc	North America	United States of America	100.00	100.00
2120 Tower LLC	North America	United States of America	37.78	37.78
Corporate Travel Management (CAN) Limited	North America	Canada	100.00	100.00
Corporate Travel Management (UK) Limited	Europe	United Kingdom	100.00	100.00

<sup>1</sup> These subsidiary entities have been granted relief from the necessity to prepare financial reports in accordance with Class Order 2016/785 issued by the Australian Securities and Investments Commission. For further information refer [note 33 'Deed of cross guarantee'](#).

# Notes to the Consolidated Financial Statements

## Note 30. Interest in other entities (continued)

Company	Region	Country	Ownership 2024 %	Ownership 2023 %
Corporate Travel Management (Europe) Limited	Europe	United Kingdom	100.00	100.00
Corporate Travel Management (North) Limited	Europe	United Kingdom	100.00	100.00
Portall Travel Limited	Europe	United Kingdom	100.00	100.00
Corporate Travel Management (United Kingdom) Ltd	Europe	United Kingdom	100.00	100.00
Radius Travel WTT Limited <sup>2</sup>	Europe	United Kingdom	-	100.00
Travel and Transport UK Limited	Europe	United Kingdom	100.00	100.00
Statesman Travel Limited	Europe	United Kingdom	100.00	100.00
Statesman Travel Services Limited	Europe	United Kingdom	100.00	100.00
Corporate Travel Management (France) SAS	Europe	France	100.00	100.00
Corporate Travel Management (Germany) GmbH	Europe	Germany	100.00	100.00
Corporate Travel Management (Netherlands) BV	Europe	Netherlands	100.00	100.00
Corporate Travel Management (Switzerland) GmbH	Europe	Switzerland	100.00	100.00
Corporate Travel Management (Sweden) AB	Europe	Sweden	100.00	100.00
Corporate Travel Management (Czech Republic) s.r.o. <sup>2</sup>	Europe	Czechoslovakia	-	100.00
Corporate Travel Management (Norway) AS	Europe	Norway	100.00	100.00
Corporate Travel Management (Denmark) Aps <sup>2</sup>	Europe	Denmark	-	100.00
Corporate Travel Management (Hungary) Kft <sup>2</sup>	Europe	Hungary	-	100.00
Corporate Travel Management (Poland) SP. z.o.o	Europe	Poland	100.00	100.00
MFG Reisen GmbH <sup>3</sup>	Europe	Germany	-	40.00
Travellinspector GmbH Schweiz <sup>3</sup>	Europe	Switzerland	-	40.00
Statesman Travel Services Private Limited	Europe	India	99.99	99.99
Wealthy Aim Investments Limited	Asia	British Virgin Islands	75.10	75.10
Westminster Travel Limited	Asia	Hong Kong	75.10	75.10
Far Extent Investments Limited	Asia	Hong Kong	75.10	75.10
Profit Shine Holdings Limited	Asia	British Virgin Islands	75.10	75.10
Bees.Travel Limited	Asia	Hong Kong	75.10	75.10
Corporate Travel Management Limited	Asia	Hong Kong	75.10	75.10
CTM Overseas Education Centre Limited	Asia	Hong Kong	75.10	75.10
Lotus Travel Group Limited	Asia	British Virgin Islands	75.10	75.10
Lotus Tours Limited	Asia	Hong Kong	75.10	75.10
Memory Holidays Limited <sup>2</sup>	Asia	Hong Kong	-	75.10
Westminster Travel Limited (Taiwan)	Asia	Taiwan	75.10	75.10
Westminster Travel Consultancy (Guangzhou) Limited	Asia	People's Republic of China	75.10	75.10
Guangzhou Anlu Travel Service Co Ltd	Asia	People's Republic of China	75.10	75.10
Corporate Travel Management (Japan) Limited	Asia	Japan	75.10	75.10
Corporate Travel Management (S) Pte. Ltd	Asia	Singapore	75.10	75.10
Universal Advisory Pte Ltd	Asia	Singapore	75.10	75.10
Safe2travel Pte Ltd	Asia	Singapore	72.47	72.47
Yesrooms Pte Ltd <sup>2</sup>	Asia	Singapore	-	72.47
Holiday House Pte Ltd <sup>2</sup>	Asia	Singapore	-	72.47

<sup>2</sup> These entities were deregistered during the period.

<sup>3</sup> Interest in this entity was disposed during the period.

# Notes to the Consolidated Financial Statements

## Note 30. Interest in other entities (continued)

### (b) Non-controlling interests (NCI)

The following table summarises the financial information for entities which have a non-controlling interest which is material to the Group.

The amounts disclosed are before intercompany eliminations.

	2024 \$'000	2023 \$'000
<b>Summarised Statement of Financial Position</b>		
Current assets	142,072	122,977
Current liabilities	(96,015)	(81,774)
<b>Current net assets</b>	<b>46,057</b>	<b>41,203</b>
Non-current assets	78,737	76,415
Non-current liabilities	(13,148)	(10,807)
<b>Non-current net assets</b>	<b>65,589</b>	<b>65,608</b>
<b>Net assets</b>	<b>111,646</b>	<b>106,811</b>
<b>Accumulated NCI of the subsidiary</b>	<b>15,807</b>	<b>14,930</b>
<b>Summarised Statement of Profit or Loss and Other Comprehensive Income</b>		
Revenue and other income	64,103	51,379
Profit for the year	7,836	4,796
Other comprehensive income for the year	(9)	3,256
<b>Total other comprehensive gain for the year</b>	<b>7,827</b>	<b>8,052</b>
Profit for the year, allocated to NCI	1,933	1,196
Dividends paid to NCI	(937)	-
<b>Summarised Statement of Cash Flows</b>		
Cash flows from operating activities	43,534	10,608
Cash flows (used) in investing activities	(4,405)	(2,467)
Cash flows (used) in financing activities	(28,632)	(11,624)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,497</b>	<b>(3,483)</b>

# Notes to the Consolidated Financial Statements

## Note 31. Related party transactions

### (a) Parent entities

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

### (b) Subsidiary entities

Interests in subsidiary entities are set out in [note 30 'Interest in other entities'](#).

### (c) Key management personnel compensation

	2024 \$'000	2023 \$'000
Short-term	5,056	6,352
Post-employment	167	127
Long-term benefits	126	65
Share-based payments	933	906
<b>Total KMP compensation</b>	<b>6,282</b>	<b>7,450</b>

Detailed remuneration disclosures are provided in the [Remuneration Report](#).

### (d) Transactions with other related parties

During FY24, a deferred consideration amount of \$700,000 was paid to Greg McCarthy (CEO of Australia and New Zealand) in relation to the acquisition of SCT Travel Group Pty Ltd, trading as Platinum Travel Corporation.

### (e) Terms and conditions

Directors of the Group hold other directorships as detailed in the Directors' Report. Where any of these related entities are clients of the Group, the arrangements are on normal commercial terms and conditions and at market rates.

Directors and executives can acquire travel and event management services on normal terms and conditions and at market rates. There are no amounts outstanding in relation to these transactions at 30 June 2024.

# Notes to the Consolidated Financial Statements

## Note 32. Parent entity information

### (a) Summary financial information

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

	2024 \$'000	2023 \$'000
<b>Statement of profit or loss and other comprehensive income</b>		
Profit after income tax	58,797	71,669
<b>Total comprehensive income</b>	<b>58,797</b>	<b>71,669</b>
	2024 \$'000	2023 \$'000
<b>Statement of financial position</b>		
Total current assets	14,356	38,112
Total assets	1,108,208	1,135,928
Total current liabilities	45,866	16,643
Total liabilities	90,994	96,497
<b>Net assets</b>	<b>1,017,214</b>	<b>1,039,431</b>
	2024 \$'000	2023 \$'000
<b>Equity</b>		
Contributed equity	923,723	949,804
Share-based payments reserve	292	(1,809)
Retained earnings	93,199	91,436
<b>Total equity</b>	<b>1,017,214</b>	<b>1,039,431</b>

### (b) Guarantees entered into by the parent entity

The parent entity is party to, and acts as guarantor under the Group's overall financing arrangements as detailed in [note 18 'Borrowings'](#).

### (c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

### (d) Contractual commitments

The parent did not have any contractual commitments as at 30 June 2024 or 30 June 2023.

# Notes to the Consolidated Financial Statements

## Note 32. Parent entity information (continued)

### Accounting policy

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

#### (i) Investments in subsidiaries

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

#### (ii) Tax consolidation legislation

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

In addition to its own current and deferred tax amounts, Corporate Travel Management Limited also recognises the current tax liabilities or assets and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

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

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

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

#### (iii) Financial guarantees

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



# Notes to the Consolidated Financial Statements

## Note 33. Deed of cross guarantee

Corporate Travel Management Limited, Corporate Travel Management Group Pty Ltd, QBT Pty Ltd, Corporate Travel Management (New Zealand) Limited, CTMNA Holdings Limited, and Corporate Travel Management North America, Inc, are parties to a deed of cross guarantee, under which each company guarantees the debts of the other companies.

By entering into the deed, the wholly owned Australian entities have been relieved from the requirement to prepare a financial report and Directors' Report under Class Order 2016/785 (as amended) issued by the Australian Securities and Investments Commission.

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

During the year, no new entities were added or removed from the deed of cross guarantee.

The following table presents a Consolidated Statement of Profit or Loss and Other Comprehensive Income, Summary of movements in consolidated retained earnings and Consolidated Statement of Financial Position for the year ended 30 June 2024 of the closed group.

	2024 \$'000	2023 \$'000
<b>Statement of profit or loss and other comprehensive income</b>		
Revenue	462,059	454,827
Other income	69,182	77,804
Purchases and other direct costs	(9,576)	(9,524)
Employee benefits	(308,526)	(312,935)
Depreciation and amortisation	(2,264)	(39,301)
Information technology and telecommunications	(39,487)	(49,755)
Travel and entertainment	(54,148)	(4,431)
Occupancy	(3,788)	(3,237)
Administrative and general	(23,269)	(21,530)
<b>Operating profit</b>	<b>90,183</b>	<b>91,918</b>
Finance costs	(8,476)	(127)
<b>Profit before income tax</b>	<b>81,707</b>	<b>91,791</b>
Income tax (expense)	(7,335)	(8,311)
<b>Profit after income tax</b>	<b>74,372</b>	<b>83,480</b>
<b>Other comprehensive loss</b>		
Exchange differences on translation of foreign operations	(1,340)	(2,172)
<b>Other comprehensive loss for the year, net of tax</b>	<b>(1,340)</b>	<b>(2,172)</b>
<b>Total comprehensive income for the year</b>	<b>73,032</b>	<b>81,308</b>
<b>Summary of movements in retained earnings</b>		
Retained earnings at the beginning of the financial year	169,910	102,526
Profit after income tax	74,372	83,480
Dividends paid	(57,033)	(16,096)
<b>Retained earnings at the end of the financial year</b>	<b>187,249</b>	<b>169,910</b>

# Notes to the Consolidated Financial Statements

## Note 33. Deed of cross guarantee (continued)

Statement of financial position	2024 \$'000	2023 \$'000
<b>Current assets</b>		
Cash and cash equivalents	41,823	73,941
Trade and other receivables	168,749	148,404
Inventories	1,310	1,867
Income tax receivable	962	543
Other assets	4,811	4,757
	<b>217,655</b>	<b>229,512</b>
<b>Non-current assets</b>		
Financial assets at fair value through profit or loss	1,049	1,050
Investments	879,409	874,665
Property, plant and equipment	5,240	6,901
Right-of-use assets	19,848	21,623
Intangible assets	699,500	697,730
Deferred tax assets	18,183	24,841
	<b>1,623,229</b>	<b>1,626,810</b>
<b>Total assets</b>	<b>1,840,884</b>	<b>1,856,322</b>
<b>Current liabilities</b>		
Trade and other payables	121,323	129,624
Lease liabilities	4,547	6,442
Related Party	55,866	22,254
Provisions	11,404	12,852
	<b>193,140</b>	<b>171,172</b>
<b>Non-current liabilities</b>		
Trade and other payables	33	106
Lease liabilities	16,830	17,043
Related Party	38,443	76,385
Provisions	1,582	1,011
	<b>56,888</b>	<b>94,545</b>
<b>Total liabilities</b>	<b>250,028</b>	<b>265,717</b>
<b>Net assets</b>	<b>1,590,856</b>	<b>1,590,605</b>
<b>Equity</b>		
Contributed equity	1,412,482	1,432,302
Reserves	(8,875)	(11,607)
Retained earnings	187,249	169,910
<b>Total equity</b>	<b>1,590,856</b>	<b>1,590,605</b>

# Notes to the Consolidated Financial Statements

## Note 34. Auditors' remuneration

The auditor of the Group is PricewaterhouseCoopers.

	2024 \$	2023 \$
<b>Audit services - PricewaterhouseCoopers</b>		
Audit or review of the financial statements	733,988	602,904
<b>Other services - PricewaterhouseCoopers</b>		
Assurance services	-	-
Tax compliance services	-	71,825
Tax advisory services	83,985	46,000
Other advisory services	6,500	-
Total remuneration of other services	90,485	117,825
<b>Total remuneration of PricewaterhouseCoopers Australia</b>	<b>824,473</b>	<b>720,729</b>
<b>Other PricewaterhouseCoopers network firms: Other services in relation to the entity and any other entity in the consolidated group:</b>		
Audit and review of the financial reports	1,439,839	1,428,690
Other assurance services	-	37,431
Tax compliance services	140,652	89,996
Tax advisory services	30,068	37,005
<b>Total remuneration of PricewaterhouseCoopers network firms</b>	<b>1,610,559</b>	<b>1,593,122</b>
<b>Non-PricewaterhouseCoopers firms: Services in relation to the entity and any other entity in the consolidated group:</b>		
Audit and review of the financial report	109,449	192,018
<b>Total remuneration of Non-PricewaterhouseCoopers firms</b>	<b>109,449</b>	<b>192,018</b>

# Notes to the Consolidated Financial Statements

## Note 35. Summary of material accounting policies

### (a) Basis of preparation

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

The consolidated financial statements have been prepared on a going concern basis.

#### Compliance with IFRS

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

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities, fair value through Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### (b) Rounding of amounts

Amounts in the Consolidated Financial Statements are presented in Australian Dollars with values rounded to the nearest thousand dollars, or in certain circumstances, the nearest dollar, in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Report) instrument 2016/191.

#### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in [note 2 'Critical accounting judgements, estimates and assumptions'](#).

#### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

# Notes to the Consolidated **Financial Statements**

## Note 36. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 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.

# Consolidated Entity Disclosure Statement

As at 30 June 2024

	Type of entity	Trustee, partner or participant in JV	% of share capital	Country of incorporation	Australian resident or foreign resident	Countries of residence for tax purpose
Corporate Travel Management Limited	Body corporate	-	n/a	Australia	Australia	Australia
Corporate Travel Management Group Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
Floron Nominees Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
Sainten Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
ETM Travel Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
Travellogic Pty. Limited	Body corporate	-	100.00	Australia	Australia	Australia
Travelcorp (Aust) Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
Tramada Holdings Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
Tramada International Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
Tramada Systems Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
CTM Finance Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
QBT PTY Ltd	Body corporate	-	100.00	Australia	Australia	Australia
TravelEdge Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
Inspire Travel Management Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
Show Group Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
STA Travel Academic Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
Nexus Point Travel Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
Granted Worldwide Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
Communico Services Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
1000 Mile Travel Group Pty Ltd	Body corporate	-	100.00	Australia	Australia	Australia
Corporate Travel Management (New Zealand) Limited	Body corporate	-	100.00	New Zealand	Foreign	New Zealand
CTMNZ Holdings Ltd	Body corporate	-	100.00	New Zealand	Foreign	New Zealand
Atlantic & Pacific Business Travel Ltd	Body corporate	-	100.00	New Zealand	Foreign	New Zealand
Atlas Limited	Body corporate	-	100.00	New Zealand	Foreign	New Zealand
Show Group (NZ) Ltd	Body corporate	-	100.00	New Zealand	Foreign	New Zealand
CTMNA Holdings Limited	Body corporate	-	100.00	United States of America	Foreign	United States of America
Corporate Travel Management North America Inc	Body corporate	-	100.00	United States of America	Foreign	United States of America
TTRE Inc	Body corporate	-	100.00	United States of America	Foreign	United States of America
TTINV Inc	Body corporate	-	100.00	United States of America	Foreign	United States of America
Corporate Travel Management (CAN) Limited	Body corporate	-	100.00	Canada	Foreign	Canada



# Consolidated Entity Disclosure Statement

As at 30 June 2024

	Type of entity	Trustee, partner or participant in JV	% of share capital	Country of incorporation	Australian resident or foreign resident	Countries of residence for tax purpose
Corporate Travel Management (UK) Limited	Body corporate	-	100.00	United Kingdom	Foreign	United Kingdom
Corporate Travel Management (Europe) Limited	Body corporate	-	100.00	United Kingdom	Foreign	United Kingdom
Corporate Travel Management (North) Limited	Body corporate	-	100.00	United Kingdom	Foreign	United Kingdom
Portall Travel Limited	Body corporate	-	100.00	United Kingdom	Foreign	United Kingdom
Corporate Travel Management (United Kingdom) Ltd	Body corporate	-	100.00	United Kingdom	Foreign	United Kingdom
Travel and Transport UK Limited	Body corporate	-	100.00	United Kingdom	Foreign	United Kingdom
Statesman Travel Limited	Body corporate	-	100.00	United Kingdom	Foreign	United Kingdom
Statesman Travel Services Limited	Body corporate	-	100.00	United Kingdom	Foreign	United Kingdom
Corporate Travel Management (France) SAS	Body corporate	-	100.00	France	Foreign	France
Corporate Travel Management (Germany) GmbH	Body corporate	-	100.00	Germany	Foreign	Germany
Corporate Travel Management (Netherlands) BV	Body corporate	-	100.00	Netherlands	Foreign	Netherlands
Corporate Travel Management (Switzerland) GmbH	Body corporate	-	100.00	Switzerland	Foreign	Switzerland
Corporate Travel Management (Sweden) AB	Body corporate	-	100.00	Sweden	Foreign	Sweden
Corporate Travel Management (Norway) AS	Body corporate	-	100.00	Norway	Foreign	Norway
Corporate Travel Management (Poland) SP. z.o.o	Body corporate	-	100.00	Poland	Foreign	Poland, United Kingdom <sup>1</sup>
Statesman Travel Services Private Limited	Body corporate	-	99.99	India	Foreign	India
Wealthy Aim Investments Limited	Body corporate	-	75.10	British Virgin Islands	Foreign	Not applicable <sup>2</sup>
Westminster Travel Limited	Body corporate	-	75.10	Hong Kong	Foreign	Hong Kong
Far Extent Investments Limited	Body corporate	-	75.10	Hong Kong	Foreign	Hong Kong
Profit Shine Holdings Limited	Body corporate	-	75.10	British Virgin Islands	Foreign	Not applicable <sup>2</sup>
Bees.Travel Limited	Body corporate	-	75.10	Hong Kong	Foreign	Hong Kong
Corporate Travel Management Limited	Body corporate	-	75.10	Hong Kong	Foreign	Hong Kong
CTM Overseas Education Centre Limited	Body corporate	-	75.10	Hong Kong	Foreign	Hong Kong
Lotus Travel Group Limited	Body corporate	-	75.10	British Virgin Islands	Foreign	Not applicable <sup>2</sup>
Lotus Tours Limited	Body corporate	-	75.10	Hong Kong	Foreign	Hong Kong
Westminster Travel Limited (Taiwan)	Body corporate	-	75.10	Taiwan	Foreign	Taiwan

1 This entity is tax resident in its country of incorporation. It has also been determined to be a tax resident of the United Kingdom under the domestic income tax law of the United Kingdom. This entity is in the process of liquidation.

2 For the purposes of the British Virgin Islands domestic tax law, tax residency is not a relevant consideration for determining the taxability of corporate entities and income tax is not currently imposed.

# Consolidated Entity Disclosure Statement

As at 30 June 2024

	Type of entity	Trustee, partner or participant in JV	% of share capital	Country of incorporation	Australian resident or foreign resident	Countries of residence for tax purpose
Westminster Travel Consultancy (Guangzhou) Limited	Body corporate	-	75.10	People's Republic of China	Foreign	People's Republic of China
Guangzhou Anlu Travel Service Co Ltd	Body corporate	-	75.10	People's Republic of China	Foreign	People's Republic of China
Corporate Travel Management (Japan) Limited	Body corporate	-	75.10	Japan	Foreign	Japan
Corporate Travel Management (S) Pte. Ltd	Body corporate	-	75.10	Singapore	Foreign	Singapore
Universal Advisory Pte Ltd	Body corporate	-	75.10	Singapore	Foreign	Singapore
Safe2travel Pte Ltd	Body corporate	-	72.47	Singapore	Foreign	Singapore

## Basis of preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*. It includes certain information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

## Determination of tax residency

Section 295 (3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

### Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in *Tax Ruling TR 2018/5*.

### Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure compliance with applicable foreign tax legislation.

# Directors' Declaration

**In the Directors' opinion:**

- the financial statements and notes set out on pages [58 to 117](#) are in accordance with the *Corporations Act 2001*, including:
  - the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in [note 35 'Summary of material accounting policies'](#) to the financial statements; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- the Consolidated Entity Disclosure Statement on pages [118 to 120](#) is true and correct; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in [note 33 'Deed of cross guarantee'](#) will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in [note 33 'Deed of cross guarantee'](#) to the financial statements.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors,



**Ewen Crouch AM**  
Chairman



**Jamie Pherous**  
Managing Director

21 August 2024  
Brisbane

# Independent Auditor's Report

To the members of Corporate Travel Management Limited



## Independent auditor's report

To the members of Corporate Travel Management Limited

Report on the audit of the financial report

### Our opinion

In our opinion:

The accompanying financial report of Corporate Travel Management Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

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

### Independence

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 & 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.

PricewaterhouseCoopers, ABN 52 780 433 757  
480 Queen Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001  
T: +61 7 3257 5000, F: +61 7 3257 5999

Liability limited by a scheme approved under Professional Standards Legislation.

# Independent Auditor's Report

To the members of Corporate Travel Management Limited (Continued)



### Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic location and management structure of the Group, its accounting processes and controls and the industry in which it operates.

The Group provides travel management and accommodation agency services and operates in four broad geographic regions, being Australia and New Zealand, North America, Asia and Europe. The regional finance functions report to the Group finance function in Brisbane, Australia where the consolidation is performed.

Audit scope	Key audit matters
<ul style="list-style-type: none"><li>Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.</li><li>In establishing the overall approach for the Group audit, we determined the type of audit work that needed to be performed by us, as the Group engagement team, and determined the nature, timing and extent of involvement of the component auditors in the USA, Hong Kong and the UK operating under our instruction. We structured our audit as follows:<ul style="list-style-type: none"><li>We performed audit procedures over the Australia and New Zealand region, in addition to auditing the consolidation of the Group's regional reporting units into the Group's financial report.</li><li>Component auditors in the USA, Hong Kong and the UK performed audit procedures over the North America, Asia and Europe regions respectively.</li></ul></li><li>For the work performed by the component auditors in the USA, Hong Kong and the UK, we determined the level of involvement we needed to have in the audit work at these locations to be satisfied that sufficient audit evidence had been obtained as a basis for our opinion on the Group financial report as a whole. This included active dialogue throughout the year through discussions, issuing written instructions, visiting select locations, receiving formal interoffice reporting, as well as attending meetings with local management.</li></ul>	<ul style="list-style-type: none"><li>Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee:<ul style="list-style-type: none"><li>Recoverability assessment of the Group's goodwill</li><li>Recognition of the Group's revenue from contracts with customers</li></ul></li><li>These are further described in the <i>Key audit matters</i> section of our report.</li></ul>

# Independent Auditor's Report

To the members of Corporate Travel Management Limited (Continued)



## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

### Key audit matter

### How our audit addressed the key audit matter

#### **Recoverability assessment of the Group's goodwill** (Refer to note 10 and 25)

The financial report of the Group includes goodwill of \$900.2m as at 30 June 2024.

The goodwill is allocated to four cash generating units (CGUs) which include Australia and New Zealand, North America, Europe and Asia.

To determine whether the carrying value of these assets was recoverable, the Group prepared discounted cash flow models (the impairment models) under a value in use (VIU) methodology using Management's internal and external data.

This was a key audit matter given the financial significance of the Group's recorded goodwill balance and the judgement involved in determining assumptions around growth rates, discount rates and terminal values.

Our procedures included, amongst others:

- developing an understanding of how the Group identified assumptions and sources of data
- developing an understanding of the relevant key controls associated with developing the impairment models
- assessing whether the CGUs identified by the Group and the assets and liabilities, including the allocation of corporate assets and overheads allocated to them was reasonable and consistent with our knowledge of the Group's operations and internal reporting
- evaluating whether judgements made in selecting the methodology used, significant assumptions, and data for developing the impairment models gave rise to indicators of possible bias by the Group
- testing the mathematical accuracy, on a sample basis, of the impairment models' calculations
- evaluating the appropriateness of significant assumptions in the context of Australian Accounting Standards. This included:
  - comparing growth rate assumptions to alternative assumptions used in the industry
  - evaluating the appropriateness of the discount rates applied by the Group by comparing to market and other relevant sources
  - comparing the forecast cash flows used to develop the impairment models to the most up-to-date budgets formally approved by the Board
  - evaluating the appropriateness of inputs used to calculate the terminal value of each CGU
  - evaluating the Group's historical ability to

# Independent Auditor's Report

To the members of Corporate Travel Management Limited (Continued)



## Key audit matter

## How our audit addressed the key audit matter

### Recognition of the Group's revenue from contracts with customers (Refer to note 4)

The Group's revenue of \$710.4m includes the streams of revenue identified in note 4 and is driven by the provision of travel management and accommodation agency services under contracts with customers and suppliers.

The recognition of revenue is dependent upon the terms of the underlying contracts with customers and suppliers and the resulting performance obligations, as well as the transaction price that is allocated to the performance obligations.

This was a key audit matter given the financial significance of the Group's revenue and judgement applied by the Group in the identification of the performance obligations, determination of standalone selling prices, progress towards satisfaction of the performance obligations and therefore the timing and amount of revenue recognised.

forecast future cash flows by comparing budgets with reported actual results for the past three-years

- discussing with the Group the plans, goals, and objectives of the Group, and considering the feasibility and intent to carry out such courses of action
- evaluating the Group's sensitivity analysis on the significant assumptions used in the impairment models to assess under which assumptions an impairment would occur and whether this was reasonably possible
- evaluating the reasonableness of the disclosures against the requirements of Australian Accounting Standards.

Our procedures included, amongst others:

- developing an understanding of and evaluating the Group's revenue recognition methodology with reference to Australian Accounting Standards
- selecting a sample of contracts and inspecting the relevant contract terms to assess whether the individual characteristics of each contract were appropriately accounted for, including any modifications of contracts that occurred during the financial year. This included obtaining an understanding of how the Group:
  - identifies performance obligations to the relevant customers
  - the judgements used in determining the standalone selling price of performance obligations
  - the judgements used in forecasting and determining progress towards the satisfaction of the performance obligations and
  - assessing the Group's entitlement to revenue recognised under the contractual terms of the arrangements
- agreeing a sample of revenue transactions for each stream to supporting documents including amongst others, customer and supplier



# Independent Auditor's Report

To the members of Corporate Travel Management Limited (Continued)



## Key audit matter

## How our audit addressed the key audit matter

- agreements, invoices, remittances and bank statements
- evaluating the reasonableness of the disclosures against the requirements of Australian Accounting Standards.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, 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 through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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 on the other information that we obtained prior to the date of this auditor's report, 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 in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 the financial report.

# Independent Auditor's Report

To the members of Corporate Travel Management Limited (Continued)



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:  
[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our auditor's report.

Report on the remuneration report

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## Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Corporate Travel Management Limited for the year ended 30 June 2024 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 stylized, handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A stylized, handwritten signature in black ink, appearing to read 'Kim Challenor'.

Kim Challenor  
Partner

Brisbane  
21 August 2024

# Shareholder Information

The shareholder information set out below was applicable as at 11 July 2024.

## Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Securities	% of Total Securities
1 to 1,000	12,841	4,722,925	3.27
1,001 to 5,000	5,696	12,626,764	8.73
5,001 to 10,000	808	5,750,495	3.98
10,001 to 100,000	459	10,288,379	7.11
100,001 and over	56	111,260,373	76.91
<b>Total</b>	<b>19,860</b>	<b>144,648,936</b>	<b>100.00</b>
Holding less than a marketable parcel	962	20,001	-

Based on the Company's closing share price on 11 July 2024 (\$13.46), there were 962 holders of less than a marketable parcel of ordinary shares and together they hold 20,001 shares.

## Equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
1. Citicorp Nominees Pty Limited	26,541,873	18.35
2. J P Morgan Nominees Australia Pty Limited	22,339,966	15.44
3. HSBC Custody Nominees (Australia) Limited	20,117,303	13.91
4. Pherous Holdings Group Pty Ltd	16,500,000	11.41
5. BNP Paribas Nominees Pty Ltd (Agency Lending DRP A/C)	6,252,806	4.32
6. National Nominees Limited	1,746,258	1.21
7. BNP Paribas Nominees Pty Ltd (HUB24 Custodial Serv Ltd DRP)	1,543,878	1.07
8. Matimo Pty Ltd (Matimo A/C)	1,451,807	1.00
9. Helloworld Group Pty Ltd	1,390,659	0.96
10. BNP Paribas Nominees Pty Ltd (DRP)	1,223,025	0.85
11. Ms Helen Logas	1,000,497	0.69
12. HSBC Custody Nominees (Australia) Limited (Nt-Commwlth Super Corp A/C)	746,965	0.52
13. LJP2 Pty Ltd	700,000	0.48
14. Mirrabooka Investments Limited	664,000	0.46
15. Glenn Hargraves Investments Pty Limited	570,000	0.39
16. Shamiz Pty Ltd (Sami Superfun A/C)	567,107	0.39
17. Mr Tian Yu Ma	539,077	0.37
18. HSBC Custody Nominees (Australia) Limited	423,919	0.29
19. HSBC Custody Nominees (Australia) Limited - A/C2	361,669	0.25
20. Citicorp Nominees Pty Limited (Colonial First State Inv A/C)	359,866	0.25
<b>Top 20 Holders</b>	<b>105,040,675</b>	<b>72.61</b>
Remaining Holders balance	39,608,261	27.39
<b>Grand Total</b>	<b>144,648,936</b>	<b>100.00</b>

Unquoted equity securities	Number on issue	Number of holders
Share Appreciation Rights	672,416	49
Performance Rights	1,076,094	90

# Shareholder Information

The shareholder information set out below was applicable as at 11 July 2024.

## Substantial holders

As at 11 July 2024, the Company has been notified of the following substantial holders (including associate holdings):

	Number held	Ordinary shares % of total shares issued
Jamie Pherous	17,287,500	11.95
Bennelong Australian Equity Partners	13,288,630	9.19
First Sentier Investors - Australian Small and Mid-Cap Companies	8,975,943	6.21
AustralianSuper	8,954,360	6.19
ECP Asset Management	7,452,927	5.15

## Voting rights

The voting rights attaching to each class of equity securities are set out below:

### Ordinary shares voting rights

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

### Share Appreciation Rights

Share appreciation rights have no voting rights.

### Performance Rights

Performance rights have no voting rights.

### Securities purchased on-market

During FY24, a total of 6,268 ordinary shares were acquired on market for the purposes of the Company's employee equity plans and the average price per share purchased was \$16.11.

# Corporate Directory

As at 30 June 2024

<b>Directors</b>	Ewen Crouch AM Jamie Pherous Sophie Mitchell Jon Brett Marissa Peterson
<b>Secretary</b>	Shelley Sorrenson
<b>Annual General Meeting</b>	The Annual General Meeting of Corporate Travel Management Limited is scheduled to be held on 31 October 2024 at 11.00 (AEST).
<b>Registered office in Australia</b>	Level 9, 180 Ann Street Brisbane QLD 4000 Telephone: +61 7 3211 2400
<b>Share registrar</b>	Computershare Investor Services Pty Limited Level 1, 200 Mary Street Brisbane, QLD 4000 Telephone: 1300 787 272 Outside Australia: +61 3 9415 4000
<b>Auditor</b>	PricewaterhouseCoopers Australia 480 Queen Street Brisbane QLD 4000
<b>Stock exchange listing</b>	Corporate Travel Management shares are quoted on the Australian Securities Exchange (ASX).
<b>Website address</b>	<a href="https://travelctm.com/global/">travelctm.com/global/</a>
<b>ABN</b>	17 131 207 611





**Registered Office:**  
Corporate Travel Management Limited  
Level 9, 180 Ann Street, Brisbane QLD 4000

[investor.travelctm.com.au](http://investor.travelctm.com.au)