

Appendix 4E
Preliminary final report
For the period ended 30 June 2017

WEBJET LIMITED And its controlled entities	ABN: 68 002 013 612
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1. Results for announcement to the market

On 28 July 2017, the Company advised the ASX of a disagreement with its auditors regarding a technical accounting matter relating to its financial statements. The Company has decided to adopt the auditor's proposed accounting treatment and the financial statements included in this report reflect that determination.

Key Information	Current period FY17 (\$ 000)	Previous corresponding period FY16 (\$ 000)		% Change	Amount of change (\$ 000)
Revenues from ordinary activities	210,158	155,333	Up	35%	54,825
Gain on sale of subsidiary	28,039	0	Up	n/a	28,039
Profit from ordinary activities before tax attributable to members	61,596	30,111	Up	105%	31,485
Income tax (expense) / benefit (Note 1)	(9,174)	(8,854)	Up	(4%)	(320)
Profit from ordinary activities after tax attributable to members	52,422	21,257	Up	147%	31,165

Note 1. Finalisation of Online Republic business combination led to a \$961,000 restatement of FY 16 tax expense and a corresponding adjustment (reduction) to NPAT.

The accounts are in the process of being audited. Accounts per the listing rule definition includes directors, corporate governance and remuneration reports. Based on the finance statements that are included in this report, the company is anticipating an unqualified audit report.

The Company has declared a final dividend of 10.0 cents per share fully franked, to be paid on 12 October 2017, an increase of 2.0 cents compared to the final dividend last year (25% increase), taking the full year dividend to 17.50 cents per share.

2. NTA backing

	Current period	Previous period
Net tangible asset backing per ordinary security	\$0.78	\$0.00
** Net tangible asset backing per ordinary security (as at 1 July 2016)		\$0.32

** Webjet funded the \$NZ 85 million acquisition of Online Republic by a fully underwritten accelerated non-renounceable entitlement offer and a new issue of Webjet Limited shares to the vendors. The institutional component of the entitlement offer was finalised on 16 June 2016 and the \$31 million, 5.5million share retail component was finalised on 1 July 2016.

3. Commentary on the financial results

Webjet today announced revenue increased 35% to \$210.2 million, EBITDA increased \$33.2 million to \$69.9 million, a 90.7% increase over the same period. Profit-before-tax increased 105% to \$61.6 million. Net profit after tax was \$52.4 million, 147% higher than prior corresponding period.

Reported result before tax includes \$17.5 million from one-off items, including the \$28.0 million from the disposal of Zuji, \$1.4m USA investment write down, \$5.5 million Webjet Exclusives revenue recognition change and a \$3.6 million charge associated with incentives, the early termination of a car hire agreement and the issue of non-recurring performance rights to key management personal.

The continuing operations which excludes the trading performance of Zuji Hong Kong and Singapore revenue increased 48.9% to \$204.9 million; EBITDA increased 40.3% to \$51.0 million and NPAT increased 58.0% to \$33.1 million.

4. Loss of control of entities during the period

Loss of Control of Entities During the Period	Current period	Previous corresponding period
	FY17 (\$ 000)	FY16 (\$ 000)
Name of entities	Zuji Limited Zuji Travel Pte Ltd	
Date of loss of control, i.e. date until which profit (loss) has been calculated	31 Dec 2016	-
Profit (loss) after income tax of the subsidiary (or group of entities) during the current period to the date on which control was lost	(32)	-
Contribution to consolidated profit (loss) from sale of interest leading to loss of control	28,039	

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Roger Sharp
Chairman

Date: 31 August 2017

Contents

	Page
Financial statements	
Consolidated statement of profit or loss	4
Consolidated statement of comprehensive income	5
Consolidated balance sheet	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9

Webjet Limited
Consolidated statement of profit or loss
For the year ended 30 June 2017

	Notes	Consolidated entity	
		Year ended	
		30 June	30 June
		2017	2016
		\$'000	\$'000
Revenue	3	199,219	152,006
Finance income	4(a)	3,320	783
Other income	4(b)	35,658	2,544
		238,197	155,333
Cost of Sales		(13,625)	-
Share of net (loss) of associates accounted for using the equity method		-	(20)
Employee benefits expense	6	(56,744)	(40,566)
Depreciation, amortisation and impairment	6	(8,223)	(6,023)
Marketing expenses		(34,011)	(29,351)
Operating expenses		(34,331)	(30,176)
Options expense		(1,133)	(118)
Technology expenses		(8,548)	(7,125)
Administrative expenses		(7,234)	(4,654)
Finance expenses		(3,386)	(1,266)
Directors' fees		(614)	(475)
Other expenses		(8,752)	(5,201)
Business acquisition costs		-	(247)
Profit before income tax		61,596	30,111
Income tax expense	5	(9,174)	(8,854)
Profit from continuing operations		52,422	21,257
Profit for the period		52,422	21,257
Profit is attributable to:			
Owners of Webjet Limited		52,422	21,257
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)	16	53.79	26.17
Diluted earnings per share (cents)	16	52.87	25.78

Webjet Limited
Consolidated statement of comprehensive income
For the year ended 30 June 2017

	Consolidated entity	
	Year ended	
	30 June	30 June
	2017	2016
	\$'000	\$'000
Profit for the period	52,422	21,257
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	(1,671)	569
Changes in fair value of derivatives	43	(1,169)
	<u>(1,628)</u>	(600)
 <i>Items that have been subsequently reclassified to profit or loss</i>		
Foreign exchange gain on disposal of subsidiaries	<u>(5,569)</u>	-
 Other comprehensive income for the period, net of tax	<u>(7,197)</u>	(600)
 Total comprehensive income for the period	<u>45,225</u>	20,657
Total comprehensive income for the period is attributable to:		
Owners of Webjet Limited	<u>45,225</u>	20,657
Total comprehensive income for the period attributable to owners of Webjet Limited arises from:		
Continuing operations	<u>45,225</u>	20,657

Webjet Limited
Consolidated balance sheet
As at 30 June 2017

	Notes	Consolidated entity	
		At	
		30 June 2017 \$'000	30 June 2016 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	19	178,125	116,215
Trade and other receivables	7	117,372	80,798
Current tax receivables		766	-
Other current assets	8	20,464	9,356
Loan receivable		13,297	-
Total current assets		330,024	206,369
Non-current assets			
Other financial assets		255	255
Investments in associates	18(b)	-	88
Other non-current assets		1,530	1,528
Deferred tax assets	5(c)	2,787	4,854
Property, plant and equipment	9	11,689	11,758
Intangible assets	10	139,428	160,950
Loan receivable		7,106	-
Total non-current assets		162,795	179,433
Total assets		492,819	385,802
LIABILITIES			
Current liabilities			
Trade and other payables	11	184,593	146,842
Borrowings	12	13,170	38,351
Derivative financial instruments		1,186	338
Current tax liabilities		-	4,771
Provisions	13	3,999	4,136
Other current liabilities	14	22,774	3,281
Total current liabilities		225,722	197,719
Non-current liabilities			
Deferred tax liabilities	5(c)	13,139	11,321
Borrowings	12	36,300	17,143
Provisions	13	1,320	874
Derivative financial instruments		-	1,021
Other non-current liabilities		-	7,124
Total non-current liabilities		50,759	37,483
Total liabilities		276,481	235,202
Net assets		216,338	150,600
EQUITY			
Share capital	15(a)	136,453	101,690
Reserves	15(b)	(1,522)	4,768
Retained earnings		81,407	44,142
Capital and reserves attributable to owners of Webjet Limited		216,338	150,600
Total equity		216,338	150,600

Webjet Limited
Consolidated statement of changes in equity
For the year ended 30 June 2017

Consolidated entity	Notes	Attributable to owners of Webjet Limited					Retained earnings \$'000	Total \$'000
		Share capital \$'000	Available- for-sale financial assets \$'000	Cash flow hedges \$'000	Share- based payments \$'000	Foreign currency translation \$'000		
Balance at 1 July 2016		101,690	55	(1,154)	560	5,307	44,142	150,600
Profit for the year as reported in the 2017 financial statements		-	-	-	-	-	52,422	52,422
Other comprehensive income		-	-	43	-	(7,240)	-	(7,197)
Total comprehensive income for the period		-	-	43	-	(7,240)	52,422	45,225
Transactions with owners in their capacity as owners:								
Contributions of equity, net of transaction costs and tax	15(a)	30,257	-	-	-	-	-	30,257
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax	15(a)	-	-	-	-	-	-	-
Dividends provided for or paid	17	-	-	-	-	-	(15,157)	(15,157)
Issue of shares exercised through options	15(a)	4,280	-	-	-	-	-	4,280
Transfer from share based payment reserve		226	-	-	(226)	-	-	-
Share based payment expense recognised for the year		-	-	-	1,133	-	-	1,133
		34,763	-	-	907	-	(15,157)	20,513
Balance at 30 June 2017		136,453	55	(1,111)	1,467	(1,933)	81,407	216,338

Consolidated entity	Notes	Attributable to owners of Webjet Limited					Retained earnings \$'000	Total \$'000
		Share capital \$'000	Available- for-sale financial assets \$'000	Cash flow hedges \$'000	Share- based payments \$'000	Foreign currency translation \$'000		
Balance at 1 July 2015		42,779	55	15	862	4,738	34,005	82,454
Profit for the year as reported in the 2016 financial statements		-	-	-	-	-	21,257	21,257
Other comprehensive income		-	-	(1,169)	-	569	-	(600)
Total comprehensive income for the period		-	-	(1,169)	-	569	21,257	20,657
Transactions with owners in their capacity as owners:								
Contributions of equity, net of transaction costs and tax	15(a)	40,014	-	-	-	-	-	40,014
Dividends provided for or paid	17	-	-	-	-	-	(11,120)	(11,120)
Issue of shares exercised through options		3,040	-	-	-	-	-	3,040
Transfer from share based payment reserve		420	-	-	(420)	-	-	-
Share based payment expense recognised for the year		-	-	-	118	-	-	118
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax		15,437	-	-	-	-	-	15,437
		58,911	-	-	(302)	-	(11,120)	47,489
Balance at 30 June 2016		101,690	55	(1,154)	560	5,307	44,142	150,600

Webjet Limited
Consolidated statement of cash flows
For the year ended 30 June 2017

		Consolidated entity	
		Year ended	
Notes	30 June	30 June	2016
	2017		2016
	\$'000		\$'000
Cash flows from operating activities			
	638,684		443,087
Receipts from customers			
	(591,488)		(390,923)
Payments to suppliers and employees			
	(12,141)		(5,090)
Income taxes paid			
	(3,321)		(1,233)
Interest and other costs of finance paid			
	3,054		783
Interest received			
Net cash inflow from operating activities	34,788		46,624
20(a)			
Cash flows from investing activities			
	(5,144)		(2,543)
Payments for property, plant and equipment			
	(12,342)		(6,531)
Purchase of intangible assets			
	54,538		-
Disposal of subsidiaries, net of cash			
	-		(58,519)
Payments for acquisition of subsidiary, net of cash acquired			
	142		100
Dividends received			
Net cash inflow (outflow) from investing activities	37,194		(67,493)
Cash flows from financing activities			
	31,510		45,559
Proceeds from issues of shares and other equity securities			
	50,493		34,352
Proceeds from borrowings			
	(55,599)		(4,000)
Repayment of borrowings			
	(15,157)		(11,120)
Dividends paid to company's shareholders			
	1,578		-
Repayments for related party loan			
	14,298		-
Receipts from loan receivable			
	(36,754)		-
Payment for loan			
	(1,500)		(1,500)
Advances for related party loan			
Net cash (outflow) inflow from financing activities	(11,131)		63,291
Net increase in cash and cash equivalents			
	60,851		42,422
Cash and cash equivalents at the beginning of the financial year			
	116,215		76,230
Effects of exchange rate changes on cash and cash equivalents			
	1,059		(2,437)
Cash and cash equivalents at end of period	178,125		116,215
19			

Contents of the notes to the consolidated financial statements

- 1 Summary of significant accounting policies
- 2 Segment information
- 3 Revenue
- 4 Other income
- 5 Income tax expense
- 6 Profit for the year
- 7 Trade and other receivables
- 8 Other assets
- 9 Property, plant and equipment
- 10 Intangible assets
- 11 Trade and other payables
- 12 Borrowings
- 13 Provisions
- 14 Other liabilities
- 15 Equity
- 16 Earnings per share
- 17 Dividends
- 18 Interests in other entities
- 19 Cash and cash equivalents
- 20 Cash flow information
- 21 Business combination
- 22 Disposal of subsidiaries

1 Summary of significant accounting policies

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last annual financial statements and the last half-year financial statements.

2 Segment information

(a) Description of segments and principal activities

Management has determined the operating segments and the segment information disclosed is based on reports reviewed by the Managing Director that are used to make strategic decisions.

The Managing Director considers that all members of the group provide the same service, being Travel Bookings. The reportable segments of the Consolidated Entity are considered to be - Business to Consumer Travel (B2C Travel) and Business to Business Travel (B2B Travel).

There are no sales between segments. The revenue from external customers reported to the Managing Director is measured in a manner that is consistent with that in the consolidated statement of profit and loss.

The amounts provided to the Managing Director with respect to total assets and total liabilities are measured in a manner that is consistent with that of the Consolidated Balance Sheet.

(b) Segment results

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

	B2C Travel	One-offs	Total B2C	B2B Travel	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2017					
Revenues from travel bookings	168,248	(5,504)	162,744	36,475	199,219
Interest revenue / (expense)	684	-	684	(678)	6
Depreciation, amortisation & impairment	(3,816)	(1,319)	(5,135)	(3,088)	(8,223)
Profit before tax & corporate costs	54,988	17,617	72,605	(3,415)	69,190
Corporate costs	-	-	-	-	(7,594)
Income tax expense	(10,362)	1,721	(8,641)	(533)	(9,174)
Profit after tax	44,626	19,338	63,964	(3,948)	52,422
EBITDA (excl corporate costs)	58,119	18,936	77,055	351	77,406
	B2C Travel	One-offs	Total B2C	B2B Travel	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2016					
Revenues from travel bookings	121,479	-	121,479	30,527	152,006
Interest revenue / (expense)	558	-	558	(1,041)	(483)
Depreciation, amortisation & impairment	(3,166)	-	(3,166)	(2,857)	(6,023)
Profit before tax & corporate costs	36,371	-	36,371	(489)	35,881
Corporate costs	-	-	-	-	(5,771)
Income tax expense	(9,108)	-	(9,108)	254	(8,854)
Profit after tax	27,263	-	27,263	(235)	21,257
EBITDA (excl corporate costs)	39,227	-	39,227	3,409	42,635

2 Segment information (continued)

(b) Segment results (continued)

	2017			2016		
	B2C Travel \$'000	B2B Travel \$'000	Total \$'000	B2C Travel \$'000	B2B Travel \$'000	Total \$'000
Segment assets	311,496	181,323	492,819	291,268	94,534	385,802
Segment liabilities	174,716	101,720	276,481	179,316	55,886	235,202
Acquisitions of non-current assets*	13,536	4,840	18,376	85,174	1,268	86,442

*Non-current assets excluding financial assets and deferred tax assets.

(c) Other segment information

Webjet Limited is domiciled in Australia. For the purposes of this disclosure, revenue is determined by the location of the customer and assets are allocated based on the legal entity ownership of the asset. The amount of revenue and non-current assets in Australia is as follows:

	Revenue		Non-current assets*	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Australia	120,461	96,706	24,700	48,011
All other countries	78,758	55,300	126,415	118,731
	199,219	152,006	151,115	166,742

* Non-current assets excluding financial assets and deferred tax assets.

3 Revenue

The Consolidated Entity derives the following types of revenue:

Revenue	Consolidated entity Year ended	
	30 June 2017 \$'000	30 June 2016 \$'000
Revenue from travel bookings as principal	16,151	-
Revenue from travel bookings as agent	183,068	152,006
	199,219	152,006

4 Other income

(a) Investment income

Interest income	Consolidated entity Year ended	
	30 June 2017 \$'000	30 June 2016 \$'000
	3,320	783

4 Other income (continued)

(b) Other income

	Notes	Consolidated entity Year ended	
		30 June 2017	30 June 2016
		\$'000	\$'000
Net gain on disposal of subsidiaries	22	28,039	-
Dividend income		142	100
Other income		7,477	2,444
		<u>35,658</u>	<u>2,544</u>

5 Income tax expense

(a) Income tax expense

	Consolidated entity Year ended	
	30 June 2017	30 June 2016
	\$'000	\$'000
<i>Current tax</i>		
Current tax	7,213	7,480
Adjustments for current tax of prior periods	(267)	(1,569)
Total current tax expense	<u>6,946</u>	<u>5,911</u>
<i>Deferred income tax</i>		
Deferred tax	1,835	2,450
Adjustments for deferred tax of prior periods	393	493
Total deferred tax expense	<u>2,228</u>	<u>2,943</u>
Income tax expense	<u>9,174</u>	<u>8,854</u>

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated entity Year ended	
	30 June 2017	30 June 2016
	\$'000	\$'000
Profit from continuing operations before income tax expense	61,596	30,111
Tax at the Australian tax rate of 30.0% (2016 - 30.0%)	18,479	9,033
Tax loss of foreign subsidiaries not recognised	2,451	624
Effect of income/expenses that are not assessable/deductible in determining taxable profit	(11,910)	71
Effect of utilised franking credits	(45)	-
Research and development tax credit	(150)	(163)
Effect of deferred tax expense relating to the origination and reversal of temporary differences	-	(262)
Utilisation of tax losses	-	(263)
Foreign income tax offset	-	(26)
Difference in overseas tax rates	242	(366)
Adjustments for current tax of prior periods	(267)	(1,569)
Adjustments for deferred tax of prior period	394	493
Other	(20)	1,282
Income tax expense	<u>9,174</u>	<u>8,854</u>

The tax rate used for the 2017 and 2016 reconciliation above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

5 Income tax expense (continued)

(c) Deferred tax balances

(i) Deferred tax assets

	Consolidated entity	
	At	
	30 June 2017 \$'000	30 June 2016 \$'000
The balance comprises temporary differences attributable to:		
Tax losses	803	1,335
Employee benefits	1,317	1,118
Deferred revenue	3	546
Other	(551)	247
Intangibles & PPE	917	980
Expenses deductible over 5 years	298	628
Total deferred tax assets	2,787	4,854

(ii) Deferred tax liabilities

	Consolidated entity	
	At	
	30 June 2017 \$'000	30 June 2016 \$'000
The balance comprises temporary differences attributable to:		
Intangible assets	12,218	10,820
Interest receivable	90	121
Other	831	380
Total deferred tax liabilities	13,139	11,321

Relevance of tax consolidation to the Consolidated Entity

The company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2007 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Webjet Limited. The members of the tax-consolidated group are identified in the notes. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Webjet Ltd and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

Nature of tax funding arrangements and tax sharing agreements (continued)

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

6 Profit for the year

	Notes	30 June 2017 \$'000	30 June 2016 \$'000
Depreciation, amortisation and impairment			
Depreciation	9	1,702	1,871
Amortisation	10	5,202	4,152
Impairment of associate		1,319	-
		8,223	6,023
Research & development costs expensed		1,965	1,981
Employee expenses			
Employee benefits expenses		51,773	36,757
Superannuation expense		1,909	1,596
Payroll tax		3,062	2,213
		56,744	40,566
Operating lease expense		2,018	1,673
Net foreign exchange (gains)/losses		1,083	232

7 Trade and other receivables

	Consolidated entity					
	At					
	30 June 2017			30 June 2016		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
Trade receivables	120,319	-	120,319	81,565	-	81,565
Provision for impairment of receivables	(2,947)	-	(2,947)	(767)	-	(767)
	117,372	-	117,372	80,798	-	80,798

(i) *Classification as trade and other receivables*

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30 - 90 days and therefore are all classified as current in the consolidated balance sheet.

Credit risk is managed by each business unit (brand) where aged debtors > \$10,000 are individually reviewed on a monthly basis for both B2B and B2C customers. Management is prudent in its provisions against receivables, and focus particularly on those that have aged greater than 6 months. Trade receivables that are neither past due nor impaired relate to long standing business partners with good track records. As at 30 June 2017, the provision for doubtful debts is \$2.9m and represents 2% of trade debtors (2016: 2%). There is no credit risk associated with the B2C's booking fee revenue as this is collected from the customer at the time of booking and is non-refundable. For B2C commissions, there is some credit risk associated, as some are accrued on a ticketed basis whilst some are accrued when the customer has obtained service from a third party provider.

8 Other assets

	Consolidated entity	
	At	
	30 June 2017 \$'000	30 June 2016 \$'000
Current		
Prepayments	16,214	5,294
Margin deposits	3,132	2,998
Other current assets	1,118	1,064
	20,464	9,356
Total		

9 Property, plant and equipment

Consolidated entity	Land & building \$'000	Software \$'000	Office equipment \$'000	Furniture & fittings \$'000	Leasehold improvements \$'000	Computer equipment \$'000	Assets under construction \$'000	Total \$'000
At 1 July 2016								
Cost or fair value	4,012	7,273	2,162	770	2,024	3,931	383	20,555
Accumulated depreciation	(275)	(3,211)	(1,007)	(408)	(1,527)	(2,369)	-	(8,797)
Net book amount	<u>3,737</u>	<u>4,062</u>	<u>1,155</u>	<u>362</u>	<u>497</u>	<u>1,562</u>	<u>383</u>	<u>11,758</u>
Year ended 30 June 2017								
Opening net book amount	3,737	4,062	1,155	362	497	1,562	383	11,758
Exchange differences	(23)	(80)	(3)	(9)	(1)	(57)	(12)	(185)
Additions	-	424	77	76	449	953	3,165	5,144
Transfers	-	(3,041)	-	-	-	38	(38)	(3,041)
Depreciation charge	(58)	(389)	(186)	(72)	(281)	(716)	-	(1,702)
Disposal of subsidiaries	-	(26)	(9)	(19)	(40)	(191)	-	(285)
Closing net book amount	<u>3,656</u>	<u>950</u>	<u>1,034</u>	<u>338</u>	<u>624</u>	<u>1,589</u>	<u>3,498</u>	<u>11,689</u>
At 30 June 2017								
Cost	3,989	3,385	2,194	691	2,140	4,425	3,498	20,322
Accumulated depreciation	(333)	(2,435)	(1,160)	(353)	(1,516)	(2,836)	-	(8,633)
Net book amount	<u>3,656</u>	<u>950</u>	<u>1,034</u>	<u>338</u>	<u>624</u>	<u>1,589</u>	<u>3,498</u>	<u>11,689</u>

9 Property, plant and equipment (continued)

Consolidated entity	Land & building \$'000	Software \$'000	Office equipment \$'000	Furniture & fittings \$'000	Leasehold improvements \$'000	Computer equipment \$'000	Assets under construction \$'000	Total \$'000
At 1 July 2015								
Cost or fair value	3,876	3,460	2,098	686	1,391	2,151	211	13,873
Accumulated depreciation	(207)	(2,039)	(793)	(312)	(792)	(1,638)	(6)	(5,787)
Net book amount	3,669	1,421	1,305	374	599	513	205	8,086
Consolidated entity	Land & building \$'000	Software \$'000	Office equipment \$'000	Furniture & fittings \$'000	Leasehold improvements \$'000	Computer equipment \$'000	Assets under construction \$'000	Total \$'000
Year ended 30 June 2016								
Opening net book amount	3,669	1,421	1,305	374	599	513	205	8,086
Exchange differences	129	105	147	16	6	1	(10)	394
Additions	-	1,487	45	8	7	808	188	2,543
Transfers	-	2,035	-	-	-	344	-	2,379
Depreciation charge	(61)	(787)	(337)	(87)	(169)	(430)	-	(1,871)
Disposals	-	(199)	(5)	-	-	(31)	-	(235)
Additions through acquisition	-	-	-	51	54	357	-	462
Closing net book amount	3,737	4,062	1,155	362	497	1,562	383	11,758
At 30 June 2016								
Cost or fair value	4,012	7,273	2,162	770	2,024	3,931	383	20,555
Accumulated depreciation	(275)	(3,211)	(1,007)	(408)	(1,527)	(2,369)	-	(8,797)
Net book amount	3,737	4,062	1,155	362	497	1,562	383	11,758

10 Intangible assets

Consolidated entity	Goodwill	Trademarks	Capitalised development	Other	Total
Non-current assets	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2016					
Cost	97,771	26,055	27,742	20,586	172,154
Accumulation amortisation and impairment	-	-	(8,230)	(2,974)	(11,204)
Net book amount	97,771	26,055	19,512	17,612	160,950
Year ended 30 June 2017					
Opening net book amount	97,771	26,055	19,512	17,612	160,950
Additions	-	-	8,919	3,423	12,342
Exchange differences	(305)	(107)	(157)	27	(542)
Amortisation charge	-	-	(3,849)	(1,353)	(5,202)
Transfers	-	-	3,374	(333)	3,041
Disposal of subsidiary	(23,667)	(7,495)	-	-	(31,162)
Closing net book amount	73,798	18,453	27,799	19,378	139,428
At 30 June 2017					
Cost	73,798	18,453	40,355	24,052	156,658
Accumulated amortisation	-	-	(12,556)	(4,674)	(17,230)
Net book amount	73,798	18,453	27,799	19,378	139,428
Consolidated entity					
Non-Current assets					
At 1 July 2015					
Cost	38,490	8,347	21,826	11,162	79,825
Accumulation amortisation and impairment	(190)	-	(5,576)	(1,844)	(7,610)
Net book amount	38,300	8,347	16,250	9,318	72,215
Year ended 30 June 2016					
Opening net book amount	38,300	8,347	16,250	9,318	72,215
Additions through business combination	56,997	17,088	1,207	10,281	85,573
Additions	-	-	5,498	1,033	6,531
Exchange differences	2,474	620	7	554	3,655
Amortisation charge	-	-	(2,728)	(1,424)	(4,152)
Transfers	-	-	(228)	(2,150)	(2,378)
Write off	-	-	(494)	-	(494)
Closing net book amount	97,771	26,055	19,512	17,613	160,950
At 30 June 2016					
Cost	97,771	26,055	27,742	20,586	172,154
Accumulation amortisation and impairment	-	-	(8,230)	(2,974)	(11,204)
Net book amount	97,771	26,055	19,512	17,612	160,950

10 Intangible assets (continued)

(i) Capitalised development

The capitalised development intangible assets represent the Consolidated Entity's travel booking system and licences as well as additional distribution systems that enable customers to access this booking platform.

Capitalised development has a finite life and is amortised on a straight-line basis. Capitalised development relating to Core Booking Systems is amortised over 15 years, while capitalised development relating to Ancillary Systems is amortised over a period of 5 to 10 years.

(ii) Trademarks

Trademarks have been acquired through the acquisition of the Zuji, Sunhotels and Online Republic group of entities. All trademarks are carried at cost less accumulated impairment losses. The intangible assets relating to the Zuji, Sunhotels and Online Republic acquisitions have been determined to have indefinite useful lives as there is no expiry and no foreseeable limit on the period of time over which these assets are expected to contribute to the cashflows of the Consolidated Entity. For impairment purposes the trademarks are tested at an overall cash generating unit level.

During the year the Zuji trademarks were disposed of in connection with the sale of the Zuji subsidiaries. Refer to note 22 disposal of subsidiaries for further details.

(iii) Other identifiable intangibles

The other identifiable intangible assets acquired through the acquisition of the Sunhotels and Online Republic group of entities include domain names, other software licences and development, supplier agreements, operating rights, customer lists and non-compete agreements.

Other intangible assets all have a finite life and are assessed individually in determining useful life for amortisation. The useful lives of these assets range from 3 - 10 years.

(iv) Goodwill

Goodwill has been acquired as part of business combinations and after initial recognition is measured at cost less accumulated impairment losses. Goodwill is not amortised but is assessed for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that it might be impaired.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arise, identified according to operating segments.

During the year goodwill attributed to the Zuji acquisition was disposed of in relation to the sale of the Zuji subsidiaries. Refer to note 22 disposal of subsidiaries for further details.

(v) Impairment tests for goodwill

Goodwill is monitored by management at the operating segment level as disclosed in note 2. Management has identified the reportable segments to be Business to Consumer Travel (B2C Travel) and Business to Business Travel (B2B Travel).

The segment-level summary of the carrying amount of goodwill and trademarks acquired from business combinations is shown below:

	B2C Travel	B2B Travel	Total
	\$'000	\$'000	\$'000
2017			
Carrying amount of goodwill	58,433	15,365	73,798
Carrying amount of trademarks	17,525	928	18,453
	<hr/> 75,958	<hr/> 16,293	<hr/> 92,251
2016			
	B2C Travel	B2B Travel	Total
	\$'000	\$'000	\$'000
Carrying amount of goodwill	82,345	15,426	97,771
Carrying amount of trademarks	25,122	933	26,055
	<hr/> 107,467	<hr/> 16,359	<hr/> 123,826

11 Trade and other payables

	Consolidated entity	
	At	
	30 June 2017 \$'000	30 June 2016 \$'000
Current liabilities		
Trade payables	153,528	125,947
Proceeds received in advance - share issue	-	3,816
Other payables	31,065	17,079
	184,593	146,842

Trade payables are unsecured and are usually paid within 30 days of recognition.

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

12 Borrowings

	Consolidated entity					
	At					
	30 June 2017		Total \$'000	30 June 2016		
Current \$'000	Non- current \$'000	Current \$'000		Non- current \$'000	Total \$'000	
Bank loans	13,170	36,300	49,470	38,351	17,143	55,494
Total borrowings	13,170	36,300	49,470	38,351	17,143	55,494

On 9 September 2016, the Group entered into a 5 year unsecured loan amounting to USD \$27,554,100. The proceeds of the loan were used to fund the acquisition of direct hotel contracts under the Thomas Cook Agreement. Current portion of the borrowings represents the next two scheduled repayments of USD \$2,100,000 and USD \$2,450,000 due 20 December 2017 and 20 June 2018 respectively.

On 15 June 2016, the Group entered into a short term bank loan amounting to \$31,500,000. The proceeds from the loan were used to fund the acquisition of Online Republic. Following the receipt of funds from the retail share placement which settled on 1 July 2016, the loan was repaid.

During the prior period, the Group obtained a USD \$10,000,000 unsecured working capital facility with HSBC of which as at 30 June 2017, an amount of USD \$2,500,000 (AUD equivalent \$3,251,700) has been drawn down by the B2B business (2016: USD \$2,120,000).

In 2014 the Group obtained a new unsecured long term bank loan amounting to A\$27,150,000. The loan bears interest at variable market rates and is carried at amortised cost over a 3 year maturity. The proceeds from the loan were used to fund the Sunhotels acquisition. There are bi-annually scheduled repayments of \$2,000,000 due on 14 July 2017 and 13 January 2018.

(i) Compliance with loan covenants

The loan agreement used to fund the Sunhotels acquisition and Thomas Cook arrangement enforces the following covenants:

- a. Operating leverage ratio must not exceed 2.5:1; and
- b. Interest cover ratio must not be lower than 4:1 for the term of the loans.

Webjet Limited has complied with the financial covenants of its borrowing facilities during the 2017 and 2016 reporting periods.

13 Provisions

Notes	Consolidated entity					
	At					
	30 June 2017			30 June 2016		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
Employee benefits (i)	2,549	1,067	3,616	2,455	546	3,001
Gift vouchers (i)	1,310	-	1,310	1,610	-	1,610
Make good provision (i)	-	253	253	-	328	328
Other provisions	140	-	140	71	-	71
	3,999	1,320	5,319	4,136	874	5,010

(i) Information about individual provisions and significant estimates

Employee benefits

The current provision for employee benefits for the Consolidated Entity includes \$541,010 of vested long service leave entitlements accrued but not expected to be taken within 12 months (2016: \$157,228).

Gift vouchers

The Consolidated Entity provides for the value of gift vouchers sold or issued to customers but not yet redeemed or expired.

Make good provision

The Consolidated Entity is required to restore the leased office 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 or the useful life of the assets.

(ii) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

Consolidated entity	Gift vouchers provision \$'000	Make good provision \$'000	Other \$'000	Total \$'000
2017				
Carrying amount at the start of the year	1,610	328	71	2,009
Additional provisions recognised	2,887	-	70	2,957
Charged/(credited) to profit or loss	(3,167)	-	-	(3,167)
Foreign exchange differences	(2)	(12)	(1)	(15)
Disposal of subsidiary	(18)	(63)	-	(81)
Carrying amount at end of period	1,310	253	140	1,705

Consolidated entity	Gift vouchers provision \$'000	Make good provision \$'000	Other \$'000	Total \$'000
2016				
Carrying amount at the start of the year	2,136	326	180	2,642
Additional provisions recognised	4,061	-	-	4,061
Charged/(credited) to profit or loss	(4,587)	-	(109)	(4,696)
Foreign exchange differences	-	2	-	2
Carrying amount at end of period	1,610	328	71	2,009

14 Other liabilities

	Consolidated entity					
	At					
	30 June 2017			30 June 2016		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
Deferred revenue	22,645	-	22,645	3,038	7,124	10,162
Lease incentive liability	129	-	129	243	-	243
	22,774	-	22,774	3,281	7,124	10,405

Deferred revenue relates to revenue from travel bookings that is deferred on the balance sheet until travel has occurred and revenue can be recognised.

In the prior period this related to amounts received but not yet deemed to be earned, this includes amounts received for promotional activities that have not yet taken place and other long term supplier agreements.

15 Equity

(a) Share capital

	Notes	30 June 2017 Shares	30 June 2016 Shares	30 June 2017 \$'000	30 June 2016 \$'000
Ordinary shares					
Ordinary shares - fully paid		98,110,166	91,554,902	136,453	101,690
Total share capital		98,110,116	91,554,902	136,453	101,690

(i) Movements in ordinary share:

Details	Notes	Number of shares (thousands)	\$'000
Opening balance 1 July 2016		91,555	101,690
Transfer from share based payment reserve		-	226
Exercise of options - Proceeds received		1,000	4,280
Rights issue		5,544	31,046
Issue of shares to Employee Share Plan Trust		11	-
Less: Transaction costs arising on share issue		-	(789)
Balance 30 June 2017		98,110	136,453

Details	Notes	Number of shares (thousands)	\$'000
Opening balance 1 July 2015		80,398	42,779
Transfer from share based payment reserve		-	420
Exercise of options - Proceeds received		1,000	3,040
Acquisition of subsidiary		2,756	15,437
Rights issue		7,401	41,445
Less: Transaction costs arising on share issue		-	(1,871)
Deferred tax credit recognised directly in equity		-	440
Balance 30 June 2016		91,555	101,690

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

15 Equity (continued)

Share options granted under the employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are contained in the notes to the financial statements.

(ii) Options

Information relating to the Employee Share Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in the notes.

(iii) Employee share scheme

Information relating to the employee share scheme, including details of shares issued under the scheme, is set out in the notes.

(iv) Rights issue

On 6 June 2016 the Company invited its shareholders to subscribe to a rights issue of 12,944,625 ordinary shares at an issue price of \$5.60 per share on the basis of 1 share for every 6.25 fully or partly paid ordinary shares held, with such shares to be issued on, and rank for dividends after, 16 June 2016 for institutional investors and 1 July 2016 for retail investors. The issue was fully subscribed.

As at 30 June 2016, only the institutional shares were allotted representing 7,400,947 issued shares. On 1 July 2016, a further 5,543,678 shares were issued to retail investors.

(v) Acquisition of subsidiary

During the prior year, the Group issued 2,756,006 ordinary shares at value of \$6.21 per share to the former shareholders of Online Republic Group as part of the consideration paid to acquire the business. Refer to Note 21 business combination for further details.

(b) Other reserves

The following table shows a breakdown of the balance sheet line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	30 June 2017 \$'000	30 June 2016 \$'000
Available-for-sale financial assets	55	55
Cash flow hedges	(1,111)	(1,154)
Share-based payments	1,467	560
Foreign currency translation	(1,933)	5,307
	(1,522)	4,768

(i) Nature and purpose of other reserves

Available-for-sale financial assets

Changes in the fair value and exchange differences arising on translation of investments that are classified as available-for-sale financial assets, are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

Cash flow hedges

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income, as described in the notes. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Share-based payments

The equity-settled employee benefits reserve arises on the grant of share options and performance rights to directors and executives under the Employee Share Option and Share Schemes. Amounts are transferred out of the reserve and into issued capital when the options are exercised.

Foreign currency translation

Exchange differences relating to the translation of the net assets of the Consolidated Entity's foreign operations from their functional currencies to the Consolidated Entity's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

16 Earnings per share

(a) Basic earnings per share

	Consolidated entity	
	Year ended	
	30 June	30 June
	2017	2016
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the company	53.79	26.17
Total basic earnings per share attributable to the ordinary equity holders of the Company	53.79	26.17

(b) Diluted earnings per share

	Consolidated entity	
	Year ended	
	30 June	30 June
	2017	2016
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the company	52.87	25.78
Total diluted earnings per share attributable to the ordinary equity holders of the Company	52.87	25.78

(c) Reconciliation of earnings used in calculating earnings per share

	Consolidated entity	
	Year ended	
	30 June	30 June
	2017	2016
	\$'000	\$'000
<i>Basic earnings per share</i>		
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	52,422	21,257
<i>Diluted earnings per share</i>		
Profit from continuing operations attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	52,422	21,257

(d) Weighted average number of shares used as the denominator

	Consolidated entity	
	Year ended	
	2017	2016
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	97,457,604	81,219,379
Adjustments for calculation of diluted earnings per share:		
Employee options	1,689,901	1,248,729
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	99,147,505	82,468,108

(e) Information concerning the classification of securities

(i) Options

Options granted to the Managing Director under the Employee Share Option Plan are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required hurdles would have been met based on the company's performance up to the reporting date, and to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.

17 Dividends

(a) Ordinary shares

Recognised amounts	Consolidated entity	
	Year ended	
	30 June	30 June
	2017	2016
	\$'000	\$'000
Final dividend for the prior year	7,814	5,865
Interim dividend for current year	7,343	5,255
Total dividends paid	15,157	11,120

Final dividend for the year ended 30 June 2016 of 8.0 cents (2015: 7.25 cents) per fully paid share paid on 13 October 2016 (2015: 15 October 2015). An interim dividend for the year ended 30 June 2017 of 7.5 cents (2016: 6.5 cents) per fully paid ordinary share was paid on 14 April 2017 (2016: 15 April 2016)

(ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since period end the Directors have recommended the payment of a final dividend of 10.0 cents per fully paid ordinary share (2016: 8.0 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 12 October 2017 out of retained earnings at 30 June 2017, but not recognised as a liability at period end, is \$11.8m.

18 Interests in other entities

(a) Material subsidiaries

The Consolidated Entity's principal subsidiaries at 30 June 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Consolidated Entity, and the proportion of ownership interests held equals the voting rights held by the Consolidated Entity.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Principal activities
		2017	2016	
		%	%	
Webjet Marketing Pty Ltd	Australia	100.0	100.0	Online travel booking service
Zuji Pty Limited	Australia	100.0	100.0	Online travel booking service
Webjet USA Holdings Inc	United States of America	100.0	100.0	Holding Company
Webjet Marketing NZ Pty Limited	New Zealand	100.0	100.0	Online travel booking service
Westweb Holdings Limited (1)	British Virgin Islands	-	100.0	Holding Company
Webjet Singapore Limited (1)	Singapore	-	100.0	Non-trading Company
Webjet Hong Kong Limited (2)	Hong Kong	-	100.0	Dormant
Webjet International Limited	Hong Kong	100.0	100.0	Holding Company
FitRuums Pte Ltd	Singapore	100.0	100.0	Holding Company
Zuji Travel Pte Ltd (3)	Singapore	-	100.0	Online travel booking service
Zuji Limited (3)	Hong Kong	-	100.0	Online travel booking service
WebBeds Holding Co Limited	Hong Kong	100.0	100.0	Holding Company
SunHotels Ltd	United Kingdom	100.0	100.0	Online travel booking service
SunHotels AG	Liechtenstein	100.0	100.0	Online travel booking service
SunHotels Mundo	Spain	100.0	100.0	Online travel booking service
Zleeping Ltd	United Kingdom	100.0	100.0	Online travel booking service
Zleeping AG	Liechtenstein	100.0	100.0	Online travel booking service
Fyrkant Ltd	United Kingdom	100.0	100.0	Online travel booking service
Busy Bee S.L	Spain	100.0	100.0	Online travel booking service
Incoming Ltd	United Kingdom	100.0	100.0	Online travel booking service
Eventholiday AG	Liechtenstein	100.0	100.0	Online travel booking service
WebBeds FZ LLC	Dubai	100.0	100.0	Online travel booking service
WebBeds LLC	United States of America	100.0	100.0	Online travel booking service
SunHotels France	France	100.0	100.0	Online travel booking service
Online Republic Group Limited	New Zealand	100.0	100.0	Holding Company
Online Republic Limited (4)	New Zealand	-	100.0	Online travel booking services

18 Interests in other entities (continued)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Principal activities
		2017 %	2016 %	
Search Republic Limited (4)	New Zealand	-	100.0	Online travel booking services
Car Rental Republic Limited (4)	New Zealand	-	100.0	Online travel booking services
Motorhome Republic Limited (4)	New Zealand	-	100.0	Online travel booking services
NZ Car Rental Republic Limited (4)	New Zealand	-	100.0	Online travel booking services
Cruise Republic Limited (4)	New Zealand	-	100.0	Online travel booking services
Online Republic Travel Payments Limited	Australia	100.0	100.0	Online travel booking services
Earlybird (Shenzen) Limited	China	100.0	100.0	Online travel bookings

(1) Companies were de-registered during the year.

(2) Amalgamated with Webjet International Limited on 24 May 2017.

(3) Zuji Limited and Zuji Travel Pte Ltd were sold to Sharp Focus and Reckon Holdings on 31 December 2016. Refer to Note 22 disposal of subsidiaries.

(4) Companies were amalgamated with Online Republic Group Limited on 30 June 2017.

(b) Interests in associates and joint ventures

(i) Individually immaterial associates

The Consolidated Entity has interests in a number of individually immaterial associates that are accounted for using the equity method.

	30 June 2017 \$'000	30 June 2016 \$'000
Aggregate carrying amount of individually immaterial associates	-	88
Aggregate amounts of the Consolidated Entity's share of:		
Profit/(loss) from continuing operations	-	(20)
Total comprehensive income/(loss)	-	(20)

During the year, the Consolidated Entity sold the remaining interest in its associate.

19 Cash and cash equivalents

	Consolidated entity At	
	30 June 2017 \$'000	30 June 2016 \$'000
Current assets		
Cash and cash equivalents	178,125	116,215

(i) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	Consolidated entity At	
	30 June 2017 \$'000	30 June 2016 \$'000
Balances as above	178,125	116,215

(ii) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest. See notes to financial statements for the group's other accounting policies on cash and cash equivalents.

20 Cash flow information

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated entity	
	Year ended	
	30 June	30 June
	2017	2016
	\$'000	\$'000
Profit for the period	52,422	21,257
Adjustment for		
Depreciation and amortisation	8,223	6,023
Share based payment expense	1,133	118
Net (gain) loss on sale of subsidiaries	(28,039)	-
Share of profits of associates and joint venture	-	20
Unrealised gain on derivatives	-	(140)
Net exchange differences	-	(130)
Change in operating assets and liabilities:		
(Increase) in trade debtors and other receivables	(44,945)	(12,791)
Decrease/(Increase) in derivative financial assets	157	647
(Increase) decrease in other current assets	(11,559)	(1,609)
(Increase) decrease in deferred taxes	2,978	2,063
(Decrease) increase in trade payables and accruals	43,045	35,803
(Decrease) increase in other provisions	433	1,337
(Decrease) increase in income taxes payable	(5,537)	1,262
(Decrease) increase in other liabilities	16,477	(7,236)
Net cash inflow (outflow) from operating activities	34,788	46,624

21 Business combination

(a) Acquisition of Online Republic

(i) Summary of acquisition

On 1 June 2016 the Group acquired 100% of the issued share capital of the following entities comprising the Online Republic Group:

- Online Republic Limited
- NZ Car Rental Republic Limited
- MotorHome Republic Limited
- Car Rental Republic Limited
- Search Republic Limited
- Cruise Republic Limited
- Earlybird (Shenzhen) Limited
- Online Republic Domains Limited
- Online Republic Travel Payments Pty Limited

Established in 2004, Online Republic is a market leading global online e-commerce group based in New Zealand with annual TTV in excess of NZ\$200m. It specialises in online bookings of rental cars, motorhomes and cruises, together with an internally-developed search engine optimisation and digital marketing business. Online Republic has market leading positions in each of its core segments, with a #1 position globally in online motorhome rental bookings, a #1 position across Australia and New Zealand for online cruise bookings, and #2 for online car rental bookings across Australia and New Zealand. Webjet considers the Online Republic business to be highly complementary to its existing portfolio, leveraging core capabilities into the attractive online car rental, motorhome and cruise segments.

Goodwill has arisen from synergies expected to be achieved from the acquisition which include Online Republic's customer and affiliate relationships, and a trained and assembled workforce which does not meet the definition of a separately identifiable intangible asset. The acquisition accounting for the business combination has been finalised with goodwill amounting to \$56,885,000. None of the goodwill is deductible for tax purposes.

21 Business combination (continued)

(i) Summary of acquisition (continued)

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	\$'000
Purchase consideration (refer to (c) below):	
Cash paid	61,933
Ordinary share issued	15,439
Purchase price adjustment - working capital	5,301
Total purchase consideration	82,673

The equity portion of the purchase consideration comprises 2,756,006 ordinary shares in Webjet Limited at the closing bid price on the Australian Securities Exchange on acquisition date of \$6.62 per share, adjusted for a fair value liquidity discount of \$2.8m. This liquidity discount was calculated as 16.6% of the market value of 2,544,421 shares required to remain in escrow for a period of 15 months after the completion date.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value
	\$'000
Cash	8,716
Trade receivables	32,558
Current tax asset	574
Plant and equipment	462
Investments	128
Intangible assets	28,576
Other assets	1,136
Deferred tax asset	1,367
Trade payables	(33,242)
Other liabilities	(6,071)
Non-current liabilities	(520)
Deferred tax liability	(8,008)
Net identifiable assets acquired	25,676
Add: goodwill	56,997
Net assets acquired	82,673

Deferred tax expense of \$961,940 arising from timing differences during the period 1 June 2016 to 30 June 2016 in relation to these deferred taxes has been recognised in the profit and loss in the comparative period. All comparatives have been restated accordingly.

(i) Acquired receivables

Identifiable assets acquired include trade receivables with a gross contractual and fair value of \$32,557,490. All amounts are expected to be collected.

(ii) Revenue and profit contribution

The acquired business contributed revenues of \$2,110,351 and net profit of \$665,954 to the Consolidated Entity for the period 1 June 2016 to 30 June 2016.

If the acquisition had occurred on 1 July 2015, estimated revenue and profit for the year ended 30 June 2016 contributed by Online Republic Group would have been \$22,610,353 and \$6,034,948 respectively.

(iii) Purchase price adjustment

The purchase price of \$82,673,003 was subject to an agreed surplus cash net working capital calculation. According to this calculation, the purchase price and working capital was increased by \$5,301,020.

21 Business combination (continued)

(b) Purchase consideration - cash outflow

	2016 \$'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	61,933
Working capital adjustment	5,301
	67,234
Less: balances acquired	
Cash	8,716
Net outflow of cash - investing activities	58,518

Acquisition-related costs

Acquisition-related costs of \$246,610 that were not directly attributable to the issue of shares are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

22 Disposal of subsidiaries

(a) Description

The Consolidated Entity completed the sale of its Hong Kong and Singapore Zuji businesses to Reckon Holdings Limited and Sharp Focus Pacific Limited, subsidiaries of Uriel Aviation Holding Limited, a Hong Kong based travel technology group. Total consideration from the Zuji sale of \$56,000,000, plus surplus cash adjustment, was received in three instalments; an initial deposit of \$9,000,000 during the period, \$47,000,000 balance payment in January 2017 and a post-completion surplus cash adjustment of \$6,030,000.

(b) Cash flow information

Reconciliation of investing cashflows from disposal of subsidiaries:

	2017 \$'000
Consideration received	62,030
Cash disposed of	(6,263)
Selling costs paid	(1,229)
Net cash received on disposal of subsidiaries	54,538

(c) Details of the sale of the subsidiary

	2017 \$'000
Consideration received or receivable:	
Cash	56,000
Surplus cash adjustment	6,030
Total disposal consideration	62,030
Cash and cash equivalents	(6,263)
Trade and other receivables	(5,646)
Other assets	(586)
Property, plant & equipment	(252)
Intangible assets	(31,162)
Deferred tax assets (net)	(907)
Trade & other payables	(518)
Provisions	123
Other liabilities	6,628
Gain on sale before income tax and reclassification of foreign currency translation reserve	23,447
Reclassification of foreign currency translation reserve	4,592
Gain on sale after income tax	28,039