ASX ANNOUNCEMENT

FLIGHT CENTRE TRAVEL GROUP LIMITED (FLT)

28 August 2024

FY24 APPENDIX 4E AND ANNUAL REPORT

Please find attached for release to the market, copies of Flight Centre Travel Group Limited's final:

- Appendix 4E for the year ended 30 June 2024; and
- 2024 Annual Report (including the Directors' Report, the Financial Report, the Directors' Declaration and the Audit Report)

APPENDIX 4E

RESULTS FOR ANNOUNCEMENT TO THE MARKET

RESULTS IN BRIEF	JUNE 2024 $'000	JUNE 2023 RESTATED[3] $'000	CHANGE $'000	CHANGE %
Total transaction value (TTV)[1]	23,744,461	21,938,594	1,805,867	8.2%
Revenue	2,710,748	2,280,782	429,966	18.9%
EBITDA[2]	422,559	266,152	156,407	58.8%
Statutory profit before income tax	**219,708**	**70,459**	**149,249**	**211.8%**
Statutory profit after income tax	139,155	47,412	91,743	193.5%
Statutory profit attributable to company owners	139,638	47,461	92,177	194.2%
Underlying EBITDA[2]	**478,462**	**301,645**	**176,817**	**58.6%**
Underlying profit before tax[2,3]	**320,385**	**138,829**	**181,556**	**130.8%**
Underlying profit after tax[2,3]	229,612	108,605	121,007	111.4%

1 TTV is non-IFRS financial information and is not subject to audit procedures, and does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the group's various operations, both as agent for various airlines and other service providers and as principal, plus revenue and other income from other sources. TTV has been reduced by refunds. FLT's revenue is, therefore, derived from TTV.

2 EBITDA, Underlying EBITDA, Underlying profit before tax (PBT) and Underlying profit after tax (PAT) are unaudited, non-IFRS measures. Refer to table below for reconciliation of statutory to underlying results.

3 Amortisation of convertible notes has been included as an underlying adjustment in the current period, with prior period comparative amounts restated including associated tax effect.

DIVIDENDS

30 JUNE 2024	AMOUNT PER SECURITY CENTS	100% FRANKED AMOUNT CENTS
Interim dividend[4]	10.0c	10.0c
Final dividend[5]	30.0c	30.0c
30 JUNE 2023		
Final dividend	18.0 c	18.0 c

4 On 28 February 2024, FLT declared an interim dividend out of FY24 profits. The record date for determining entitlement to the dividend was 27 March 2024 and payment date was 17 April 2024.

5 On 28 August 2024, FLT declared a final dividend out of FY24 profits. The record date for determining entitlement to the dividend was 19 September 2024 and payment date is 17 October 2024 .

NET TANGIBLE ASSETS

	JUNE 2024 $	JUNE 2023 $
Net tangible asset backing per ordinary security[6]	(0.85)	(1.48)

6 The current year and prior year net tangible asset backing per ordinary security balances include the value of leased assets as recognised under AASB 16 Leases.

DETAILS OF JOINT VENTURES AND ASSOCIATES

INVESTMENTS IN JOINT VENTURES	2024	2023
Pedal Group Pty Ltd (Pedal)	46.8 %	46.9 %

During the period, FLT did not receive a dividend. In 2023, $3,937,131 was received, of which 100% was received as shares as part of the Pedal dividend reinvestment plan. FLT continues to have joint control.

INVESTMENTS IN ASSOCIATES	2024	2023
Evolve Travel Limited	50.0 %	50.0 %

UNDERLYING ADJUSTMENTS

Reconciliation of statutory to underlying profit before tax and after tax provided below:

	JUNE 2024 $'000	JUNE 2023 RESTATED[5] $'000
EBITDA[1]	**422,559**	**266,152**
Depreciation and amortisation	(159,326)	(142,093)
Interest income	36,373	31,195
Interest expense	(79,898)	(84,795)
Statutory profit before income tax	**219,708**	**70,459**
Reconciliation of EBITDA to Underlying EBITDA		
EBITDA[1]	**422,559**	**266,152**
SU Impairment (non-cash), other restructuring costs and other head office lease impairment	49,355	—
US Wholesale (GoGo) trading loss & closure costs[2]	17,207	—
Discova Americas trading loss & closure costs[3]	9,998	—
Employee retention plans	9,537	29,757
Productive Operations initiative[4]	7,105	—
Gain on buy-back and remeasurement of convertible notes	(48,022)	—
Supplier loss	10,723	—
Acquisition transaction costs - Scott Dunn	—	6,065
COVID-19 ROUA impairment / (reversal)	—	(329)
Underlying EBITDA[1]	**478,462**	**301,645**
Amortisation of convertible notes	30,816	32,877
Productive Operations initiative[4]	12,046	—
Discova Americas trading loss & closure costs[3]	1,561	—
US Wholesale (GoGo) trading loss & closure costs[2]	351	—
Total underlying adjustments	**100,677**	**68,370**
Underlying profit before tax[1,5]	**320,385**	**138,829**
Statutory income tax expense	(80,553)	(23,047)
Underlying adjustments associated tax effect	(10,220)	(7,177)
Underlying profit after tax[1]	**229,612**	**108,605**

1 EBITDA, underlying EBITDA, underlying PBT, underlying PAT are unaudited, non-IFRS measures.

2 Closure of US Wholesale business in February 2024.

3 Closure of Discova Americas business in June 2024.

4 Productive Operations initiative is a corporate business transformation project focused on lowering costs and growing income through automation and personal service. As part of the Productive Operations initiative, FLT has invested in the development of software assets (in-house and software as a service) and these activities will result in the retirement of certain legacy systems.

5 Amortisation of convertible notes has been included as an underlying adjustment in the current period, with prior period comparative amounts restated including associated tax effect.

COMPLIANCE STATEMENT

The report is based on the consolidated financial report which has been audited. Refer to the attached full financial report for all other disclosures in respect of the Appendix 4E.

Signed:

G.F. Turner
Director

28 August 2024

FLIGHT CENTRE
TRAVEL GROUP™

ANNUAL REPORT

2024

OUR PHILOSOPHIES

For FCTG to survive, grow, and prosper, for generations, we must live by our Company Purpose, Vision and our Philosophies. Our culture must be celebrated and protected, while being robust and independent, with the ability to outlive our current and future leaders.

Our People

We care for our people's health and wellbeing, their personal and professional development, and their financial security.

We believe that work should be challenging and fun for everyone.

Our Customers

Our customers always have a choice, and we care about personally delivering amazing travel experiences to them, whatever it takes.

Our Values

Brightness of future

Our supportive work community provides an inspiring and challenging career path for committed people. Promotion and transfers from within will always be our first choice and will give people the exciting opportunity to move globally across our company.

Taking responsibility

We take full responsibility for our own success or failures. We do not externalise. We accept that we have total ownership and responsibility, but not always control.

Egalitarianism & Unity

We believe that every individual is equally important and has access to the same opportunities and rights. We work as a community with accessible leaders and we embrace diverse cultures, backgrounds and perspectives. We have an irreverent culture of taking our business seriously but not ourselves.

Our Vision: To become the world's most exciting and profitable travel retailer, personally delivering amazing experiences to our people, our customers and our partners.

Our Purpose: To open up the world for those who want to see.

Ownership

We treat the business as our own and have the opportunity to share in our company's financial success with access to shares programs, outcome based incentives and profit share.

Reward & Recognition

We recognise and celebrate our individual and collective successes with recognition and rewards which are based on measurable outcome based quantitative KPI's. What gets rewarded gets done is our basic principle and we reward outcomes not behaviour.

Our Business Model

One best way

In each of our businesses there is 'one best way' to operate globally. We value common sense over conventional wisdom in running our business. We foster entrepreneurial thinking to continuously find better ways to innovate and improve.

Family, village, tribe

Our structure is simple, lean, flat and transparent, with accessible leaders and minimal layers between the customer and the CEO. Everyone belongs to a family (team), which is the most important group at FCTG, who are supported by a 'self-help' village and a tribe.

Profit we are proud of

A fair margin resulting in a business profit we can be proud of, is the key measure of whether we really are providing our customers with an amazing experience, amazing product and a caring and respectful service - an experience customers genuinely value.

FLIGHT CENTRE TRAVEL GROUP LIMITED (FLT) CORPORATE DIRECTORY

Directors	Graham Turner Gary Smith John Eales Robert Baker Colette Garnsey Kirsty Rankin
Secretary	David Smith

Principal registered office and place of business in Australia

275 Grey St, South Brisbane QLD 4101
+61 7 3083 0088
ABN 25 003 377 188

Share register

Computershare Investor Services Pty Ltd
200 Mary Street,
Brisbane QLD 4000

+61 7 3237 2100

Auditor

Ernst & Young
111 Eagle Street
Brisbane QLD 4000

Stock exchange listing

FLT shares are listed on the Australian Securities Exchange.

Website address

https://www.fctgl.com/

This financial report covers the consolidated financial statements for the consolidated entity consisting of FLT and its subsidiaries. The financial report is presented in Australian currency.

FLT is a company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities in the directors' report.

The financial report was authorised for issue by the directors on 28 August 2024. The directors have the power to amend and reissue the financial report.

FLT endorses the ASX's Corporate Governance Principles and Recommendations and complies in all areas, apart from amalgamating the Remuneration and the Nomination Committee. Further information on FLT's compliance with the Corporate Governance Principles and Recommendations, including FLT's Corporate Governance Statement, can be found on the company's website, https://www.fctgl.com/investors#governance-documents

CONTENTS

KEY DATES 2024/25

28 August 2024	2023/24 full year results released
19 September 2024	2023/24 final dividend record date
24 September 2024	Director nomination deadline
17 October 2024	2023/24 final dividend payment date
14 November 2024	Annual General Meeting
26 February 2025*	2024/25 half year results released
27 March 2025*	2024/25 interim dividend record date
17 April 2025*	2024/25 interim dividend payment date

** Date is subject to change*

CHAIRMAN'S MESSAGE

GARY SMITH

I am delighted to share our annual report for the 2024 fiscal year (FY24) with you, our valued shareholders.

The 12 months to June 30, 2024 - our 29th year as a listed entity - was another significant period for your company as we:

- Delivered strong financial results in an improved, but still volatile trading climate
- Strengthened our balance sheet by using circa $385million in free cash to repay debt and buy-back convertible notes (CNs); and
- Developed stronger foundations for the future through our ongoing investment in key growth drivers - including our people, our network and the experience we deliver to our valued customers through our diverse global brand stable

Our financial results are covered in detail elsewhere in this report, while Skroo has outlined our key operational achievements within his column.

From a high-level financial perspective, our strong year-on-year (YOY) growth meant we regained more of the ground lost during the COVID years in very important areas, while also establishing some new milestones. Milestones included recorded total transaction value (TTV) of $23.74billion, which narrowly eclipsed our $23.7billion FY19 result, and a record operating cash inflow of circa $420million.

Recovery is also illustrated by YOY improvement across other key financial metrics, specifically:

- Margin - revenue and profit
- Profitability - both underlying and statutory and before and after tax; and
- Shareholder returns, an area that I will focus on in greater detail in this column, along with People and Sustainability

ONGOING FOCUS ON IMPROVING SHAREHOLDER RETURNS

At the start of FY24, we unveiled a new capital management policy designed to create shareholder value in the short and long-term by using free cash flow to:

- Re-invest in the business to drive longer term growth through capital expenditure and, where appropriate, mergers and acquisitions (M&A); and
- Deliver tangible benefits in both the short and long-term through a combination of dividend payments and strategic buy-backs of FLT's issued capital or CNs to reduce future dilution and increase earnings per share

Under this policy our ongoing intention is to allocate 50-60% of net profit after tax (NPAT) to dividends and/or capital management initiatives, subject of course to the business's anticipated needs at the time.

I'm pleased to report that, including the 30 cents per share FY24 final dividend declared today (August 28), we have returned 38% of underlying NPAT to shareholders, while also retaining significant funds for other capital management activities with the potential to increase future earnings per share (EPS).

Given our strong FY24 profit growth, EPS increased 176% from 23.1 cents to 63.7 cents. We also delivered a circa 8% Total Shareholder Return (TSR), based on total dividends related to the year of 40 cents per share and our share price increase from $19.05 to $20.18 during FY24.

As mentioned above, we invested circa $385million in debt and CN reduction, with $300million used to repay bank debt and overdrafts (both of which can be redrawn) and $84million used to buy back CNs with a $75million face value.

Given our commitment to our capital management policy and our strong cash generation, evidenced by our record operating cash inflow, we expect to take further near-term action to improve our position and our ability to capitalise on any opportunities that arise.

INVESTING IN OUR PEOPLE

Our people continue to be integral to our success.

Accordingly, we continue to invest significantly in our People & Culture areas globally and in the overall value proposition we offer to our employees.

During FY24, we initiated our first truly global engagement survey in partnership with Great Places to Work (GPTW). About 65% of our people participated in the research, which led to FLT receiving GPTW certification in 25 countries and national recognition on GPTW's lists in the United Kingdom, India and Indonesia.

The survey focussed on 25 areas, with FLT typically scoring highly in the following categories:

- Justice (87%) - employees believe management promotes inclusive behaviour and avoids discrimination
- Intimacy (84%) - in essence, they feel they can be themselves and support each other; and
- Camaraderie (82%) - our people feel they belong to a community, have the freedom to express themselves and enjoy their work

Thanks in no small part to our people, our company and our brands also won numerous awards during the year, including major honours for our corporate and leisure businesses at the annual World Travel Awards.

Flight Centre brand, which was judged Most Outstanding Travel Agency Group at Australia's 2023 Nation Travel Industry Awards, was also recently recognised as Australia's most trusted travel agent (Source: Roy Morgan Risk Report 2024).

ESG - ENVIRONMENT, SOCIAL & GOVERNANCE

In addition to investing in the key areas of ESG during FY24 (as outlined below), I'm pleased to report that we also produced and released our second-ever Sustainability Report. This new report highlights our achievements while also outlining the targets that we are working towards in various key areas, and can be accessed via our corporate website, www.fctgl.com.

From a sustainability governance perspective, we strengthened our sustainability leadership team, which includes five members of our global executive team (taskforce), our global sustainability officer and other senior leaders with broad representation across our brands and regions to ensure high-level ownership of this very important area.

Within the environmental area, Flight Centre brand's (FCB) Planting for the Planet program proved to be a great success story.

This program, which customers can access via FCB's Captain's Pack, comfortably exceeded its FY24 goal of funding the planting of one million trees in various locations throughout the world. I recently had the privilege of witnessing the benefits of this program first-hand in Morocco, where these trees are supporting more sustainable livelihoods for farming families.

From a social perspective, we continue to engage our employees in the work we do in the community. Two key programs are in place in Australia - workplace giving and giving grants.

Through workplace giving, our employees have the option of donating regularly to the Flight Centre Foundation via monthly pre-tax payroll deductions. FLT covers the Foundation's operating costs, meaning all funds donated by our people are passed through to our charity partners and grant recipients, and matches all employee donations, effectively doubling the funds available to support worthy causes.

In relation to governance, we continue to prepare for the AASB (Australian Accounting Standards Board) Sustainability Reporting Standard-Setting Framework to be finalised. In preparing for the pending disclosures, during FY24 we published information in our sustainability report aligning broadly to the draft requirements.

CYBERSECURITY & ARTIFICIAL INTELLIGENCE (AI)

Cybersecurity and data protection remain key areas of focus and continuous uplift for us and our commitment to responding to evolving risks has resulted in increasing investment in these areas.

Our security and data protection programs are driven by our dedicated in-house teams and bolstered by top-tier external experts.

We also continue to evaluate ways that we can use AI to enhance our business and the customer experience. Accordingly, a number of programs are in place within our corporate and leisure businesses to augment the service our people provide.

CONCLUSION

In summary, we enter our 30th year as a listed entity with a fair degree of confidence, given the progress we have made in recent years. We are generally recovering well, eyeing new opportunities and working hard to deliver stronger shareholder returns in both the short and longer-term.

Importantly, we are also investing in key growth drivers like our people, network and customer offerings and in other areas that are critically important to us and our stakeholders, including ESG and cybersecurity.

Once again, we thank-you for your ongoing support and we look forward to updating you on our progress during the course of the year.

FY24 RESULTS & OUTLOOK

GRAHAM TURNER

MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER

RESULT OVERVIEW

FLIGHT Centre Travel Group (FLT) has delivered a $320million underlying profit before tax (PBT) for the 2024 fiscal year (FY24).

The result is a 131% increase on the underlying $139million FY23 result and is at the mid-point of FLT's guidance range (underlying PBT between $316million and $324million).

Statutory PBT for the 12 months to June 30 2024 increased 212% to $220million, compared to the $70million result achieved during the prior corresponding period (PCP).

Underlying FY24 PBT adjustments are listed in Note A1 of the financial statements.

After tax, FLT delivered a $230million underlying result, 111% growth on the prior year, and a $139million statutory net profit after tax (NPAT), up 194% on FY23.

Total transaction value (TTV) reached a record $23.74billion, slightly above the $23.7billion FY19 result and a circa $1.8billion year-on-year (YOY) increase, with both the leisure and corporate businesses delivering more than $1billion YOY growth and corporate achieving another record.

FLT's overall TTV growth rate was, however, adversely affected by:

- Significant airfare deflation, with average international economy fares sold in Australia during the second half (2H) 13% cheaper than during the PCP. This deflation was partially offset by volume growth, with ticket sales increasing 10% during the same period, and increased basket sizes in various leisure brands
- Business closures – Together, the Indian wholesale foreign exchange (FX) business (closed June 30, 2023) and US-based wholesaler GoGo (closed FY24 2H) contributed an additional $430million to FY23 TTV. This was partially offset by Scott Dunn's additional $140million FY24 TTV contribution (acquired FY23 2H); and
- A flat trading climate in the corporate sector globally late in the year, with industry-wide airfare sales data (MIDT - Marketing Information Data Transfer) pointing to minimal 2H volume growth

Group-wide, revenue growth, at 19%, comfortably outpaced TTV growth, delivering strong revenue margin improvement to 11.4% (FY23: 10.4%). At the same time, underlying cost margin (excluding touring cost of sales) was relatively flat at 9.6%.

These positive revenue and cost margin trends, which are expected to continue, led to significant underlying profit margin (UPM) improvement to 1.35% (FY23: 0.63%), as FLT made meaningful progress towards its group-wide 2% target.

Leisure and corporate UPMs exceeded 2% during the 2H and fourth quarters (4Q) respectively, delivering a strong exit rate from FY24 into FY25 in both sectors.

FLT's improved trading performance was reflected in strong cash generation, highlighted by a record $421million operating cash inflow.

In light of this strong cash position, almost $450million in capital management initiatives were undertaken during FY24 as FLT:

- Reduced bank debt by repaying $252million (able to be redrawn)
- Reduced overdraft facilities by almost $50million (also able to be redrawn)
- Completed an $84million buy-back to secure Convertible Notes with a $75million face value; and
- Returned $62million in fully franked dividend payments to shareholders

In addition, FLT's directors today declared a fully franked 30 cents per share FY24 final dividend to be paid on October 17, 2024 to shareholders registered on September 19, 2024. The total payment of $66million, plus the $22million interim dividend payment, represents a 38% return of underlying FY24 NPAT to shareholders and means the company has now invested more than $500million in capital management initiatives since the start of FY24.

The company's strong profit recovery was underpinned by:

- Higher TTV with higher productivity, as FLT topped its FY19 sales record with 63% of its FY19 workforce, plus an expanding independent agent and agency network
- Strong leisure and corporate results, with the businesses delivering underlying PBT growth of 104% and 44% respectively
- The 100 basis point (bps) YOY revenue margin uplift, as supplier margins stabilised and strategic initiatives to develop new revenue streams, increase ancillary sales and attachment and broaden FLT's overall product mix gained traction; and
- Ongoing cost discipline, with expenses about 15% below pre-COVID levels and steady underlying cost margins. Various loss-making businesses were also closed (GoGo and the Discova Central Americas destination management company) or restructured (online travel marketplace StudentUniverse and wholesalers Infinity and The Travel Junction) during the year

TRADING AND STRATEGIC UPDATE: CORPORATE

FLT's global corporate business delivered a 44% underlying PBT increase to $211million, with Corporate Traveller contributing a record profit.

TTV increased by 10% to a record $12.1billion, as the business finished the year about 35% larger than FY19 in a sector that has only recovered to circa 80% of pre-pandemic activity levels (Source: MIDT).

The corporate business's success during the past five years has been underpinned by successful execution of the Grow to Win strategy, which has delivered organic market-share growth through large volumes of account wins and high customer retention.

Accounts with estimated annual spends of $2billion were secured during FY24, in line with the business's target and with a heavier SME weighting (serviced by Corporate Traveller) than in recent years, when high volume, lower margin enterprise-level accounts (serviced by FCM) were won and onboarded.

In a promising sign for the future, Corporate Traveller's US wins have accelerated since a new regional structure, built around key centres in New York, Los Angeles and Chicago, was introduced. US SME sector wins almost doubled during the 2H compared to the FY24 1H.

While Grow to Win is an ongoing priority, the business is also focusing on the Productive Operations initiative to deliver stronger bottom-line growth in FCM in particular through:

- Digitisation and standardisation of operations
- Enabling customer self service capabilities; and
- Content access and distribution

Productive Operations is in its infancy but is expected to deliver significant scale benefits given positive early trends and with the prospect of acceleration after initiatives are rolled out globally across both FCM and Corporate Traveller.

These scale benefits are set to lead to improved income per transaction (IPT) and lower costs per transaction (CPT) as volumes increase – trends that are already emerging.

During FY24, transaction volumes increased 11%, with IPT increasing by 3% and CPT decreasing by 2%.

Staff numbers at June 30, 2024 were circa 5% lower than at June 30, 2023, with strong productivity gains and the mass adoption of proprietary platforms (FCM Platform and Corporate Traveller's Melon) helping the business's people service a larger customer base.

Staff numbers are currently expected to remain broadly in line with current levels during FY25, pointing to further productivity gains as the business continues to grow and as further efficiencies are realised through Productive Operations.

TRADING AND STRATEGIC UPDATE: LEISURE

FLT's global leisure business delivered a 104% underlying PBT increase to $188million, its strongest result since profits peaked during FY14.

TTV increased by 10% to $11billion, as all four categories (Mass Market, Luxury, Specialist and Independent) generated more than $1billion in annual TTV for the first time.

Together, the Luxury, Independent and Specialist categories contributed 45% of global leisure TTV, compared to 33% during FY19, as Horizon 2 (emerging) businesses drove overall leisure TTV growth.

This is in line with leisure's new growth blueprint of cost-effectively capturing sales through a higher performing shop network and lower cost, highly scalable offerings across other channels.

Following a major transformation initiated just prior to the pandemic, the leisure business has re-emerged as a more profitable, more productive and more efficient operation.

These stronger foundations in a recovering market were underlined by:

- Overall leisure profit exceeding FY19 by almost 50%
- TTV in Australia, FLT's largest leisure operation, exceeding FY19 levels in monthly trading during the 2H with less than half of the FY19 shop network; and
- A 40bps YOY cost margin improvement driven in part by productivity gains through better systems and higher staff retention

The leisure business has also successfully started to rebuild revenue margin by increasing:

- Higher margin cruise and tour sales across its established brand portfolio and through new specialist offerings, including Cruiseabout (re-introduced in May 2024) and MyCruise Touring Collection ($90million of TTV in its 2nd full year). In Australia, cruise and tour sales increased by 25% YOY to $1billion
- Flight Centre Brand (FCB) shops globally averaged 2.8 components per booking over the year and almost 3 components for the last 5 months of FY24; and
- Ancillary product sales – FCB's Captain's Pack is now being attached to 65% of in-store sales globally

Further margin and product benefits are expected to flow from the new travel insurance agreement with Europ Assistance, which comes into effect late in the FY25 1H.

The leisure business continues to invest significantly in enhancing the customer experience through new digital capabilities, careful use of AI to support the company's people offerings and through new brands and products, including flights from Anywhere 2 Anywhere on flightcentre.com. In another promising sign for the future, brands and products in their first or second years generated circa $800million in TTV during FY24.

CONTINUING TO TARGET A 2% UPM

FLT continues to focus on achieving its 2% UPM target within its FY25 "stretch" timeframe, but will balance this against its over-arching objective of delivering sustainable long-term value for shareholders.

Since the target was set during the pandemic, the company has made solid progress by:

- Increasing revenue margin by 170bps during the past two years
- Maintaining a structurally lower cost base, with an underlying cost margin materially lower than FY19 and with opportunities for further improvement
- Closing or restructuring loss-making or under-performing businesses
- Transforming the leisure business into a more productive, more efficient and more profitable operation than it was than pre-COVID
- Rapidly expanding its leading global corporate business and now focusing on stronger bottom-line growth through Productive Operations; and
- Decreasing "Other" segment losses

As mentioned previously, FLT also has strong momentum, given the leisure and corporate businesses' FY24 UPM exit rates of above 2%.

Business mix is, however, a significant near-term headwind, given rapid growth in lower margin businesses that are gaining scale and becoming significant profit generators.

Together, these businesses delivered circa 15% YOY TTV growth during FY24, compared to circa 5% TTV growth in the higher margin businesses.

FLT considers these businesses, which include FX business Travel Money, FCM and Envoyage (independent), key future growth drivers and, accordingly, will continue to invest in them, with a view to delivering a sustainable margin as the business grows and evolves.

The company will not risk future prosperity by abandoning or slowing growth in:

- Strategic investments with sub optimal margins while they start-up or scale up
- Profitable, but lower margin businesses with solid future growth prospects; or
- Non-financial assets – people, customers and supply chain

FY25 OUTLOOK

FLT will again invest significantly in its people, diversified brand network and systems during FY25.

Capital expenditure is expected to reach $100milllion, with about 75% to be invested in technology and systems. This will include further investment in Productive Operations, airfare aggregation (TP Connects), omni channel and digital capabilities in leisure and a new Human Resources Information System (HRIS).

FLT plans to open about 35 new leisure travel shops globally, including 18 Travel Money outlets as the FX business continues to perform strongly in both retail and wholesale.

In terms of market conditions, cost of living pressures have curbed discretionary spending but travel has generally out-performed other sectors – again underlining its resilience.

Historically, this resilience has been reflected in strong and consistent growth in various key metrics, including short-term resident departures (STRD) in Australia. Based on Australian Bureau of Statistics data, STRD increased at a 5.9% compound annual growth rate over 40 years before travel was shutdown globally during FY20.

FLT expects the travel industry to a return to normal growth levels of 4-5% globally this year and is well placed to capitalise on opportunities in this expanding market given its:

- Proven ability to grow, as evidenced by 37 years of record TTV in its 42-year history
- Diversified portfolio of brands with strong customer value propositions
- Strong results and strategic execution in both the corporate and leisure sectors, which is delivering an improved overall margin profile
- Balance sheet strength;
- Solid momentum, based on very early FY25 trading; and
- Potential economic tailwinds, including high interest rates, which has helped fuel demand among older demographics and delivered stronger returns on FLT's large cash float, relatively low unemployment globally and significant airfare deflation, which has started to drive volume growth

In Australia, international ticket sales increased 18% in July 2024 as average economy fares decreased by 4% compared to July 2023. This deflation followed significant airfare price reductions throughout FY24 and at a higher rate during the 2H, as outlined previously.

Corporate travel transaction volumes also increased by 11% globally during July 2024 (compared to July 2023).

FLT will provide more comprehensive FY25 market guidance at its Annual General Meeting on November 14, 2024.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the group) consisting of Flight Centre Travel Group Limited (FLT) and the entities it controlled at the end of, or during, the year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The group's principal continuing activities consisted of leisure travel retailing and corporate travel management, plus in-destination travel experience businesses including tour operations, hotel management, destination management companies (DMCs) and wholesaling.

There were no significant changes in the nature of the group's activities during the year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There was no significant change in the group's state of affairs during the year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the group's operations and the expected results of operations has been included in the FY24 Results & Outlook column on page 4.

DIVIDENDS – FLIGHT CENTRE TRAVEL GROUP LIMITED

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

ORDINARY SHARES	2024 $'000	2023 $'000
Final ordinary dividend for the year ended 30 June 2023 of 18.0 c cents (2022: 0.0 cents) per fully paid share	39,491	—
Interim ordinary dividend for the year ended 30 June 2024 of 10.0c cents (2023: 0.0 cents) per fully paid share	22,100	—
	61,591	—

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

DIVIDENDS

On 28 August 2024, FLT's directors declared a fully franked 30.0 cents per fully paid ordinary share final dividend for the year ended 30 June 2024 (2023:18.0 cents). The total amount of the dividend is $65.9million and represents 29% of FLT's full year underlying NPAT.

No other material matters have arisen since 30 June 2024.

ENVIRONMENTAL REGULATIONS

The group has determined that no particular or significant environmental regulations apply to it.

REVIEW OF OPERATIONS – OVERCOMING OPERATIONAL RISKS

A review of operations, financial position, business strategies and details of FLT's outlook for 2024/25 are included on pages 2 to 6 of this report.

INFORMATION ON DIRECTORS

The following persons were FLT directors during the financial year and up to the date of this report:

DIRECTOR	EXPERIENCE AND DIRECTORSHIPS	SPECIAL RESPONSIBILITIES	DIRECTORS' INTERESTS IN SHARES OF FLT AS AT DATE OF THIS REPORT ORDINARY SHARES
Gary Smith BCom, FCA, FAICD Age: 64	FLT director since 2007. Gary has vast tourism industry experience and has served on a diverse range of boards and tourism industry related bodies during the past 30 years. Gary is a Fellow of the Australian Institute of Company Directors and Chartered Accountants Australia and New Zealand. He is also a director of Michael Hill International Limited (from Feb-16) and National Roads and Motorists' Association Limited (the NRMA) (from Feb-19).	Independent non-executive chairman Remuneration & nomination committee member Audit and risk committee member	25,675
John Eales BA, GAICD Age: 54	FLT director since 2012. Chairman of Trajan Group Holdings Ltd (from Mar-21) and De Motu Cordis Pty Ltd (from Jan-20). Director of Magellan Financial Group Limited (from Jul-17), and FUJIFILM Data Management Solutions Pty Ltd (from Jan-14).	Independent non-executive director Remuneration & nomination committee chairman Audit and risk committee member	13,438
Robert Baker FCA, GAICD BBus (Accountancy) Age: 66	FLT director since 2013. Former audit partner of PricewaterhouseCoopers, with experience in the retail, travel and hospitality sectors. Chairman of Gathid Limited (formerly Rightcrowd Limited) (from Aug-17) and Goodman Private Wealth Ltd (from Oct-14). Board member of Tourism Holdings Limited (from Nov 22), Apollo Tourism & Leisure Limited (from Jan-20 to Nov-22) and Ozcare (from Jan 22). Pro bono roles include chairman of the Archdiocesan Development Fund, Catholic Archdiocese of Brisbane (from Jan-18), and chairman of the audit and risk committee of Australian Catholic University Limited (from May-15).	Independent non-executive director Remuneration & nomination committee member Audit and risk committee chairman	7,307
Colette Garnsey OAM Age: 64	FLT Director since Feb-18. Chairman of Laser Clinics Australia (previously non-executive director from 2020) and non-executive director of Seven West Media (from Dec-18). Extensive experience in Australian retail industry, marketing and distribution. Former advisory roles include advisor to Federal Minister for Trade and Investment, Australian Fashion Week, Melbourne Fashion Festival and CSIRO.	Independent non-executive director Remuneration & nomination committee member Audit and risk committee member	7,453
Kirsty Rankin B.Com, MAICD Age: 64	FLT Director since Aug-22. Former CEO of Pinpoint Pty Ltd, an organisation that specialised in cultivating customer loyalty and engagement programs, prior to its sale to Mastercard in 2014. Subsequently a global executive with Mastercard in the USA. Current non-executive director of Azupay (privately-owned real-time payments platform), Stone & Chalk (leading innovation start-up and scale-up hub) and Beonic Ltd (formerly Skyfii Ltd), an ASX-listed omni-data intelligence company.	Independent non-executive director Remuneration & nomination committee member Audit and risk committee member	3,168
Graham Turner BVSc Age: 75	Founding FLT director with significant experience in running retail travel businesses in Australia, New Zealand, USA, UK, South Africa, Canada and Asia. Director of the Australian Travel Industry Association (from Sept-05).	Managing director	16,640,081

No directors held interests in share rights, options or performance rights during the year (2023: nil).

SKILLS AND EXPERIENCE

The current mix of skills and experience represented by the directors during the period, is as follows:

	GARY SMITH	JOHN EALES	ROBERT BAKER	COLETTE GARNSEY	KIRSTY RANKIN	GRAHAM TURNER
Travel or retail industry	✓	✓	✓	✓	✓	✓
Senior executive	✓		✓	✓	✓	✓
Finance/capital markets			✓			
Audit/accounting	✓		✓			
Legal*						
Regulatory/public policy	✓					
International markets	✓	✓		✓	✓	✓
Strategy/risk management	✓	✓	✓	✓	✓	✓
Governance	✓	✓	✓	✓	✓	
Marketing/ communications	✓	✓		✓	✓	✓
Technology/IT					✓	

** For expertise in areas not listed above, the directors seek expertise within FLT and externally where appropriate.*

COMPANY SECRETARY

The company secretary, Mr David Smith (B.Com, LLB), joined FLT in 2002, and was appointed company secretary in February 2008. Mr Smith has more than 25 years legal experience and is also FLT's general manager of mergers & acquisitions. Prior to joining FLT, Mr Smith held positions with Wilson HTM, Blake Dawson (now Ashurst) and Clayton Utz.

MEETINGS OF DIRECTORS

The number of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2024 and the number of meetings attended by each director were:

			COMMITTEE MEETINGS			
	FULL MEETINGS OF DIRECTORS		AUDIT & RISK		REMUNERATION & NOMINATION	
	A	B	A	B	A	B
Gary Smith	9	9	3	3	2	2
John Eales	9	9	3	3	2	2
Robert Baker	9	9	3	3	2	2
Colette Garnsey	9	9	3	3	2	2
Kirsty Rankin	9	9	3	3	2	2
Graham Turner	9	9	*	*	*	*

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

MATERIAL BUSINESS RISKS

RECOGNISE AND MANAGE RISK

FLT's risk management approach is anchored around the following key principles:

- Protecting the group's assets, people and interests of our key stakeholders through effective identification and management of risk;
- Optimising the group's operations through continuous improvement and informed decision making; and
- Supporting the continued growth and sustainability of the group through taking the right amounts and types of risk to deliver sustained value.

Risk management is all employees' responsibility and this is clearly established within the risk management policy and risk management strategy.

While FLT does not have a separate risk committee, the Board, through the combined Audit and Risk Committee, is responsible for overseeing the company's risk management framework. This provides the Board and management with an ongoing program to identify, evaluate, monitor and manage material risks to enhance, over time, the value of the shareholders' investments and to safeguard assets.

The Audit and Risk Committee's charter is available on FLT's website (see www.fctgl.com/investors#governance-documents).

The framework is based around the following risk management process, as set out in the risk management strategy:

- risk identification – identifying risks that have a potential material impact to the Group's strategic objectives and operations;
- risk assessment – assessing the impacts and likelihood of key risks;
- risk management – developing appropriate mitigation and treatments to manage risk within acceptable levels; and
- risk monitoring and reporting – ongoing monitoring and reporting, of risks in line with the Group's risk appetite.

Risks are identified in the context of the Group's strategic and operational objectives including financial and non-financial risk classes. The Board and/or Audit and Risk Committee reviews the FLT risk management policy and FLT's risk management framework and is satisfied that it continues to be sound.

The CEO and senior management are responsible for identifying, assessing and monitoring risk. Senior management personnel are responsible for communication of their risk management activities in line with the Group's risk strategy and framework. A self-assessment on key business risks is performed and reported to the Audit and Risk Committee. Risk classes considered strategic risk and disruption, market conditions, climate change, macroeconomic and geopolitical conditions, regulatory risk, financial risk, operating risks, and ethics and conduct risks to the Group. Impacts as a result of key risks are assessed across financial and non-financial impact categories, including the reputational impact to the Group.

The Enterprise Risk function ensures the approach to risk management across the Group is in accordance with the risk management framework and supports the risk-based assurance approach to monitor the effectiveness of key controls. The Enterprise Risk function operates independently of the businesses and provides an objective and independent assessment of the effectiveness of FLT's risk and control environment.

Whilst FLT does not have a dedicated internal audit function, each internal business has a risk function that is responsible for monitoring and helping to manage risks in that business. Key strategic projects (i.e. capital raisings, mergers/acquisitions/ divestments, joint ventures, business initiatives or transformations etc.) are subjected to separate risk assessments that meet the specific needs of the project in line with Group objectives and risk appetite.

The CEO and CFO provide the Board with a formal sign-off on the Group's financial statements, in accordance with section 295A of the Corporations Act 2001 (Cth) and recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations. That sign-off is founded upon a sound system of risk management and internal control which is operating effectively in all material aspects in relation to financial reporting risks.

The below section does not purport to list every risk that may be associated with the Group now or in the future. There is no guarantee that the importance of these risks will not change, or that other risks will not 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.

Strategic risk and disruption

FLT faces threats and disruption that may affect its ability to execute its growth strategies, including delivering organic growth and pursuing strategic growth through mergers and acquisitions (M&A). The Group operates in a highly competitive environment, where it faces challenges from existing and new competitors, as well as the risk of disruption to its key business models by emerging technologies, changing customer preferences and regulatory changes. The Group's strategic growth objectives depend on the performance and alignment of its Global Pillars (Leisure, Corporate, Other) and its investments, which may be influenced by various internal and external factors. The Group's M&A strategy also involves significant risks, such as identifying suitable targets, conducting appropriate due diligence, integrating acquired businesses, achieving synergies and meeting financial expectations. The above risks may have an adverse effect on the Group's operational and/or financial performance.

How we manage this risk

The Group continually assesses its strategies and models as part of our strategic planning process. Through diversification, the Group aims to mitigate the threat of disruption and market entrants and pursue sustainable growth. Investment into key capabilities and technologies are made with the goal of fostering innovation, automation and digital transformation in respect of our business operations. Inorganic growth via mergers and acquisitions is continually assessed and executed where investment presents strong value, returns and complements our portfolio.

RISK PROFILE (CONTINUED)

Market conditions

As the travel industry navigates the post COVID-19 pandemic landscape, the Group must closely monitor market conditions and associated market risks. The pandemic has significantly altered customer sentiment and travel expectations. While some travellers are eager to explore new destinations, others remain cautious due to health concerns. Natural disasters, pandemics, and terrorism also remain unpredictable threats. These events further disrupt travel plans, affect safety perceptions, and lead to sudden shifts in demand. Furthermore, geopolitical tensions and regional instability can impact specific markets, necessitating agility in our operations. This has led to patterns of travel behaviour normalising differently across demographics leading to vastly differing consumer preferences (such as sustainable travel options) and changing trends across both corporate and leisure travel markets.

How we manage this risk

The Group has an established presence in our key geographical regions which helps build strong local market knowledge, operations and oversight complementing our global division and brand strategies. We seek to meet shifts in demand by prioritising streamlining, automating and standardising business operations. Our diverse lines of business and product offerings across the Group assist us to cater for differing travel behaviours across all demographics. Consumer preferences are central to our sales and marketing strategies, product procurement, and our customer experience.

Climate Change

The Group and its customers, suppliers and service providers may be adversely affected by climate change, which may lead to rising sea temperatures and sea levels, extreme weather conditions and changes in the frequency and severity of catastrophic events such as floods, fires, storms and droughts. Physical risks resulting from climate change can be event driven or a result of longer-term shifts in climate patterns and may have financial implications for the Group, such as indirect impacts from supply chain disruption, impacts on sectors that leisure and corporate customers operate in (e.g. agriculture) and the travel patterns and habits of customers. Transitional risks are those that result from actions taken to reduce greenhouse gas emissions and mitigate climate change. Examples of this include policy and legal reforms, investor and customer preferences and technology. Given its broad scope these risks have the potential to have substantial and unexpected impacts on the Group and can be experienced domestically and internationally. There is uncertainty about how the Group's customers will continue to respond to the effects of climate change (and therefore on possible changes in customer demand) and whether this may have an adverse impact on the Group's financial performance, results of operations and prospects.

How we manage this risk

The Group has a dedicated sustainability team which works with various other teams to ensure we are on track to comply with the various proposed jurisdictional sustainability standards. The Group is planning to assess the effects of climate risk and the associated opportunities in the upcoming financial year in accordance with the proposed standards. The Group monitors the risks and opportunities associated with climate change and reports material matters directly to the Board. The team has published a FY23 Sustainability Report which includes an updated emissions footprint for financial year 2023. The team also works closely with the businesses to monitor customer expectations to design products and services in line with their preferences and expectations.

Macroeconomic and geopolitical conditions

The travel industry is facing significant challenges due to the macroeconomic and geopolitical conditions in the world. The global economic slowdown, exacerbated by the COVID-19 pandemic, has reduced the demand for travel among both our Leisure and Corporate businesses. Some consumers are more cautious about spending on discretionary items such as travel, and businesses are cutting down on travel expenses to save costs. Moreover, the increasing geopolitical tensions in various regions, such as the conflict between Ukraine and Russia, the instability in Israel and its neighbours, and the trade disputes between major powers, have created uncertainty and risk for travellers and the travel industry alike. These tensions have already led to travel restrictions, major sanctions for countries and nationalities, boycotts, or even violence that could disrupt or endanger travel plans. Therefore, the Group needs to be prepared for the potential impact of these macroeconomic and geopolitical factors on its operations, profitability, and reputation.

How we manage this risk

Digitisation of processes, diversification and key offerings across different channels, revenue streams and products help the Group remain resilient. Travel is proving a priority amongst consumer discretionary categories and is positioned well for sustained growth. We focus on having a strong market presence and supply chain management in the corporate and leisure travel industries. Further, strong risk management helps build balance sheet strength whilst business continuity and scenario planning strategies are in place to mitigate any impacts associated with this risk.

RISK PROFILE (CONTINUED)

Regulatory risk

The Group, as a retailer of travel and travel-related products operating across multiple international markets is exposed to the risk of regulatory enforcement where business activities breach jurisdictional regulatory requirements.

These include, but are not limited to the following key areas:

- Data privacy breach / confidentiality mismanagement
- External financial and regulatory reporting failure
- Tax payment/filing failure
- Money laundering and terrorism financing
- Sanctions violations
- Bribery and corruption activities

Any regulatory enforcement against FLT could materially harm the reputation and financial performance of the Group.

How we manage this risk

The Group applies appropriate resourcing, training, technology and processes to support FLT in maintaining effective relationships with regulators, responding adequately to regulatory change, holding proper licensing and certification, and operating prudently across borders.

Financial risks

Liquidity & Financing risk

Liquidity and access to capital are fundamental requirements to achieve the Group's business objectives and to meet its financial obligations when they fall due. The inability to maintain a strong balance sheet or to secure new capital or credit facilities on favourable terms could impact upon the Group's operational and financial performance and the ability to meet its ongoing liquidity (including debt refinancing) needs. As a borrower of capital, the Company is exposed to fluctuations in interest rates which may increase the cost of servicing the Company's debt. Developments in global financial markets may adversely affect the liquidity of global credit markets and the Company's access to those markets. This may have a material adverse effect on the Company's future financial performance and financial position.

How we manage this risk

The Group closely manages and monitors liquidity through rolling operating cashflow forecasts, supported by Group Treasury review of short-term,13-week cashflow forecasts prepared weekly at a detailed level by business and country. This provides oversight of the amount and timing of cash inflows and outflows, and identification of any potential liquidity gaps or surpluses. Further, monitoring of liquidity ratios to assess the Group's ability to convert its assets into cash and to cover its short-term liabilities is routinely completed. Efforts to optimise working capital are also made by managing receivables and payables, alongside negotiating favourable terms with suppliers and customers. The Group monitors its debt structures in accordance with its capital management strategy. Our capital framework is aimed at guiding the allocation of capital in a manner that seeks to effectively balance sustaining growth, maintain a strong balance sheet and maximise returns to our shareholders.

Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures on future cash flows. The movement of foreign exchange rates may have an adverse effect on the Group's operating and financial performance. Furthermore, due to the nature of the Group's functions as an international tourism business, changes to foreign exchange rates can impact the underlying demand for travel and tourism services. The movement of foreign exchange rates are beyond the Group's control and could have an adverse effect on operating and financial performance.

How we manage this risk

A central treasury department oversees financial risk under board-approved policies that cover specific areas, such as foreign exchange risk, interest rate risk and credit risk, use of derivative financial instruments and non-derivative financial instruments and investments. Treasury identifies, evaluates and hedges financial risks in co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering the specific areas noted above.

Credit risk (suppliers, corporate customers)

The Group's business model includes payment terms relating to the pre-payment by customers for travel and tourism related services, and the maintenance of large corporate credit balances and related payment terms between the Group and its suppliers. To the extent these terms of payment and supply change, customers seek refunds, chargebacks or reversals, receivables are uncollectable fully or partly, contract assets on balance sheet are unrecoverable or counterparties do not act consistently with supply terms, the Group may need to obtain additional working capital having an adverse effect on operating and financial performance of the Group.

RISK PROFILE (CONTINUED)

How we manage this risk

The Group manages debtor and supplier risk by applying specific credit terms and criteria to assess the creditworthiness and reliability of its suppliers and corporate customers. The Group also conducts regular supplier and corporate customer evaluations and appraisals to monitor their performance and compliance with the Group's policies and standards. Depending on the stakeholder's risk profile, the Group may require collateral or guarantees as a form of security for the payment obligations. The Group also adheres to the agreed terms with its suppliers and corporate customers and maintains timely and accurate settlement of invoices.

Acquisition and investment risk

The Group continuously evaluates acquisition and divestment opportunities for sustainable growth. Any past or future acquisitions (or disposals) will cause a change in the sources of the Group's earnings and result in variability of earnings over time. Integration of new businesses may be costly and occupy management's time. The financial performance of investments and the economic conditions they operate within may result in investment impairment should the recoverable amount of the investment fall below its carrying value.

How we manage this risk

The Group manages acquisition and investment risk by applying a rigorous investment and due diligence process, which involves evaluating the financial, operational, legal and strategic aspects of each opportunity. The Group also monitors and reports on the performance and risks of its existing investments on a regular basis. The Group aims to ensure that its investments are aligned with its strategic objectives and deliver value to the Group.

Operational risk

Human Resource Risk

As a predominately service-based organisation with high dependency on key senior management, and having "people at our core", the risk of losing key staff or having excessive turnover in staff is significantly problematic to the Group. Without experienced consultants, sales teams, frontline managers and senior leaders this could cause disruption to the conduct of the Group's business in the short term and negatively affect the Group's operating and financial performance. Similarly, the Group's operations, performance and reputation could be adversely affected if the Group is unable to attract staff or were to lose key staff members which it was unable to replace with equally qualified personnel. This risk is exacerbated by having a complex operating environment with over 30 brands across multiple countries globally.

How we manage this risk

The Group focuses on its culture, reward and recognition which helps staff satisfaction and retention rates remain high. The Executive Team (Taskforce) are collectively accountable for ensuring our organisational culture is appropriate to meet objectives. The Group has strong talent management and succession planning practises in place, along with retention mechanisms in place for key capability.

Technology risk including cyber security

The Group heavily relies on the performance, reliability, and availability of its information technology (IT), communication, and other business systems for many BAU activities. Therefore, any damage to, or failure of, the Group's key systems may result in severe disruptions to the Group's business operations resulting in material risk to the Group's operating and financial performance. The Group also holds / handles a significant amount of personal client data and any failures of, or malicious attacks on, the Group's technical systems may similarly impact both the Group and its reputation. The risk of cyber, ransomware, and malware threats is also significantly increasing and changing constantly, especially as the Group adapts to more hybrid and remote work environments. Moreover, the regulatory environment is becoming more stringent and could impose severe consequences on the Group for any non-compliance, such as fines, penalties, orders, undertakings, lawsuits, or public statements that could damage the Group's reputation and trust with its customers and suppliers. This could lead to the loss of contracts, market share, and business performance.

How we manage this risk

The Group has established a dedicated Information Security team that supports our businesses in implementing effective security controls and practices. The Group also has a maturing data strategy that helps us to identify, classify and manage our critical data assets across the enterprise. Furthermore, we follow cybersecurity frameworks that are designed to protect our systems and data from unauthorised access, detect any potential breaches or incidents, and respond quickly and appropriately to mitigate the impact. We conduct regular awareness training and campaigns to educate our employees and stakeholders on how to prevent and report cyber threats. The Group performs security assessments and continuous monitoring to evaluate our security posture and identify any gaps or areas for improvement.

RISK PROFILE (CONTINUED)

Supply Chain Risk

The intricate supply chain of the Group involves a network of travel providers, major airlines, global distribution system providers, and intermediaries. Notably, the International Air Transport Association (IATA) operates a clearing system within this ecosystem, which introduces material risk to the Group. Due to the reliance on third party suppliers, a dispute or breakdown in relationships with suppliers could harm the Group's reputation and financial performance. Failure to reach suitable arrangements or a supplier's inability to meet contractual obligations poses significant threats. Further, the current economic climate exacerbates these risks. Suppliers, including international airlines facing operational challenges, may alter engagement terms or even default on payments. Such financial stress can directly impact the Group's operations and financial health.

How we manage this risk

The Group undertakes due diligence and monitors supply chain and third party risk through relationship management. The Group also maintains a diverse supplier base to reduce dependency and increase resilience. Furthermore, the Group conducts initial and ongoing supplier assessment and due diligence to verify compliance, performance and quality standards.

Ethics and Conduct

FLT recognises that ethical conduct and strong governance are material to the success of our business in line with shareholder, regulator, customer and employee expectations. The failure of our people or third-parties to adhere to our code of conduct could deliver reputational impact or lead to a breach of legislation or regulations.

Ethical behaviour across our supply chain, especially around issues like human rights, modern slavery, and data security, is essential. Breaches of conduct including fraud, bribery and/or corruption, anti-competitive behaviour, economic and trade sanctions, money laundering and/or terrorism financing, privacy breaches or misconduct carry significant risk to our business.

How we manage this risk

Our approach to corporate governance helps to manage, oversee and report against our risk of misconduct within the Group. FLT endorses and applies the ASX Corporate Governance Principles and Recommendations and complies with each recommendation as outlined in our Corporate Governance Statement. The Group monitors and reports on material breaches of our code of conduct directly to the Board.

OVERVIEW

JOHN EALES

REMUNERATION AND NOMINATION COMMITTEE CHAIRMAN

I am pleased to present your company's FY24 Remuneration Report.

The year to 30 June 2024 saw a long-awaited - and much welcomed - return to a degree of normalcy in our industry, as demand for travel continued to take off across both the leisure and corporate sectors.

As highlighted in this report, our company delivered significant profit growth in this improved trading environment, as well as solid TTV uplift. Importantly, margin also improved significantly, as we progressed towards our strategic objective of delivering a 2% underlying profit margin (underlying profit before tax as a percentage of TTV).

Credit for these achievements must, of course, go to our people, who remain our most valuable asset.

Ongoing Focus on Attraction and Retention

This importance is reflected in the investments we make in our people at all levels.

This starts with attracting the right talent and extends through the development of their careers, as we strive to help them advance the skills needed to grow our business.

Naturally, remuneration plays a key role in that journey and in ensuring key people are retained and develop long-term careers with us.

While we continue to refine and tailor our remuneration systems and offerings to ensure they remain fit-for-purpose and attractive in a highly competitive jobs market, our objectives in this area are unchanged.

REMUNERATION REPORT GLOSSARY

AIM: Alternative Investment Market
BOS: Business ownership scheme
CEO: Chief executive officer
CFO: Chief financial officer
DIP: Deferred Incentive Plan
EBITDA: Earnings before interest,tax, depreciation and amortisation
EMEA: Europe, Middle East and Africa
EPS: Earnings per share
ESP: Employee Share Plan
EY: Ernst & Young
FLT: Flight Centre Travel Group Limited
FTSE: Financial Times Stock Exchange
FY: The fiscal year
GRR: Global Recovery Rights
KMP: Key management personnel
KPIs: Key performance indicators, the basis for FLT's STIs
LSL: Long service leave
LTRP: Long Term Retention Plan
MDs: Managing directors
NEDs: Non-executive directors
PBT: Profit before tax
PCRP: Post-COVID-19 Retention Plan
RNC: FLT's Remuneration and Nomination Committee
SBP: Share based payments
STIs/LTIs: Short-term incentives/long-term incentives
Taskforce: FLT's global executive team, consisting of Graham Turner, Adam Campbell, Chris Galanty, James Kavanagh, Greg Parker, Bertrand Saillet, Charlene Leiss, Steven Norris and Lincoln Turvey

Our priorities are to:

- Attract and retain the right people. This has always been a strength, as illustrated by our executive team's tenure and varied career development paths
- Recognise and reward people appropriately for their contributions in growing the business and helping it achieve the long-term strategic objectives that will deliver sustainable growth in shareholder value.
- Deliver simple, sensible and transparent incentive structures that are measurable and aligned to these strategic objectives; and
- Further align our people's interests to those of shareholders by providing ownership through share plans and incentive programs. This ownership ensures our people adopt the behaviours and implement the strategies that deliver long-term benefits for stakeholders, rather than over-indexing on short-term performance.

Of course, it is also critical that our remuneration systems are understood and accepted, so we continue to engage with industry bodies, special interest groups and other stakeholders to enhance this understanding.

Generally, shareholders have responded positively to our remuneration system and the policies, beliefs and governance structure which underpin it, as evidenced by the strong endorsement this report has traditionally received from shareholders at our Annual General Meetings. To date, the largest vote against our report was 5.85% in 2007 and the average over the past five years was 2.2%.

A Simple System That is Purpose-built and Aligned to FLT's Strategic Objectives

As a company, we value common-sense over conventional wisdom, which means we take a common-sense approach that is aligned to our strategic objectives and our philosophies.

This is very clearly illustrated in our remuneration structures, which are simple and purpose-built to align to our specific requirements, rather than off-the shelf offerings designed to suit companies with vastly different structures, objectives, culture and beliefs.

In essence, our remuneration packages for key executives consist of:

- A fixed pay component
- A variable short-term incentive (STI) component, which is tied to measurable and pre-determined targets, capped at 30% of fixed pay and not guaranteed in part or full
- An equity-based long term retention component. This is available via our Long-Term Retention Plan (LTRP), a purpose-built program introduced to encourage and reward a group of key executives for continuing their careers with FLT for the long-term. This is first and foremost a retention program and it has been enormously successful in achieving this objective, as evidenced by more than 96% retention of participants who were invited to take part in the FY24 program (only 3 of 189 participants voluntarily left the company); and
- A new, equity-based deferred incentive program (DIP), targeted at a small group of very senior executives who can directly influence group profit and TTV growth

The DIP is the only major change to our FY25 remuneration structures and it has been introduced from 1 July 2024 to serve two very clear purposes:

1. To help ensure that the packages we offer our DIP participants are competitive - which is critically important. Recent benchmarking indicated that an increase was necessary to bring our remuneration offerings closer in line with our peers ; and
2. To reward our DIP participants for delivering our strategic objective - the underlying 2% PBT margin - while continuing to grow the business.

The DIP is distinguished from FLT's entrenched and widely used STI program in a number of other ways, specifically its:

- Benefits are deferred, which allows returns to be clawed back if necessary and encourages a longer-term focus
- Equity-based payment method, which engenders a stronger sense of ownership among participants and encourages continued growth in shareholder value
- Application to a much smaller group of very senior leaders; and
- Focus on achieving and maintaining specific margin and sales-related "stretch" targets, rather than simple year-on-year profit growth targets, which are used within FLT's established STI programs

Effectively, participants will be rewarded for delivering efficient growth - TTV growth at an improved margin.

Depending on their positions, participants are targeted to earn an additional 20%, 50% or 70% of their packages via the DIP if the challenging performance hurdles are achieved.

The margin target for executives aligns with the company's stated 2% stretch target, which requires FLT to deliver substantial profit and earnings per share growth as illustrated in the hypothetical example below.

Based on FY24 TTV, FLT would have needed to achieve a $474million underlying PBT - and additional 48% growth on the circa $320million result and almost 250% year-on-year growth- to achieve the 2% margin and for executives to earn their targets under the DIP (of 20%, 50% or 70%).

This is not, however, an "all or nothing" program that is at risk of losing relevance or encouraging inappropriate behaviour if the stretch target becomes unachievable during the course of the year.

Participants will be eligible to receive 30% of their targeted DIP earnings if FLT grows and delivers a 1.6% underlying profit margin. Based again on the hypothetical FY24 example listed above, FLT would have needed to deliver an additional $60million underlying profit to clear this first hurdle and trigger this payment.

There is also "upside" in the program to reward executives if they deliver growth and extraordinary margin expansion to a "super stretch" target of 2.5%. In this scenario, which represents circa $594million underlying PBT on FY24 TTV, participants will earn a capped 150% of their targeted DIP earnings at the same time as shareholders will have benefited from extraordinary growth in earnings per share and TSR.

With the addition of the DIP we believe we will offer our key executives a more competitive, well rounded and balanced remuneration structure with a very clear focus on:

- Achieving short-term profit targets for the company overall and, in most cases, for their individual businesses (delivered via our well established STI program)
- Growing sales year-on-year and becoming more efficient by improving net margin (delivered by our new DIP); and
- Adopting a business owner's mindset and creating longer term value because of the stronger sense of ownership (delivered by both the long-standing LTRP and our new DIP)

Conclusion

As is the case in all key areas throughout the business, FLT continues to refine its remuneration systems and structures to ensure they remain fit-for-purpose and are aligned with the company's strategic objectives.

The only significant change that is in place for FY25 - the introduction of the tailor-made DIP - serves a dual strategic purpose in that it is designed to ensure remuneration packages for key executives remain competitive, thereby rectifying a concern that we had identified, while also focusing these executives on the company's primary objective - delivering the 2% underlying profit margin, while continuing to grow. This growth metric is a very important aspect because it ensures our executives continue to take a long-term view and invest in businesses that are key future TTV drivers.

Thank-you for your ongoing support of our company.

REMUNERATION - KEY QUESTIONS

How is FLT's performance reflected in FY24 remuneration outcomes?

The reward framework aims to align our employees' interests with those of our shareholders and stakeholders. The remuneration outcomes reflect a pay-for-performance approach, aligned to the principle that "what gets rewarded gets done".

For executive STI's, an underlying PBT gateway is applied, which varies between business and region, such that no STI is funded unless the gateway is met or exceeded. All executives are subject to a Group PBT component within their STIs.

The FY24 underlying PBT exceeded the gateway, and FLT delivered strong financial performance with 130 per cent underlying PBT growth to $320m, 212% statutory PBT growth to $220m, and record TTV of $23.74b.

This financial performance resulted in FY24 STI outcomes for KMP ranging from 37 per cent to 78 per cent of maximum STI opportunity, with the average of 55 per cent, noting the maximum is equivalent to 30 per cent of fixed pay.

What changes were made to remuneration in FY24?

For FY24, remuneration structures were simplified, as outlined in the FY23 Remuneration Report.

Fixed pay: What was previously referred to as 'Targeted Remuneration Packages,' which was split as 90 per cent base salary plus super and a 10 per cent at-risk component, was combined as the remuneration package's fixed pay component.

Executives and NEDs received a modest fixed pay increase, reflecting changes in superannuation payments in Australia.

STI: Historically STIs were not capped for KMP, with reliance on governance processes and natural curbs to ensure reward outcomes were aligned to shareholders' interests and to prevent incentives from reaching unacceptable levels. For FY24, an STI cap of 30 per cent fixed pay was introduced.

Where does FLT's remuneration sit relative to market?

During FY24, EY was engaged to provide external benchmarking for Taskforce roles. The review was informed by benchmarking data of ASX-listed companies in two peer groups:

- A market capitalisation peer group: comprised of companies with a 12-month average market capitalisation within 50%-200% of FLT's market capitalisation.
- An industry peer group: comprised of companies within the Consumer Discretionary GICS sector.

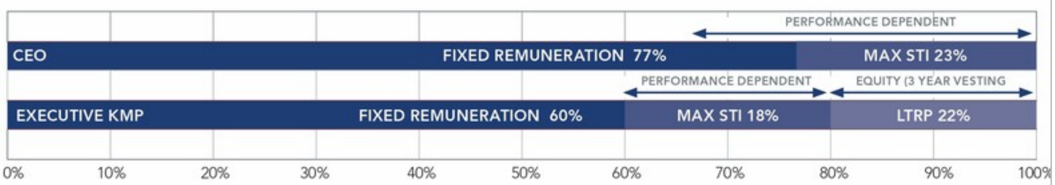
For the CEO, Corporate role (London-based), the market data provided was sourced from publicly disclosed remuneration arrangements for CEOs of organisations listed on the UK AIM and FTSE SmallCap index.

The outcome of this benchmarking was consistent with what was reported in the FY23 Remuneration Report, in that remuneration arrangements for Executives were below the median and in some cases the 25th percentile relative to the external market.

Relative to CEO roles in the ASX, Graham Turner, CEO and Founder, is paid well below market:

	FIXED PAY	AWARDED BONUS	REALISED PAY
ASX 100 (Median)*	$1,743,474	$1,516,086	$3,868,346
ASX 101-200 (Median)*	$1,035,099	$624,654	$1,952,114
Graham Turner, CEO and Founder	$807,185	$147,424	$986,611

* Data source | ACSI CEO Pay in ASX200 Companies: July 2024

Are any changes planned for FY25?	In FY24, a comprehensive review of executive remuneration was undertaken. The purpose of this review was to ensure that remuneration outcomes aligned with the company's strategic objective and overarching remuneration philosophy of attracting, retaining and motivating high calibre employees. As reported above, pay for Taskforce [senior executives] relative to market was identified as being on the lower end. In addition, the Post-COVID-19 Retention Plan, which was implemented to help retain key employees critical to the business during the post-pandemic recovery and rebuilding phase, fully vested in August 2024 and, therefore, concluded. Within this environment, it was crucial to reassess and adjust the remuneration framework to ensure competitiveness and to mitigate increased turnover risk in a tight labour market. There are no changes to fixed pay other than the superannuation increase in Australia, and the Board and Taskforce believe that the current STI and LTRP designs remain fit-for-purpose. Changes were, however, made to address the issues – and the resultant risks – identified within the external benchmarking data. This has led to a new equity-based Deferred Incentive Plan (DIP) being introduced for FY25. The DIP is targeted at a select group of very senior executives who have a direct influence on group profit and TTV growth. This change ensures that remuneration remains competitive and that financial rewards are closely aligned with the achievement of our overarching strategic objective—attaining a 2 per cent PBT margin—while continuing to drive business growth. Executive KMP will have a DIP target equivalent to 70 per cent of fixed pay, with the exception of Chris Galanty who will have a 20 per cent target due to his participation in the BOS Multiplier Programme (outlined on page 30). The DIP will be delivered as performance rights, subject to a TTV growth "gate-opener" and a Group underlying PBT margin performance hurdle, with a 12-month deferral period. This design ensures Executives focus on meeting the company's strategic objective of delivering a 2 per cent underlying PBT margin, while also ensuring they are incentivised and rewarded for actions that drive longer-term value creation for shareholders. Aligned to our philosophies of 'Ownership' and 'Reward', the use of an equity-based plan with deferral ensures that Executives are fully invested in the company's performance trajectory, encouraging strategic decision-making and reflecting our commitment to fostering sustainable growth and maximising shareholder value.
What proportion of remuneration is performance-based?	The graphs below set out the remuneration mix for the Group CEO and other Executive KMP for FY24:  As shown above, the current pay-mix is more weighted towards fixed remuneration. This was highlighted in the executive remuneration review when comparing our pay mix to that of the ASX 100 and ASX 101-200 companies. The data suggests that 60-70 per cent of executive pay is typically performance-based or at risk.
Are STI payments capped?	Yes, an Executive's STI is capped at 30 per cent of fixed pay.
Are any STI payments deferred?	There is currently no STI deferral.
Are there any clawback provisions for incentives?	There is currently no clawback. From FY25, with the introduction of the new DIP, the Board will implement both malus and clawback provisions. Under these provisions, the Board will have the authority to adjust or cancel incentives before they are paid (malus) and to reclaim already-disbursed incentives (clawback) in the event of material financial misstatements, misconduct that could harm the Group, or gross negligence.
Are non-financial KPIs used in incentives?	FLT does not currently and has not traditionally tied KMP incentives to non-financial KPIs. The company may consider using them in future if they are measurable (quantifiable) and aligned to FLT's strategic objectives and shareholder interests.

Why are there no performance hurdles in the LTRP?	The LTRP is not a traditional LTI and is strategically designed to be an executive retention tool, therefore no performance-related hurdles apply. Rights can be granted to participants annually while they remain part of the program. This is first and foremost a retention program and it has been enormously successful in achieving this objective, as evidenced by more than 96 per cent retention of participants who were invited to take part in the FY24 program (only 3 of 189 participants voluntarily left the company). FLT believes the LTRP gives executives a stronger sense of ownership and alignment with shareholders than other commonly used plans that are tied to longer term performance hurdles that may or may not be achieved. LTRP participants gain an immediate sense of share ownership and see the same benefits as other shareholders (excluding dividends and voting rights), while also being motivated as an owner to deliver longer term value and share price growth. FLT regularly reviews all components of remuneration and continues to maintain the original structure of the plan, given the success in achieving its primary strategic objective of retaining key individuals while aligning their interests to shareholders.
Does FLT buy shares or issue new shares for equity-based plans?	The Board has discretion to issue new securities or buy existing securities on-market. During FY24 securities were purchased on-market.
Can equity plan participants hedge their unvested awards?	Consistent with the Corporations Act 2001, participants are prohibited from hedging their unvested performance rights.

REMUNERATION REPORT - AUDITED

This remuneration report has been prepared in accordance with section 300A of the *Corporations Act 2001* and the information has been audited as required by section 308(3C) of the *Corporations Act 2001*.

CONTENTS

KMP FOR FY24

This report covers the KMP remuneration details for the company and consolidated entity consisting of FLT and the entities it controlled for the year ended 30 June 2024. Board and KMP are as defined by AASB 124 *Related Party Disclosures* and are responsible for planning, directing and controlling the entity's activities. For FY24, the KMP were:

NON-EXECUTIVE DIRECTORS		TERM
Gary Smith	Chair	Full year
John Eales	Non-Executive Director	Full year
Robert Baker	Non-Executive Director	Full year
Colette Garnsey	Non-Executive Director	Full year
Kirsty Rankin	Non-Executive Director	Full year

EXECUTIVE DIRECTOR	CURRENT FLT ROLE	FIRST FLT ROLE	TENURE	TERM
Graham Turner	CEO	CEO	43 years	Full year

EXECUTIVE KMP	CURRENT FLT ROLE	FIRST FLT ROLE	TENURE	TERM
Adam Campbell	CFO and CEO - Global Business Services	Risk & Audit	17 years	Full year
Chris Galanty	CEO - Corporate	Flight Centre Putney (UK)	27 years	Full year
James Kavanagh	CEO - Leisure	Campus Travel Account Manager	20 years	Full year
Greg Parker	CEO - Supply	Air Contracting (Australia)	21 years	Full year

Parent Entity

With the exception of Chris Galanty, the executives listed above were also Parent Entity executives.

EXECUTIVE REMUNERATION OUTCOMES FOR FY24 AND THE LINK TO BUSINESS PERFORMANCE

CURRENT AND PAST FINANCIAL PERFORMANCE

The table below provides summary information on the Group's and shareholder earnings for the five years to 30 June 2024.

	FY24	FY23	FY22	FY21	FY20
Profit / (loss) before income tax	$219.7m	$70.5m	($377.8m)	($601.7m)	($848.6m)
Underlying profit / (loss) before income tax[1]	$320.4m	$138.8m	($360.9m)	($507.1m)	($509.2m)
Profit / (loss) after income tax	$139.2m	$47.4m	($287.2m)	($433.5m)	($662.2m)
Interim dividend	10.0c	—	—	—	—
Final dividend	30.0c	18.0 c	—	—	—
Earnings / (loss) per share (basic)	63.7c	23.1c	(142.4c)	(217.5c)	(552.2c)
Share price at 30 June	$20.18	$19.05	$17.36	$14.85	$11.12
Increase in share price %	6 %	10%	17%	34%	(73%)

1 Underlying profit / (loss) before tax is a non-IFRS measure and is unaudited. Refer to note A1 segment information for reconciliation of underlying to statutory profit / (loss) before tax.

SUMMARY OF FY24 REMUNERATION

Group CEO remuneration	**Fixed pay:** Graham Turner received a 5 per cent increase in fixed remuneration for FY24. Fixed pay for FY24 was $807,185, up from $768,748 in FY23. The primary difference is that in FY23 only 90 per cent of what was previously referred to as 'targeted remuneration packages' was reported as salary or fees ($691,874), and the other 10 per cent was at risk component ($76,874). From 1 July 2023, these two components were combined as the remuneration package's fixed pay component. **STI:** FY24 underlying PBT exceeded the gateway, and FLT delivered strong financial performance with 130 per cent underlying PBT growth to $320m, 212% statutory PBT growth to $220m and record TTV of $23.74b. This financial performance resulted in an FY24 STI outcome of $147,424 which is 61 per cent of the maximum STI opportunity.
Fixed pay for Executive KMP	**Fixed pay:** No Executive KMP received a fixed pay increase for FY24, with the exception of the superannuation increase in Australia. As above, what was previously referred to as 'targeted remuneration packages' was split as 90 per cent base salary plus super and a 10 per cent at risk component, this was combined as the fixed pay component of the remuneration package.
Incentives for Executive KMP	**STI:** The FY24 underlying PBT exceeded the gateway, and FLT delivered strong financial performance with 130 per cent growth in underlying PBT growth to $320m, 212% statutory PBT growth to $234m, and record TTV of $23.74b. This financial performance resulted in an average FY24 STI outcome of 53% per cent of the maximum STI opportunity, noting the individual outcomes are based on underlying PBT targets which vary between business and region. **LTRP:** This award was subject to a continued service condition with the performance period ending 30 June 2024, with the rights vesting in the August 2024 trading window. **PCRP:** This award was subject to a continued service condition with the performance period ending 30 June 2024, with the rights vesting in the August 2024 trading window. This was the final tranche of the matched rights.

EXECUTIVE KMP STI AWARDS IN FY24

	STI max % of fixed remuneration	Actual STI % of max	Forfeited STI % of max	Actual STI $
Graham Turner	30 %	61 %	39 %	$147,424
Adam Campbell	30 %	61 %	39 %	$203,503
James Kavanagh	30 %	37 %	63 %	$105,226
Chris Galanty	30 %	49 %	51 %	$76,514
Greg Parker	30 %	78 %	22 %	$212,581

STATUTORY REMUNERATION & FRAMEWORK

The following table shows the remuneration paid and payable to KMP for the year ended 30 June 2024. Remuneration amounts are determined in accordance with the *Corporations Act 2001*.

	PAID AND PAYABLE REMUNERATION				
	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS[1]	TOTAL PAID AND PAYABLE REMUNERATION
	CASH SALARY AND FEES[2]	SHORT TERM INCENTIVE	BOS INTEREST[3]	SUPERANNUATION	
NAME	$	$	$	$	$
NON-EXECUTIVE DIRECTORS					
Gary Smith					
2024	274,408	—	—	27,399	301,807
2023	274,708	—	—	25,292	300,000
John Eales					
2024	158,873	—	—	17,476	176,349
2023	158,873	—	—	16,682	175,555
Robert Baker					
2024	158,873	—	—	17,476	176,349
2023	158,873	—	—	16,682	175,555
Colette Garnsey					
2024	158,873	—	—	17,476	176,349
2023	158,873	—	—	16,682	175,555
Kirsty Rankin					
2024	158,873	—	—	17,476	176,349
2023	135,272	—	—	14,204	149,476
EXECUTIVE DIRECTOR					
Graham Turner					
2024	779,786	147,424	—	27,399	954,609
2023	666,582	204,057	—	25,292	895,931
EXECUTIVE KMP					
Adam Campbell					
2024	1,086,833	203,503	—	27,399	1,317,735
2023	975,620	295,205	—	25,292	1,296,117
Chris Galanty					
2024	695,698	76,514	1,067,736	—	1,839,948
2023	582,500	124,116	815,246	—	1,521,862
James Kavanagh					
2024	917,601	105,226	—	27,399	1,050,226
2023	791,549	386,669	—	25,292	1,203,510
Greg Parker (became a KMP on 1 July 2023)[4]					
2024	875,850	212,581	—	27,399	1,115,830
2023	—	—	—	—	—
Melanie Waters-Ryan (retired 31 August 2023, ceased being a KMP on 30 June 2023)[4]					
2024	—	—	—	—	—
2023	1,220,083	363,182	—	25,292	1,608,557
Charlene Leiss (ceased being a KMP on 30 June 2023)[4]					
2024	—	—	—	—	—
2023	882,091	129,220	—	14,612	1,025,923
Steven Norris (ceased being a KMP on 30 June 2023)[4]					
2024	—	—	—	—	—
2023	755,762	197,673	—	—	953,435
TOTAL KMP COMPENSATION (EXCLUDING LONG TERM BENEFITS)					
2024	**5,265,668**	**745,248**	**1,067,736**	**206,899**	**7,285,551**
2023	**6,760,786**	**1,700,122**	**815,246**	**205,322**	**9,481,476**

1 Termination benefits accrued as at FY23 (leave entitlements and agreed upon termination benefit) of $1,220,000 were paid during FY24 (2023: Nil paid).
2 Cash salary and fees includes accrued annual leave used and paid out as salary during the year.
3 BOS interest shown above does not take into account financial liabilities (principal repayments) that may relate to this investment.
4 For KMP who became a KMP during the current year or ceased being a KMP during the prior year, the amounts disclosed reflect the relevant service period served.

STATUTORY REMUNERATION & FRAMEWORK (CONTINUED)

NEDs receive fixed fees, do not receive STIs or LTIs and do not participate in the BOS or BOS Multiplier program. No components of their remuneration are at risk.

		LONG-TERM EMPLOYEE BENEFITS			SHARE- BASED PAYMENTS		
	TOTAL PAID AND PAYABLE REMUNERATION	LONG SERVICE LEAVE[1]	BOS MULTIPLIER PROVISION[2]	TERMINATION BENEFITS[3]	EQUITY SETTLED PLANS[4,5]	TOTAL REMUNERATION	PERCENTAGE PERFORMANCE RELATED[6]
NAME	$	$	$	000	$	$	%
TOTAL NON EXECUTIVE DIRECTORS COMPENSATION							
2024	1,007,203	—	—	—	—	**1,007,203**	— %
2023	976,141	—	—	—	—	**976,141**	— %
EXECUTIVE DIRECTOR							
Graham Turner							
2024	954,609	32,002	—	—	—	**986,611**	15 %
2023	895,931	56,763	—	—	—	**952,694**	21 %
EXECUTIVE KMP							
Adam Campbell							
2024	1,317,735	19,933	—	—	622,881	**1,960,549**	10 %
2023	1,296,117	51,102	—	—	716,938	**2,064,157**	14 %
Chris Galanty							
2024	1,839,948	—	733,255	—	345,393	**2,918,596**	64 %
2023	1,521,862	—	1,099,366	—	433,375	**3,054,603**	67 %
James Kavanagh							
2024	1,050,226	66,397	—	—	319,775	**1,436,398**	7 %
2023	1,203,510	51,870	—	—	366,271	**1,621,651**	24 %
Greg Parker (became a KMP on 1 July 2023)[7]							
2024	1,115,830	(16,808)	—	—	273,162	**1,372,184**	15 %
2023	—	—	—	—	—	**—**	— %
Melanie Waters-Ryan (retired 31 August 2023, ceased being a KMP on 30 June 2023)[7]							
2024	—	—	—	—	—	**—**	— %
2023	1,608,557	90,702	(2,619,811)	1,220,000	(57,537)	**241,911**	(933)%
Charlene Leiss (ceased being a KMP on 30 June 2023) [7]							
2024	—	—	—	—	—	**—**	— %
2023	1,025,923	—	—	—	363,858	**1,389,781**	9 %
Steven Norris (ceased being a KMP on 30 June 2023)[7]							
2024	—	—	—	—	—	**—**	— %
2023	953,435	—	—	—	355,235	**1,308,670**	15 %
TOTAL KMP COMPENSATION							
2024	**7,285,551**	**101,524**	**733,255**	**—**	**1,561,211**	**9,681,541**	
2023	**9,481,476**	**250,437**	**(1,520,445)**	**1,220,000**	**2,178,140**	**11,609,608**	

1 Long Service Leave (LSL) includes amounts accrued and taken during the year. LSL provisions are linked to overall executive remuneration (which consists of the short-term benefits noted above) and, therefore, vary from year to year. Movements are based on total salary which is dependent on performance during the year. Negative amounts are sometimes recognised, as provisions naturally adjust in periods where incentives are not earned and the rate used for LSL calculation reduces compared to prior periods.

2 BOS Multiplier program provisions are linked to profit and, therefore, vary from year to year.In FY23 Melanie Waters-Ryan's negative BOS Multiplier amount reflects the decrease in the BOS Multiplier provision due to her retirement and in accordance with the final redemption terms. Information on the BOS program is included under the Business Ownership Scheme (BOS) Multiplier Program - grandfathered arrangement for Executive KMP.

3 Melanie Waters-Ryan received retirement (termination) benefits during FY24. These were fully accrued in the FY23 financial statements.

4 FY24 Share-based payments represent amounts expensed in relation to rights granted under LTRP Grant 2022 (Grant 7), LTRP Grant 2023 (Grant 8) and LTRP Grant 2024 (Grant 9) and PCRP (refer Legacy Remuneration Arrangements). A. Campbell, J. Kavanagh and G.Parker include matched rights granted under the ESP (refer Employee Share Plan (ESP)/General Terms). FY23 Share-based payments represent amounts expensed in relation to rights granted under LTRP Grant 2019 (Grant 4b), LTRP Grant 2020 (Grant 5b), LTRP Grant 2021 (Grant 6 & Grant 6b), LTRP Grant 2022 (Grant 7), LTRP Grant 2023 (Grant 8), LTRP Grant 2024 and PCRP (refer Legacy Remuneration Arrangements). A. Campbell, J. Kavanagh, C. Leiss and S. Norris' include matched rights granted under the ESP (refer Employee Share Plan (ESP) / General Terms).

5 Melanie Waters-Ryan retired on 31 August 2023. Share-based payment expense previously recognised under AASB 2 in respect of the rights relating to LTRP Grant 7 and PCRP Match 2 rights has been reversed in the year ended 30 June 2023 resulting in a negative amount reported for share-based payment remuneration in 2023.

6 Performance related percentage calculated as the sum of the STI and BOS interest, and BOS Multiplier divided by total remuneration.

7 For KMP who were appointed during the current year or ceased during the prior year, the amounts disclosed reflect the relevant service period served as KMP.

EXECUTIVE KMP REMUNERATION FRAMEWORK

FLT'S REMUNERATION PHILOSOPHY

FLT has a simple remuneration system that is tied to its core philosophies and strategic objectives. This remuneration framework is specifically designed to suit FLT's goals, although it aligns with market practice by being:

- Competitive, which allows the company to attract and retain high calibre people.
- Aligned with participants' interests, reflecting responsibilities and rewarding achievement in creating short and long-term shareholder value.
- Acceptable to shareholders and strongly aligned with their interests.
- Transparent, with clear targets set and achievements against these targets are measurable; and
- Tied to the company's longer-term objectives, capital management strategies and structures.

Remuneration structures for Executive KMP are also carefully tailored to ensure they include an appropriate mix of:

- Fixed pay; and
- Variable pay with incentives ensuring a strong short and long-term alignment between executive and shareholder interests.

Measurable, outcome-based KPIs underpin FLT's STI programs and its overall remuneration framework globally. FLT believes that if the right outcomes are rewarded via its STIs, the company, its people, its customers and its shareholders will benefit. FLT's belief in the value of using quantitative and outcome-based STIs to drive desired outcomes is articulated in the company's core philosophies, which are included in this Annual Report.

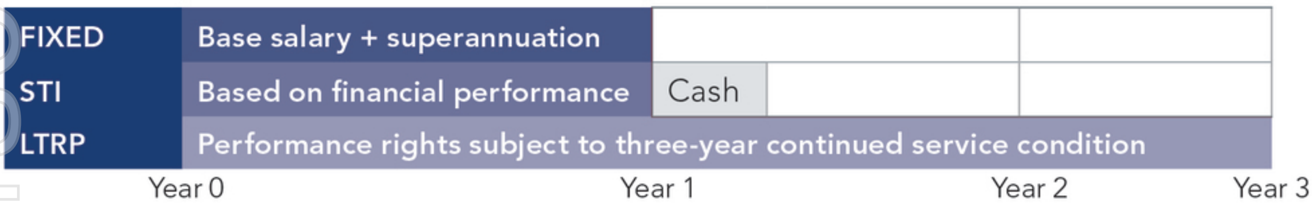
The company's philosophies also underline FLT's belief in the importance of providing its people with ownership opportunities and the chance "to share in the company's success through outcome-based incentives, profit share, BOS and Employee Share Plans".

Accordingly, ownership opportunities are built into the company's remuneration structures to encourage FLT's people at all levels to behave as long-term stakeholders in the company and to adopt the strategies, disciplines and behaviours that create longer term value.

REMUNERATION DELIVERY

The graph below sets out the general remuneration structure for Executive KMP, highlighting the remuneration delivery between cash and equity components and spanning different time horizons, encouraging an ownership mindset and aligning the interests of Executives with those of our shareholders.

Note that Graham Turner, the Group CEO and Founder, does not participate in the LTRP.



FY24 EXECUTIVE KMP REMUNERATION COMPONENTS

FIXED REMUNERATION	
Purpose	To attract and retain high calibre employees capable of delivering business performance.
Components	Fixed remuneration includes cash salary, compulsory employer superannuation or pension contributions and any salary sacrificed items.
Benchmarking	During FY24, EY was engaged to provide external benchmarking for Taskforce [senior executive] roles. The review was informed by benchmarking data of ASX-listed companies in two peer groups: • A market capitalisation peer group: comprised of companies with a 12-month average market capitalisation within 50%-200% of FLT's market capitalisation. • An industry peer group: comprised of companies within the Consumer Discretionary GICS sector. For the CEO, Corporate role based in London, the market data provided was sourced from publicly disclosed remuneration arrangements for CEOs of organisations listed on the UK AIM and FTSE SmallCap index.

DIRECTORS' REPORT CONTINUED

FY24 EXECUTIVE KMP REMUNERATION COMPONENTS (CONTINUED)

STI		
Purpose	Motivate and reward executives for achieving annual business goals and increasing shareholder value by meeting or exceeding profit targets.	
Value	Executive KMP have a maximum annual STI opportunity of 30% of fixed remuneration.	
Performance measures	Group CEO, CFO and CEO, Supply	Global PBT growth
	CEO, Corporate	A combination of global PBT growth, Corporate business PBT growth and regional (EMEA) PBT growth.
	CEO, Leisure	A combination of global PBT growth, Leisure business PBT growth and regional (Australia) PBT growth.
Delivery	Annual awards are paid in cash, there is currently no deferral.	
Clawback	There are currently no clawback provisions. Adjustments can be made to withhold STI awards prior to payment.	

LTRP	
Purpose	Assist in the retention of executive talent; enhancing the level of ownership to focus executive attention on driving sustainable long-term growth; and align the interests of executives with those of securityholders.
Value	The maximum LTRP opportunity for FY24 was equivalent to: CFO AND CEO - GROUP BUSINESS SERVICES: 50% of fixed remuneration CEO'S OF CORPORATE, LEISURE & SUPPLY: 30% of fixed remuneration
Instrument	Awards under this plan are made in the form of performance rights. A performance right is a right to acquire one fully paid FLT security provided the service condition is met. No dividends/distributions are paid on unvested, or unexercised, LTRP awards.
Grant value / price	The volume weighted average price over the 10 trading days following the release of FLT's full year results.
Performance condition	The LTRP is subject to continued service over the performance period. Given its purpose as a retention tool, There are no performance-related conditions.
Performance period	Performance is measured over a three-year period.
Vesting / delivery	The Board has discretion to issue new securities or buy existing securities on-market.
Termination / forfeiture	Resignation or dismissal: all unvested performance rights are forfeited.
Clawback	There are currently no clawback provisions however the Board has overarching discretion over the LTRP and can "alter, modify, add to or repeal" any provisions of the LTRP Plan Rules.
Hedging	Consistent with the Corporations Act 2001, participants are prohibited from hedging their unvested performance rights.

LEGACY REMUNERATION ARRANGEMENTS

Post Covid Recovery Plan (PCRP) - no further grants

The PCRP was introduced as a one-off strategic response to the profound impacts that COVID-19 restrictions had on the business, with a focus on ensuring key executives who were identified as crucial to FLT's recovery were retained while the business recovered and during the rebuilding phase.

The final vesting under this plan will occur in August 2024, and no new grants will be made under this plan. Additional details are available in FLT's 2023 Annual Report.

Business Ownership Scheme (BOS) Multiplier Program - grandfathered arrangement for Executive KMP

To ensure that leaders of some key businesses remained in their roles for the long-term, the company offered a BOS Multiplier program, a tailor-made award. Under this program, invited senior executives became entitled to multiples of 5, 10, and up to 15 times the BOS return in the last full financial year before their BOS note was redeemed, provided they achieved tenure-related hurdles.

One current Executive KMP, Chris Galanty, continues to participate in the BOS Multiplier program. Mr Galanty's BOS (CG BOS) was hibernated for the period 1 January 2020 to 30 June 2022 (CG Hibernation Period). Mr. Galanty elected to repay the face value of the CG BOS at the end of the Hibernation Period to Flight Centre and the CG BOS (including its relevant entitlements) recommenced in accordance with its amended and restated terms, in particular:

- if the CG BOS is finally redeemed after its fifth anniversary but before its tenth anniversary, Mr. Galanty will be entitled to a one-off payment equivalent to the CG BOS return for FY19 multiplied by five, being the applicable redemption multiple;
- if the CG BOS is finally redeemed after its tenth anniversary but before its fifteenth anniversary, Mr. Galanty will be entitled to a one-off payment equivalent to the CG BOS return for the last full financial year before the final redemption date, multiplied by 10, being the applicable redemption multiple;
- if the CG BOS is not redeemed by the end of FY28 (when it must then be redeemed) a final redemption multiple of 15 multiplied by CG BOS return for the last full financial year will be payable; and
- if the CG BOS is finally redeemed after its fifth anniversary but before its fifteenth anniversary (FY28) as a result of Mr. Galanty transferring into a comparable or more senior role within Flight Centre, an affiliate or a related body corporate or as a result of the sale of any material and relevant part of the business (collectively the Relevant Actions), then the redemption multiple payable to Mr. Galanty will be the number of full years the CG BOS note has been held as at the date of the Relevant Action multiplied by the relevant interest earnings of the CG BOS for the last full financial year before the redemption date.

The BOS's Face Value, being the amount paid by the holder to purchase the BOS, is guaranteed – subject to the issue of a designation notice, it cannot decrease in value – and will always be deducted from the final redemption multiple payment.

Provisions for these future payments are taken up annually and the amounts are shown in the KMP remuneration table. These provisions can be positive or negative as the company adjusts accruals to meet the anticipated future obligation.

	BOS MULTIPLIER PROGRAM						
EXECUTIVE KMP	GRANT DATE	VESTED %	FORFEITED %	FINANCIAL YEARS IN WHICH BOS RETURN MULTIPLE MAY VEST	MINIMUM TOTAL BOS RETURN MULTIPLE[1]	MAXIMUM TOTAL BOS RETURN MULTIPLE[1]	BALANCE AT 30 JUNE 2024[2] $
Chris Galanty	1 July 2010	100 %	—	2016 - 2028	5 times	15 times	7,872,507

1 The BOS Holder will be entitled to be paid an amount equivalent to his or her BOS return for the last full financial year before the redemption date, multiplied by the applicable redemption multiple. The BOS return multiple is dependent on profit during the last full financial year before the date of redemption, neither the minimum nor maximum amount can be reliably estimated until redeemed.

2. In FY24 Chris Galanty received an early part redemption of AUD $2.8m (£2m). The balance held for C. Galanty as at 30 June 2024 incorporates both a recalculation of the estimated provision out to FY28 and revaluation for movement in foreign exchange rates.

SERVICE AGREEMENTS

No fixed-term service agreements are in place with FLT's directors or KMP. Senior executives are bound by independent and open-ended employment contracts that are reviewed annually.

The company requires KMP to provide at least 12 weeks' written notice of their intention to leave FLT. If FLT gives notice, it must also provide at least 12 weeks' written notice. Termination payments to executives and other employees who are displaced as a result of their roles becoming redundant are assessed on a case-by-case basis and are capped by law. FLT is not bound, under the terms of any executive's employment contract, to provide termination benefits beyond those that are required by law.

EQUITY INSTRUMENT DISCLOSURES

RIGHTS HELD DURING THE YEAR

Valuation of rights

The fair value of base and matched rights (from Grant 9 there is no split of base and matched rights and participants are granted rights, referred to as base rights below) under the plan is estimated at the date of grant using a fixed dollar amount of rights granted for each participant and the Black-Scholes option pricing model. The fair value is allocated equally over the period from grant date to vesting date and is included in the remuneration report compensation tables. Details of rights provided as remuneration to KMP are set out below:

LTRP	BASE RIGHTS				MATCHING RIGHTS		
GRANT NUMBER	GRANT DATE	DATE/YEAR VESTED AND EXERCISABLE[1]	EXPIRY DATE	VALUE PER RIGHT AT GRANT DATE[2]	DATE/YEAR VESTED AND EXERCISABLE[1]	EXPIRY DATE	VALUE PER RIGHT AT GRANT DATE[2]
4b	1 July 2018	August 2021	1 July 2030	$54.26	August 2023	1 July 2030	$51.58
5b	1 July 2019	August 2021	1 July 2030	$42.06	August 2024	1 July 2030	$38.84
6	1 July 2020	August 2023	1 July 2030	$11.30	August 2023	1 July 2030	$11.30
6b	1 July 2020	August 2021	1 July 2030	$11.30	August 2023	1 July 2030	$11.30
7	1 July 2021	August 2024	1 July 2030	$17.27	August 2024	1 July 2030	$17.27
8	1 July 2022	August 2025	1 July 2030	$17.02	August 2025	1 July 2030	$17.02
9	1 July 2023	August 2026	1 July 2030	$20.59			

PCRP					MATCHING RIGHTS - TRANCHE 1		
GRANT NUMBER	GRANT DATE	DATE/YEAR VESTED AND EXERCISABLE[1]	EXPIRY DATE	VALUE PER RIGHT AT GRANT DATE[2]	DATE/YEAR VESTED AND EXERCISABLE[1]	EXPIRY DATE	VALUE PER RIGHT AT GRANT DATE[2]
1	29 June 2020	August 2022	1 July 2031	$9.66	August 2023	1 July 2031	$9.25
					MATCHING RIGHTS - TRANCHE 2		
					August 2024	1 July 2031	$8.83

1 The vesting date is the day the Company releases full year financial results to the ASX in the year of vesting.

2 The maximum value of each grant can be calculated by multiplying the fair value of the rights on the grant date by the number of rights granted during the relevant year. This amount represents the maximum value which will be expensed over the performance period. The minimum value is nil if the service conditions are not met.

RIGHTS HOLDINGS

The number of rights over ordinary FLT shares held during the financial year by FLT's group KMP, including the number granted, vested, exercised and forfeited is set out below:

	BALANCE AT 1 JULY 2023						BALANCE AT 30 JUNE 2024		
EXECUTIVE KMP RIGHTS	VESTED AND EXERCISABLE NUMBER	UNVESTED NUMBER	GRANTED NUMBER	FORFEITED NUMBER	VESTED NUMBER	EXERCISED NUMBER	VESTED AND EXERCISABLE NUMBER	UNVESTED NUMBER	VALUE OF RIGHTS GRANTED DURING THE YEAR $
ADAM CAMPBELL									
LTRP Grant 9									
Base Rights	—	—	27,053	—	—	—	—	27,053	518,510
LTRP Grant 8									
Base	—	16,335	—	—	—	—	—	16,335	—
Match	—	16,335	—	—	—	—	—	16,335	—
LTRP Grant 7									
Base	—	15,712	—	—	—	—	—	15,712	—
Match	—	15,712	—	—	—	—	—	15,712	—
LTRP Grant 6									
Base	—	21,113	—	—	21,113	(21,113)	—	—	—
Match	—	21,113	—	—	21,113	(21,113)	—	—	—
PCRP									
Base	70,000	—	—	—	—	(70,000)	—	—	—
Match 1	—	35,000	—	—	35,000	—	35,000	—	—
Match 2	—	35,000	—	—	—	—	—	35,000	—
CHRIS GALANTY									
LTRP Grant 9									
Base Rights	—	—	13,439	—	—	—	—	13,439	257,572
LTRP Grant 8									
Base	—	8,129	—	—	—	—	—	8,129	—
Match	—	8,129	—	—	—	—	—	8,129	—
LTRP Grant 7									
Base	—	7,820	—	—	—	—	—	7,820	—
Match	—	7,820	—	—	—	—	—	7,820	—
LTRP Grant 6									
Base	—	8,756	—	—	8,756	(8,756)	—	—	—
Match	—	8,756	—	—	8,756	(8,756)	—	—	—
PCRP									
Base	70,000	—	—	—	—	(70,000)	—	—	—
Match 1	—	35,000	—	—	35,000	(35,000)	—	—	—
Match 2	—	35,000	—	—	—	—	—	35,000	—

	BALANCE AT 1 JULY 2023						BALANCE AT 30 JUNE 2024		VALUE OF RIGHTS GRANTED DURING THE YEAR $
EXECUTIVE KMP RIGHTS	VESTED AND EXERCISABLE NUMBER	UNVESTED NUMBER	GRANTED NUMBER	FORFEITED NUMBER	VESTED NUMBER	EXERCISED NUMBER	VESTED AND EXERCISABLE NUMBER	UNVESTED NUMBER	
JAMES KAVANAGH									
LTRP Grant 9									
Base Rights	—	—	13,767	—	—	—	—	13,767	263,854
LTRP Grant 8									
Base	—	7,931	—	—	—	—	—	7,931	—
Match	—	7,931	—	—	—	—	—	7,931	—
LTRP Grant 7									
Base	—	7,017	—	—	—	—	—	7,017	—
Match	—	7,017	—	—	—	—	—	7,017	—
LTRP Grant 6b									
Base	9,429	—	—	—	—	(9,429)	—	—	—
Match	—	9,429	—	—	9,429	(9,429)	—	—	—
LTRP Grant 5b									
Base	2,569	—	—	—	—	(2,569)	—	—	—
Match	—	2,569	—	—	2,569	(2,569)	—	—	—
LTRP Grant 4b									
Base	1,282	—	—	—	—	(1,282)	—	—	—
Match	—	1,282	—	—	1,282	(1,282)	—	—	—
PCRP									
Base	40,000	—	—	—	—	(40,000)	—	—	—
Match 1	—	20,000	—	—	20,000	(20,000)	—	—	—
Match 2	—	20,000	—	—	—	—	—	20,000	—
GREG PARKER (appointed 1 July 2023)									
LTRP Grant 9									
Base Rights	—	—	13,158	—	—	—	—	13,158	252,198
LTRP Grant 8									
Base	—	7,236	—	—	—	—	—	7,236	—
Match	—	7,236	—	—	—	—	—	7,236	—
LTRP Grant 7									
Base	—	6,951	—	—	—	—	—	6,951	—
Match	—	6,951	—	—	—	—	—	6,951	—
LTRP Grant 6									
Base	—	9,340	—	—	9,340	(9,340)	—	—	—
Match	—	9,340	—	—	9,340	(9,340)	—	—	—
PCRP									
Base	20,000	—	—	—	—	(20,000)	—	—	—
Match 1	—	10,000	—	—	10,000	(10,000)	—	—	—
Match 2	—	10,000	—	—	—	—	—	10,000	—

The relevant portion of the expense relating to these rights was recognised during the year ended 30 June 2024. Refer to note D3.

SHAREHOLDING

The number of ordinary shares held during the financial year by FLT's directors and KMP is set out below:

2024 NON EXECUTIVE DIRECTORS	BALANCE AT THE START OF THE YEAR	RECEIVED ON THE EXERCISE OF RIGHTS	ESP PURCHASED SHARES	ESP MATCHED SHARES VESTED	OTHER CHANGES	BALANCE AT THE END OF THE YEAR
Gary Smith	25,675	—	—	—	—	25,675
John Eales	13,438	—	—	—	—	13,438
Robert Baker	7,307	—	—	—	—	7,307
Colette Garnsey	7,453	—	—	—	—	7,453
Kirsty Rankin	3,168	—	—	—	—	3,168
EXECUTIVE DIRECTOR						
Graham Turner	16,641,081	—	—	—	(1,000)	16,640,081
EXECUTIVE KMP						
Adam Campbell[1]	21,705	112,226	719	446	(87,226)	47,870
Chris Galanty	589	122,512	—	—	(45,000)	78,101
James Kavanagh[1]	6,544	86,560	1,474	828	—	95,406
Greg Parker[1]	32,015	57,874	590	165	—	90,644

1 A. Campbell, J. Kavanagh, and G. Parker participated in the ESP and were issued with ordinary shares under the same terms and conditions as all other ESP participants. At period end A. Campbell held 541 (2023: 632), J. Kavanagh held 1,550 (2023: 1,704), G. Parker 445 (2023: 341) held conditional matched rights that had been granted under the ESP but had not yet vested.

Employee Share Plan (ESP) / General Terms

Under the ESP, eligible employees are granted a conditional right to one matched share for every two shares purchased (for cash consideration), subject to vesting conditions.

To receive the matched shares, participants must hold the acquired shares for a period of two years and one month and still be employed with FLT at the end of that time. If acquired shares are sold before the end of the vesting period, conditional rights to the matched shares are forfeited.

The matched shares may be issued by FLT, purchased on-market or allocated from treasury shares.

OPTIONS

No options (i.e. a right to acquire a security upon payment of an exercise price) were granted as remuneration during FY24 and no unvested or unexercised options are held by Executive KMP as at 30 June 2024.

REMUNERATION GOVERNANCE

FLT's RNC oversees and monitors executive remuneration and provides specific recommendations on remuneration and incentive structures, policies and practices and other employment terms for directors and senior executives as covered under the RNC Charter which is available on FLT's website.

To ensure independent remuneration-setting processes and outcomes, the Committee is comprised solely of NEDs, all of whom are, in the Board's opinion, independent. Other Directors and/or members of the senior management team may attend RNC meetings to provide information, reports, and updates to the Committee.

The RNC is supported by local remuneration committees that operate within FLT's key geographic divisions. These local committees generally meet quarterly and include the local MD, CFO and HR (People & Culture) leader.

The RNC may consult external remuneration advisors as required. In FY24, EY was engaged to conduct a benchmarking exercise for Taskforce roles. The information provided was used as an input into the review of the Executive KMP remuneration. No remuneration recommendations were provided by EY or any other advisor during the year.

Security Trading Policy

FLT has a share trading policy which prohibits directors, senior executives and their closely connected persons from entering into margin loans, hedging or any other arrangement that would have the effect of limiting their exposure to risk in relation to an element of their remuneration that has not yet vested or has vested but remains subject to a holding lock. The policy is available on FLT's website at https://www.fctgl.com/investors#governance-documents.

NON-EXECUTIVE DIRECTOR REMUNERATION

To preserve independence, NEDs receive fixed fees that reflect the positions' demands and responsibilities. NED remuneration is not linked to performance, and NEDs are not eligible to participate in any incentive schemes or employee equity plans.

FLT's Constitution provides that NEDs may determine their own remuneration, but the total amount provided to all Directors (not including the Group CEO and any other Executive Directors) must not exceed the sum agreed by securityholders at a general meeting. The maximum aggregate remuneration of $1.1m per annum was approved by shareholders at the 2018 AGM.

LOANS TO KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

There were no loans provided to key management personnel and their related parties during the period (2023: $nil).

End of remuneration report.

WORLDWIDE TOP PERFORMERS

DIRECTORS AWARD:
ANDREW STARK

HALL OF FAME:
ADAM MURRAY

DIRECTORS AWARD:
TOM WALLEY

HALL OF FAME:
LISA BAKER

HALL OF FAME:
LIZ MOOTOO

HALL OF FAME:
SUNIL GAUNIYAL

INDEMNIFICATION AND INSURANCE OF OFFICERS

An Officers' Deed of Indemnity, Access and Insurance is in place for directors, KMP, the company secretary and some other executives. FLT has agreed to provide indemnification to the fullest extent permitted by law. Liabilities covered include legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company or its controlled entities. Disclosure of premiums paid is prohibited under the insurance contract. No payment has been made to indemnify a director, KMP, the company secretary or other executives during or since the financial year.

INDEMNIFICATION OF AUDITOR

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

NON-AUDIT SERVICES

The company may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the company and/or the group are important.

Details of the amounts paid or payable to the auditor (Ernst & Young) for audit and non-audit services provided to the consolidated group during the year are set out in note F13.

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

The audit and risk committee reviewed all non-audit services to ensure they did not impact the auditor’s impartiality and objectivity.

AUDITOR’S INDEPENDENCE DECLARATION

A copy of the auditor’s independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 35.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars or, in certain cases, to the nearest dollar.

This report is made in accordance with a directors’ resolution.

G.F. Turner
Director
BRISBANE
28 August 2024

Building a better working world

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Auditor's independence declaration to the directors of Flight Centre Travel Group Limited

As lead auditor for the audit of the financial report of Flight Centre Travel Group Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

Alison de Groot
Partner
28 August 2024

STATEMENT OF PROFIT OR LOSS

	NOTES	FOR THE YEAR ENDED 30 JUNE 2024 $'000	2023 $'000
Revenue	A2	2,710,748	2,280,782
Other income	A3	99,920	43,389
Share of loss of joint ventures and associates	E1	(2,435)	(4,084)
Employee benefits	F1	(1,420,668)	(1,297,993)
Sales and marketing		(170,929)	(139,905)
Tour, hotel & cruise operations - cost of sales		(150,067)	(99,497)
Depreciation and amortisation		(159,326)	(142,093)
Finance costs	A4	(79,898)	(84,795)
Impairment (charge) / reversal	A5/F7	(39,850)	328
Other expenses	A4	(567,787)	(485,673)
Profit before income tax		**219,708**	**70,459**
Income tax expense	F12	(80,553)	(23,047)
Profit after income tax		**139,155**	**47,412**
Profit attributable to			
Company owners		139,638	47,461
Non-controlling interests		(483)	(49)
		139,155	**47,412**

Earnings per share for profit attributable to the ordinary equity holders of the company:

		CENTS	CENTS
Basic earnings per share	F2	63.7	23.1
Diluted earnings per share	F2	50.2	22.5

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

STATEMENT OF OTHER COMPREHENSIVE INCOME

	NOTES	FOR THE YEAR ENDED 30 JUNE 2024 $'000	2023 $'000
Profit after income tax		**139,155**	**47,412**
OTHER COMPREHENSIVE INCOME			
Items that have been reclassified to profit or loss:			
Hedging Gain / (Loss) reclassified to profit or loss	F11	3,271	(186)
Items that may be reclassified to profit or loss:			
Changes in the fair value of cash flow hedges	F11	(5,507)	966
Gain / (Loss) on net investment hedges	F11	804	(4,963)
Net exchange differences on translation of foreign operations	F11	(8,969)	43,317
Income tax on items of other comprehensive income	F12	457	1,255
Total other comprehensive (loss) / income		**(9,944)**	**40,389**
Total other comprehensive income		**129,211**	**87,801**
Attributable to			
Company owners		129,694	87,850
Non-controlling interests		(483)	(49)
		129,211	**87,801**

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES	NOTES	FOR THE YEAR ENDED 30 JUNE 2024 $'000	2023 $'000
Receipts from customers[1]		2,835,779	2,117,217
Payments to suppliers and employees[1]		(2,366,367)	(1,947,811)
Royalties received		375	424
Interest received		36,288	29,504
Interest paid (non-leases)		(36,562)	(43,720)
Interest paid (leases)	F7	(9,789)	(7,295)
Government subsidies received		893	2,482
Income taxes paid		(49,343)	(15,720)
Income taxes refunded		10,206	21,089
Net cash inflow from operating activities	B1	**421,480**	**156,170**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash acquired		—	(172,716)
Payments for property, plant and equipment	F6	(21,708)	(21,379)
Payments for intangibles	A5	(73,896)	(70,652)
Payments for the purchase of financial asset investments		(99)	—
Proceeds from financial asset investments		20,000	24,291
Net cash outflow from investing activities		**(75,703)**	**(240,456)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	B4	3,217	254,420
Repayment of borrowings	B4	(252,092)	(253,286)
Buyback of convertible notes	B5	(84,153)	—
Payment of principal on lease liabilities	F7	(90,551)	(99,973)
Lease surrender payments	F7	(236)	(661)
Proceeds from issue of shares		7,532	241,159
Payments for purchase of shares on market		(10,722)	(6,539)
Dividends paid to company owners		(61,591)	—
Dividends paid to non-controlling shareholders in subsidiaries		(408)	(1,009)
Net cash (outflow) / inflow from financing activities		**(489,004)**	**134,111**
Net (decrease) / increase in cash held		**(143,227)**	**49,825**
Cash and cash equivalents at the beginning of the financial year		1,278,936	1,210,257
Effects of exchange rate changes on cash and cash equivalents		1,156	18,854
Cash and cash equivalents at end of the financial year	B1	**1,136,865**	**1,278,936**

1 Including consumption tax.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

BALANCE SHEET

		AS AT 30 JUNE	
ASSETS		2024	2023
Current assets	NOTES	$'000	$'000
Cash and cash equivalents	B1	1,138,142	1,328,438
Financial asset investments	B2	10,007	20,227
Trade receivables	F3	885,348	834,765
Contract assets	F4	300,642	317,578
Other assets	F5	103,701	82,488
Other financial assets	C3	22,068	25,452
Current tax receivables		18,697	14,602
Derivative financial instruments	C2	3,988	6,490
Total current assets		**2,482,593**	**2,630,040**
Non-current assets			
Financial asset investments	B2	7,729	14,656
Property, plant and equipment	F6	62,599	66,653
Intangible assets	A5	1,025,048	1,054,489
Right of use asset	F7	201,472	196,531
Other assets	F5	26,702	21,608
Other financial assets	C3	1,056	3,103
Investments in joint ventures and associates	E1	43,164	45,599
Deferred tax assets	F12	363,918	403,748
Total non-current assets		**1,731,688**	**1,806,387**
Total assets		**4,214,281**	**4,436,427**
LIABILITIES			
Current liabilities			
Trade and other payables	F8	1,765,626	1,684,600
Contract liabilities	F9	90,994	71,997
Financial liabilities	A7	3,683	3,908
Lease liabilities	F7	80,752	81,869
Borrowings	B4	11,202	57,477
Convertible notes	B5	280,825	—
Provisions	F10	52,793	55,334
Current tax liabilities		5,336	2,295
Derivative financial instruments	C2	6,089	9,809
Total current liabilities		**2,297,300**	**1,967,289**
Non-current liabilities			
Trade and other payables		2,154	2,930
Contract liabilities	F9	32,135	27,077
Financial liabilities	A7	5,915	10,573
Lease liabilities	F7	173,813	177,554
Borrowings	B4	102,561	352,893
Convertible notes	B5	338,999	688,940
Provisions	F10	26,086	27,335
Deferred tax liabilities	F12	5,798	9,979
Derivative financial instruments	C2	26,317	35,360
Total non-current liabilities		**713,778**	**1,332,641**
Total liabilities		**3,011,078**	**3,299,930**
Net assets		**1,203,203**	**1,136,497**
EQUITY			
Contributed equity	D4	1,437,888	1,374,592
Treasury shares	D4	(27,800)	(14,748)
Reserves	F11	131,969	193,068
Retained profits / (accumulated losses)		(339,777)	(417,824)
Equity attributable to the Company owners		**1,202,280**	**1,135,088**
Non-controlling interests		923	1,409
Total equity		**1,203,203**	**1,136,497**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	NOTES	CONTRIBUTED EQUITY $'000	TREASURY SHARES $'000	RESERVES $'000	RETAINED PROFITS $'000	TOTAL $'000	NON-CONTROLLING INTEREST $'000	TOTAL EQUITY $'000
		FOR THE YEAR ENDED 30 JUNE						
Balance at 1 July 2022		**1,105,711**	**(1,055)**	**136,460**	**(465,285)**	**775,831**	**1,631**	**777,462**
Profit for the year		—	—	—	47,461	**47,461**	(49)	**47,412**
Other comprehensive income		—	—	40,389	—	**40,389**	—	**40,389**
Total comprehensive income for the year		**—**	**—**	**40,389**	**47,461**	**87,850**	**(49)**	**87,801**
Transactions with owners in their capacity as owners:								
Non-controlling interest recognised		—	—	—	—	**—**	(173)	**(173)**
Institutional placement and share purchase plan, net of transaction costs and tax	D4	236,399	—	—	—	**236,399**	—	**236,399**
Employee share-based payments	D4/F11	32,482	—	16,219	—	**48,701**	—	**48,701**
Treasury shares	D4	—	(13,693)	—	—	**(13,693)**	—	**(13,693)**
Balance at 30 June 2023		**1,374,592**	**(14,748)**	**193,068**	**(417,824)**	**1,135,088**	**1,409**	**1,136,497**
Profit / (loss) for the year		—	—	—	139,638	**139,638**	(483)	**139,155**
Other comprehensive income		—	—	(9,944)	—	**(9,944)**	—	**(9,944)**
Total comprehensive income for the year		**—**	**—**	**(9,944)**	**139,638**	**129,694**	**(483)**	**129,211**
Transactions with owners in their capacity as owners:								
Non-controlling interest reserve		—	—	—	—	**—**	(3)	**(3)**
Employee share-based payments	D4/F11	63,296	—	(34,520)	—	**28,776**	—	**28,776**
Financial assets at FVOCI reserve	F11	—	—	(286)	—	**(286)**	—	**(286)**
Treasury shares	D4	—	(13,052)	—	—	**(13,052)**	—	**(13,052)**
Equity component of convertible bond, net of tax	B5/F12	—	—	(16,349)	—	**(16,349)**	—	**(16,349)**
Dividends provided or paid for	B7	—	—	—	(61,591)	**(61,591)**	—	**(61,591)**
Balance at 30 June 2024		**1,437,888**	**(27,800)**	**131,969**	**(339,777)**	**1,202,280**	**923**	**1,203,203**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

SIGNIFICANT MATTERS

The following significant events and transactions occurred during or after the end of the reporting period:

CAPITAL MANAGEMENT

Partial repurchase of convertible notes

On 10 October 2023, FLT repurchased convertible notes with a total face value of $75,000,000 in accordance with its new capital management policy, which was announced in August 2023. Buy back of these notes resulted in an accounting gain of $10,982,000.

The notes were repurchased on the open market and are part of the $400,000,000, 2.5% convertible notes due in November 2027. Refer to note B5.

Repayment of debt facility

During the period, FLT repaid $250,000,000 of the $350,000,000 syndicated debt facility (SFA). The facility was refinanced in February 2024 and is now unsecured. The undrawn amount at 30 June 2024 is $250,000,000.

Lenders agreed to refinance the $350,000,000 SFA and extend its term to April 2026. Refer to note B4.

UNDER PERFORMING BUSINESSES CLOSED OR RESTRUCTURED DURING THE PERIOD

During the year it was announced that FLT would close its US wholesale business, GOGO. Further, FLT's Mexico-based Destination Management Company was closed in June 2024 following a detailed review. The results of both businesses and associated closure costs have been considered underlying adjustments.

During the period it was decided to restructure StudentUniverse under FLT's Jetmax online travel agency group to gain synergies across the brands. A non-cash impairment to goodwill of $19,484,000, indefinite life brand names $2,108,000 and software of $14,782,000 has been recorded. This non-cash impairment has been considered an underlying adjustment, along with the costs of restructure.

MATTERS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 28 August 2024, FLT's directors declared a final dividend for the year ended 30 June 2024. Refer to note B7 for details.

A FINANCIAL OVERVIEW

This section provides information that is most relevant to explaining the group's performance during the year, and where relevant, the accounting policies that have been applied and significant estimates and judgements made.

A1 SEGMENT INFORMATION

(A) IDENTIFICATION AND DESCRIPTION OF SEGMENTS

FLT has identified its operating segments based on the internal reports that are reviewed and used by the board and global Taskforce in assessing performance and in determining resource allocation.

The company's executive team (chief operating decision makers – CODM) currently consists of the following members:

- Managing director
- Chief financial officer
- Chief executive officer – Leisure
- Chief executive officer – Corporate; and
- Chief executive officer – Supply

The executive team, together with the below regional Managing Directors (MDs) form the global Taskforce:

- MD – The Americas; and
- MD – EMEA
- MD - Asia; and
- Chief people officer (CPO)

While the MD's and CPO play a key role in setting the strategy, they report to the CEOs who then allocate resources and assess performance. Therefore the MDs and CPO are not considered as part of the CODM.

Supply is not considered a reportable segment due to it being the procurement function for the Corporate and Leisure segments. The reportable segments are consistent to the prior year - Leisure, Corporate and Other.

LEISURE

The Leisure segment combines the retail store front and online brands for retail customers, luxury travel brands Travel Associates and Scott Dunn, Independent agents and complementary offerings.

CORPORATE

The Corporate segment includes the FCM brand, Corporate Traveller and other Corporate customer brands.

OTHER

Other segment includes Brisbane-based and other head office support businesses, including Supply, that support the global network (including global head office teams), and the share of profit or loss relating to the investment in Pedal Group. Also included is Travel Management Services which incorporates touring, ground-handling and hotels.

The group consolidation adjustments are also included in this segment.

A1 SEGMENT INFORMATION (CONTINUED)

(B) MAJOR CUSTOMERS

FLT provides services to and derives revenue from a number of customers. The company does not derive more than 10% of total consolidated revenue from any one customer.

(C) UNDERSTANDING THE SEGMENT RESULT

Segment information is presented below in the manner in which it is presented to the CODMs and upon which they make their decisions.

SEGMENT REVENUE

The measurement of segment revenue has not changed since 30 June 2023. Refer to note A2 for details of revenue policies.

Sales between segments are carried out at arm's length and are eliminated on consolidation.

ALTERNATIVE PROFIT MEASURES

In addition to using profit as a measure of the group and its segments' financial performance, FLT uses EBITDA, underlying EBITDA and underlying PBT as this information is presented and used by the CODMs. These unaudited measures are not defined under IFRS and are, therefore, termed "non-IFRS" measures.

Within this note, Earnings before net interest, tax, depreciation and amortisation, royalty and intercompany service fee (EBITDA), Underlying earnings before net interest, tax, depreciation and amortisation, royalty and intercompany service fee (Underlying EBITDA), Underlying PBT, royalty and intercompany service fee (Underlying PBT) are non-IFRS measures.

A reconciliation of these non-IFRS measures and specific items to the nearest measure prepared in accordance with IFRS is included in the tables on the following pages.

SEGMENT ASSETS AND LIABILITIES

The amounts provided to the board and global task force in respect of total assets and total liabilities are measured in a manner consistent with that of the financial statements. These reports do not allocate total assets or total liabilities based on the operations of each segment.

FLT has not disclosed non-current assets by segment as this information is not provided to or reviewed by the chief operating decision makers nor produced for other reasons and, as such, the cost of developing and providing this information exceeds the attributable benefits.

TOTAL TRANSACTION VALUE (TTV)

TTV is unaudited, non-IFRS financial information and does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the group's various operations, both as agent for various airlines and other service providers and as principal, plus revenue from other sources. TTV has been reduced by refunds. FLT's revenue is, therefore, derived from TTV.

A1 SEGMENT INFORMATION (CONTINUED)

(D) SEGMENT INFORMATION PRESENTED TO THE BOARD OF DIRECTORS AND GLOBAL TASK FORCE

The segment information provided to the board and task force for the reportable segments for the years ended 30 June 2024 and 30 June 2023 is shown in the table below and on page 46.

30 JUNE 2024	LEISURE $'000	CORPORATE $'000	OTHER $'000	TOTAL $'000
Segment information				
TTV[1]	**11,031,393**	**12,105,285**	**607,783**	**23,744,461**
Agency revenue from the provision of travel	1,242,793	1,082,442	32,638	2,357,873
Principal revenue from the provision of travel	83,994	24,616	8,250	116,860
Revenue from tour, hotel & cruise operations	15,786	—	188,998	204,784
Revenue from other businesses	9,222	4,908	17,101	31,231
Total revenue from contracts with customers	**1,351,795**	**1,111,966**	**246,987**	**2,710,748**
EBITDA[1]	**237,351**	**228,478**	**(43,270)**	**422,559**
Depreciation and amortisation	(85,457)	(48,340)	(25,529)	(159,326)
Interest income	—	—	36,373	36,373
Interest expense	(7,965)	(1,900)	(70,033)	(79,898)
Net profit / (loss) before tax, royalty and intercompany service fee	**143,929**	**178,238**	**(102,459)**	**219,708**
Royalty	—	—	—	—
Intercompany service fee	—	—	—	—
Net profit / (loss) before tax	**143,929**	**178,238**	**(102,459)**	**219,708**
Reconciliation of EBITDA to Underlying EBITDA				
EBITDA[1]	**237,351**	**228,478**	**(43,270)**	**422,559**
SU Impairment (non-cash), restructuring costs and other head office lease impairment	39,524	8,798	1,033	49,355
US Wholesale (GoGo) trading loss & closure costs[2]	—	—	17,207	17,207
Discova Americas trading loss & closure costs[3]	—	—	9,998	9,998
Employee retention plans	4,400	5,058	79	9,537
Productive Operations initiative[4]	—	7,105	—	7,105
Gain on Buy-back and remeasurement of convertible notes	—	—	(48,022)	(48,022)
Supplier loss[5]	—	—	10,723	10,723
Underlying EBITDA[1]	**281,275**	**249,439**	**(52,252)**	**478,462**
Amortisation of convertible notes	—	—	30,816	30,816
Productive Operations initiative[4]	—	12,046	—	12,046
Discova Americas trading loss & closure costs[3]	—	—	1,561	1,561
US Wholesale (GoGo) trading loss & closure costs[2]	—	—	351	351
Underlying PBT[1]	**187,853**	**211,245**	**(78,713)**	**320,385**

1 TTV, EBITDA, underlying EBITDA and underlying PBT are unaudited, non-IFRS measures.
2 Closure of US Wholesale business in February 2024
3 Closure of Discova Americas business in June 2024.
4 Productive Operations initiative is a corporate business transformation project focused on lowering costs and growing income through automation and personal service. As part of the Productive Operations initiative, FLT has invested in the development of software assets (in-house and software as a service) and these activities will result in the retirement of certain legacy systems.
5 Supplier loss relates to expected credit loss of $10.7m on contract assets due to deteriorated creditworthiness of REX airlines as of 30 June 2024.

A1 SEGMENT INFORMATION (CONTINUED)

RESTATED[1] 30 JUNE 2023	LEISURE[4] $'000	CORPORATE $'000	OTHER $'000	TOTAL $'000
Segment information				
TTV[2]	**10,005,615**	**11,005,893**	**927,086**	**21,938,594**
Agency revenue from the provision of travel	1,052,707	961,136	26,602	2,040,445
Principal revenue from the provision of travel	54,519	12,705	6,299	73,523
Revenue from tour, hotel & cruise operations	2,817	43	132,903	135,763
Revenue from other businesses	10,753	4,567	15,731	31,051
Total revenue from contracts with customers	**1,120,796**	**978,451**	**181,535**	**2,280,782**
EBITDA[2]	**156,922**	**176,627**	**(67,397)**	**266,152**
Depreciation and amortisation	(73,228)	(41,719)	(27,146)	(142,093)
Interest income	2,442	4,273	24,480	31,195
Interest expense	(8,521)	(6,376)	(69,898)	(84,795)
Net profit before tax, royalty and intercompany service fee	**77,615**	**132,805**	**(139,961)**	**70,459**
Royalty	—	—	—	—
Intercompany service fee	—	—	—	—
Net profit before tax	**77,615**	**132,805**	**(139,961)**	**70,459**
Reconciliation of EBITDA to Underlying EBITDA				
EBITDA[2]	**156,922**	**176,627**	**(67,397)**	**266,152**
Acquisition transaction costs - Scott Dunn[3]	—	—	6,065	6,065
COVID-19 ROUA impairment / (reversal)	1,369	(261)	(1,437)	(329)
Employee retention plans	13,324	13,756	2,677	29,757
Underlying EBITDA[2]	**171,615**	**190,122**	**(60,092)**	**301,645**
Amortisation of convertible notes	—	—	32,877	32,877
Underlying PBT[2]	**92,308**	**146,300**	**(99,779)**	**138,829**

1 Amortisation of convertible notes has been included as an underlying adjustment in the current period, with prior period comparative amounts restated.
2 TTV, EBITDA, underlying EBITDA and underlying PBT are unaudited, non-IFRS measures.
3 Acquisition transaction costs are considered head office support expenses and are therefore in Other Segment.
4 The results of the Scott Dunn acquisition made during the period are shown in the Leisure segment.

A1 SEGMENT INFORMATION (CONTINUED)

(E) ADDITIONAL INFORMATION PRESENTED BY GEOGRAPHIC AREA

In addition to the segment information provided above, the below table presents geographic revenue disclosures and also PBT information which has been included to aid user understanding:

30 JUNE 2024	AUSTRALIA & NZ $'000	AMERICAS $'000	EMEA $'000	ASIA $'000	OTHER SEGMENT $'000	TOTAL $'000
Segment information						
TTV[1]	**12,642,807**	**5,023,990**	**4,199,976**	**1,527,522**	**350,166**	**23,744,461**
Agency revenue from the provision of travel	1,280,411	501,703	460,368	99,677	15,714	2,357,873
Principal revenue from the provision of travel	85,864	12,855	6,118	4,312	7,711	116,860
Revenue from tour, hotel & cruise operations	15,786	—	—	—	188,998	204,784
Revenue from other businesses	15,782	2,357	3,323	3,160	6,609	31,231
Total revenue from contracts with customers	**1,397,843**	**516,915**	**469,809**	**107,149**	**219,032**	**2,710,748**
EBITDA[1]	**327,260**	**20,413**	**96,341**	**17,533**	**(38,988)**	**422,559**
Depreciation and amortisation	(70,314)	(22,362)	(38,149)	(5,993)	(22,508)	(159,326)
Interest income	11,767	30,739	44,338	4,928	(55,399)	36,373
Interest expense	(15,476)	(31,070)	(25,478)	(10,173)	2,299	(79,898)
Net profit / (loss) before tax, royalty and intercompany service fee	**253,237**	**(2,280)**	**77,052**	**6,295**	**(114,596)**	**219,708**
Royalty	10,943	(2,875)	(7,241)	(888)	61	—
Intercompany service fee	2,783	(2,234)	609	(1,113)	(45)	—
Net profit / (loss) before tax	**266,963**	**(7,389)**	**70,420**	**4,294**	**(114,580)**	**219,708**
Reconciliation of EBITDA to Underlying EBITDA						
EBITDA[1]	**327,260**	**20,413**	**96,341**	**17,533**	**(38,988)**	**422,559**
SU Impairment (non-cash), restructuring costs and other head office lease impairment	1,033	39,524	8,798	—	—	49,355
US Wholesale (GoGo) trading loss & closure costs[2]	—	17,207	—	—	—	17,207
Discova Americas trading loss & closure costs[3]	—	—	—	—	9,998	9,998
Employee retention plans	3,470	2,037	1,831	1,062	1,137	9,537
Productive Operations[4]	—	—	—	1,463	5,642	7,105
Gain on Buy-back and remeasurement of convertible notes	—	—	—	—	(48,022)	(48,022)
Supplier loss[5]	—	—	—	—	10,723	10,723
Underlying EBITDA[1]	**331,763**	**79,181**	**106,970**	**20,058**	**(59,510)**	**478,462**
Amortisation of convertible notes	—	—	—	—	30,816	30,816
Productive Operations[4]	—	—	12,046	—	—	12,046
Discova Americas trading loss & closure costs[3]	—	—	—	—	1,561	1,561
US Wholesale (GoGo) trading loss & closure costs[2]	—	351	—	—	—	351
Underlying PBT[1]	**257,740**	**56,839**	**99,727**	**8,820**	**(102,741)**	**320,385**

1 TTV, EBITDA, underlying EBITDA and underlying PBT are unaudited, non-IFRS measures. Underlying EBITDA and underlying PBT exclude royalty and intercompany service fee.

2 Closure of US Wholesale business in February 2024.

3 Closure of Discova Americas business in June 2024.

4 Productive Operations initiative is a business transformation project focused on lowering costs and growing income through automation and personal service. As part of the Productive Operations initiative, FLT has invested in the development of software assets (in-house and software as a service) and these activities will result in the retirement of certain legacy systems.

5 Supplier loss relates to expected credit loss for the voluntary administration of REX airlines.

A1 SEGMENT INFORMATION (CONTINUED)

RESTATED[1] 30 JUNE 2023	AUSTRALIA & NZ $'000	AMERICAS[4] $'000	EMEA[4] $'000	ASIA[4] $'000	OTHER SEGMENT $'000	TOTAL $'000
Segment information						
TTV[2]	**11,482,128**	**4,777,287**	**3,811,044**	**1,621,511**	**246,624**	**21,938,594**
Agency revenue from the provision of travel	1,079,965	467,501	398,272	84,137	10,570	2,040,445
Principal revenue from the provision of travel	55,658	8,806	3,230	1,823	4,006	73,523
Revenue from tour, hotel & cruise operations	2,817	—	—	43	132,903	135,763
Revenue from other businesses	14,296	4,665	2,254	2,106	7,730	31,051
Total revenue from contracts with customers	**1,152,736**	**480,972**	**403,756**	**88,109**	**155,209**	**2,280,782**
EBITDA[2]	**216,382**	**44,190**	**74,876**	**2,895**	**(72,191)**	**266,152**
Depreciation and amortisation	(79,872)	(21,554)	(21,948)	(4,647)	(14,072)	(142,093)
Interest income	7,535	16,846	20,858	1,218	(15,262)	31,195
Interest expense	(11,133)	(20,867)	(8,819)	(5,769)	(38,207)	(84,795)
Net profit / (loss) before tax, royalty and intercompany service fee	**132,912**	**18,615**	**64,967**	**(6,303)**	**(139,732)**	**70,459**
Royalty	6,426	62	(6,488)	—	—	—
Intercompany service fee	2,948	995	(3,943)	—	—	—
Net profit / (loss) before tax	**142,286**	**19,672**	**54,536**	**(6,303)**	**(139,732)**	**70,459**
Reconciliation of EBITDA to Underlying EBITDA						
EBITDA[2]	**216,382**	**44,190**	**74,876**	**2,895**	**(72,191)**	**266,152**
Acquisition transaction costs - Scott Dunn[3]	—	—	—	—	6,065	6,065
COVID-19 ROUA impairment / (reversal)	(861)	367	178	—	(13)	(329)
Employee retention plans	10,507	4,947	6,580	2,327	5,396	29,757
Underlying EBITDA[2]	**226,028**	**49,504**	**81,634**	**5,222**	**(60,743)**	**301,645**
Amortisation of convertible notes	—	—	—	—	32,877	32,877
Underlying PBT[2]	**142,558**	**23,929**	**71,725**	**(3,976)**	**(95,407)**	**138,829**

1 Amortisation of convertible notes has been included as an underlying adjustment in the current period, with prior period comparative amounts restated.
2 TTV, EBITDA, underlying EBITDA and underlying PBT are unaudited, non-IFRS measures. Underlying EBITDA and underlying PBT exclude royalty and intercompany service fee.
3 Acquisition transaction costs are considered head office support expenses and are therefore in the Other segment.
4 The results of the Scott Dunn acquisition made during the period are shown in the Americas, EMEA and Asia segments.

A2 REVENUE

	2024 $'000	2023 $'000
Agency revenue from the provision of travel	2,357,873	2,040,445
Principal revenue from the provision of travel	116,860	73,523
Revenue from tour, hotel & cruise operations	204,784	135,763
Revenue from other businesses	31,231	31,051
Total revenue from contracts with customers	**2,710,748**	**2,280,782**

Additional disaggregation of revenue by geographic region is presented in note A1 Segment Information.

ACCOUNTING POLICY

REVENUE FROM CONTRACTS WITH CUSTOMERS

AGENCY REVENUE FROM THE PROVISION OF TRAVEL

Revenue is generated when FLT, acting as an agent, arrange and book travel and travel related products to be provided by suppliers to retail and corporate consumers. The supplier of the travel products is the principal in the wider travel sales transaction. From FLT's perspective (under AASB 15), the supplier of the travel products is the customer in the agency relationship.

The service is paid for in a variety of ways, including guaranteed base payments, commissions, mark-ups, transaction fees, other ancillary fees and in the case of cancelled travel, cancellation fees. Rebates are received for using travel consolidator systems known as Global Distribution Systems (GDS) to access and book travel supplier products. In addition, volume incentives are received from suppliers for achieving annual targets.

Guaranteed base payments, commission, mark-ups and transaction fees are paid for and received at the time of booking. Rebates and volume incentive payments received will vary depending on the terms of the contract. Receipt of payment can vary between upfront to post contract completion once availed data is known.

Revenue is recognised over time as the supplier of the travel products (the customer in the agency relationship under AASB 15) simultaneously receives and consumes the benefit of the travel agency services. Practically revenue is recognised when the booking is finalised as this is when the performance obligation is satisfied.

The revenue is variable, however it is not subject to material constraints, except for volume incentives which are recorded by applying the following:

- *Year-end differences – judgements and estimation techniques are required to determine revenue from consumers anticipated to travel over the remaining contract year and the associated incentive rate applicable to these forecast levels. A combination of historical data and actual ticketed data from external sources is used to predict the anticipated travel revenue and associated incentive rate.*
- *Utilisation rates – the likelihood of the consumer cancelling the travel prior to departure.*
- *Volume revenue has been booked to the extent of flown / availed revenue at guaranteed rates or expected incentive rates.*

Except as noted above, the travel supplier, as principal, is responsible for refunds to the front end customer, not FLT as agent.

FLT have applied practical expedient AASB 15(121) where revenue to be recognised in future periods, for unsatisfied or partially satisfied performance obligations as at reporting date, is not disclosed as the performance obligation will be completed within 12 months or less.

Supplier incentives and lump-sum revenue

From time-to-time, incentives or lump sum amounts are received from suppliers. The supplier of the travel products is the customer in the agency relationship under AASB 15. The recognition pattern is dependent on the specific terms of each contract. The revenue is only recognised upfront where there has been a distinct service transferred upfront, otherwise it is recognised over the term of the contract in line with the delivery of the performance obligation. The revenue can be either fixed or variable and is constrained where contract terms require the supplier to be refunded in part or full upon termination of the contract.

Associated contract costs may be eligible for capitalisation as fulfilment assets and amortised over the same period.

Lump sum deferred revenue is recognised over the contract terms which typically range between 1 – 10 years.

A2 REVENUE (CONTINUED)

PRINCIPAL REVENUE FROM THE PROVISION OF TRAVEL

Revenue is generated when FLT, acting as principal, provides travel related products and services to customers. This includes products and services provided by our currency exchange business Travel Money, advertising revenue, hotel management revenue and conference revenue. Revenue is recognised when the performance obligation has been satisfied. The revenue may be variable or fixed and is typically recognised over time as the service is provided. The most likely method is used for variable revenue recognition. The revenue is not subject to material constraints and it is recognised only as performance obligations have been satisfied.

REVENUE FROM TOUR, HOTEL AND CRUISE OPERATIONS

FLT has a number of touring and ground-handling operations provided through the brands Top Deck, Back-Roads, Discova Asia and Discova Americas. In addition FLT provides hotel operations through Away Camakila.

Revenue is generated from tour, hotel and cruise operations when FLT, acting as principal, provides tours, ground-handling services and hotel accommodation, cruise cabins, and other hotel services (eg restaurant, spa). Revenue is variable and includes the gross amount sold less any cancellations/refunds.

Revenue is recognised over the duration of the tour/accommodation period or when the ground-handling service, hotel service or cruise cabin is provided. The costs associated with fulfilling these services such as transport, accommodation costs, wages and food and beverage are expensed over the same duration and disclosed as cost of tour and hotel operations in the statement of profit or loss.

As principal, FLT is responsible for refunds to the customer, with an allowance for refunds taken into consideration in the recognition of revenue.

REVENUE FROM OTHER BUSINESSES

Revenue is generated when FLT, typically acting as principal, provides other services to customers. This includes services provided by the brands FC Business School, Travel Academy and TPConnects. Revenue is recognised when the performance obligation has been satisfied. The revenue may be variable or fixed and is typically recognised over time as the service is provided. The most likely method is used for variable revenue recognition. The revenue is not subject to material constraints as it is recognised only when all performance obligations have been satisfied.

A3 OTHER INCOME

	NOTES	2024 $'000	2023 $'000
OTHER INCOME			
Interest		36,373	31,195
Rent and sub-lease rentals	F7	7,305	9,157
Buy-back and remeasurement of convertible notes	B5	48,022	—
Gain / (loss) on financial liabilities	A7	4,600	(412)
Mark-to-market gain on financial asset equity investments held at FVTPL		3,003	—
Net foreign exchange gains		—	2,212
Government subsidies		617	1,237
Total		**99,920**	**43,389**

BUY-BACK AND REMEASUREMENT OF CONVERTIBLE NOTES

During October 2023, there was a partial repurchase and remeasurement of convertible notes due November 2027, resulting in a gain of $10,982,000 on the partial repurchase and a gain of $37,040,000 on the remeasurement. Refer to Note B5 for further details.

A4 EXPENSES

Profit/(loss) before income tax includes the following expenses:

	NOTES	2024 $'000	2023 $'000
FINANCE COSTS			
BOS interest expense		2,583	2,106
Interest and finance charges		21,183	25,622
Coupon on convertible notes		15,233	16,500
Amortisation of convertible note at effective interest rate	B5	30,816	32,877
Lease interest expense	F7	9,789	7,295
Unwind of make good provision discount	F10	294	395
Total finance costs		**79,898**	**84,795**
OTHER EXPENSES			
Other occupancy costs		41,743	40,854
Rent expense	F7	9,124	5,192
Consulting and outsourcing fees		77,016	75,349
Independent agent consulting fees		95,079	78,563
Communication and IT		228,285	203,088
Net foreign exchange losses		1,539	—
Supplier loss[1]	F4	10,828	—
Bad debts (reversal) / expense	F3 / F4	(2,835)	4,154
Other expenses		107,008	78,473
Total other expenses		**567,787**	**485,673**

1 The group recorded an expected credit loss of $10.7m on contract assets due to deteriorated creditworthiness of REX airlines as of 30 June 2024.

In addition to the depreciation and amortisation disclosed in the Statement of profit or loss, 'Tour, hotel & cruise operations - Cost of sales' in the Statement of profit or loss statement includes $729,249 (2023: $692,606) relating to depreciation and amortisation directly attributable to the delivery of tour and hotel services.

Refer to note F7 for depreciation and amortisation relating to right of use assets under AASB16.

A5 INTANGIBLE ASSETS

OVERVIEW

FLT continues to focus on enhancing productivity, reducing costs and making it easier for customers to interact and transact with its brands and people across all channels. Growing digital capabilities has also been a priority. These strategies are reflected in the growth in intangibles through additions.

	GOODWILL	BRAND NAMES, LICENCES AND CUSTOMER RELATIONSHIPS[1]	SOFTWARE[2]	TOTAL
Opening Balance at 1 July 2022	$'000	$'000	$'000	$'000
Cost	776,509	117,476	288,557	1,182,542
Accumulated amortisation (including accumulated impairment losses)	(168,242)	(106,117)	(125,890)	(400,249)
Net book amount at 1 July 2022	**608,267**	**11,359**	**162,667**	**782,293**
Additions	—	—	70,652	70,652
Acquisitions	171,882	19,125	2,024	193,031
Disposals & retirements[3]	—	—	(221)	(221)
Amortisation	—	(6,373)	(32,516)	(38,889)
Exchange differences	43,370	2,080	2,173	47,623
Net book amount at 30 June 2023	**823,519**	**26,191**	**204,779**	**1,054,489**
Opening Balance at 1 July 2023				
Cost	906,894	141,362	368,880	1,417,136
Accumulated amortisation (including accumulated impairment losses)	(83,375)	(115,171)	(164,101)	(362,647)
Net book amount at 1 July 2023	**823,519**	**26,191**	**204,779**	**1,054,489**
Additions	—	—	73,896	73,896
Disposals & retirements[3]	—	—	(1,367)	(1,367)
Impairments	(19,484)	(2,108)	(14,816)	(36,408)
Amortisation	—	(9,064)	(49,524)	(58,588)
Exchange differences	(6,569)	14	(419)	(6,974)
Net book amount at 30 June 2024	**797,466**	**15,033**	**212,549**	**1,025,048**
Cost	905,554	104,372	365,119	1,375,045
Accumulated amortisation (including accumulated impairment losses)	(108,088)	(89,339)	(152,570)	(349,997)
Net book amount at 30 June 2024	**797,466**	**15,033**	**212,549**	**1,025,048**

1 Definite life brand names are amortised over their expected useful life, not exceeding 15 years. Customer relationships are amortised over their expected useful life, not exceeding seven years. During the period fully amortised brand names were derecognised.

2 Relates predominately to software which is amortised using the straight-line method over the project's period of expected future benefits, which varies from 2.5 to 5 years, with some core software products amortised over periods 10 to 15 years.

3 Balances shown net of accumulated amortisation.

A5 INTANGIBLE ASSETS (CONTINUED)

(A) IMPAIRMENT TESTS

Critical accounting estimates, assumptions and judgements - impairment of goodwill and indefinite life intangibles

The group tests goodwill and indefinite life intangibles (mainly brand names) annually for impairment, in accordance with the accounting policy stated in note l(g). For all cash-generating units (CGUs) which contain goodwill or indefinite life intangibles and all other CGUs which show an indicator of impairment, the recoverable amounts have been determined based on the higher of fair value less costs of disposal or value-in-use calculations. These calculations use cash flow projections based on management's financial forecasts and cover a five-year period. Refer below for details of these assumptions and the potential impacts of reasonable changes to the assumptions.

Goodwill and indefinite life intangibles are allocated to the CGUs, identified in accordance to relevant business and country of operation.

Each segment includes a number of separately identifiable CGUs or groups of CGUs. Goodwill and indefinite life intangibles allocated to individually significant CGUs or groups of CGUs are presented at the net book amount below:

	GOODWILL		INDEFINITE LIFE BRAND NAMES & LICENCES[3]	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Global Leisure[1]	409,830	411,618	—	—
Global Corporate	345,050	349,436	—	—
Discova	31,723	33,840	—	—
Student Universe	—	19,075	—	2,111
Other[2]	10,863	9,550	741	198
Total	**797,466**	**823,519**	**741**	**2,309**

1 In the prior year, Australia Leisure and Scott Dunn were disclosed separately. During the period these CGUs were aggregated with other Leisure CGUs to form a Global Leisure CGU to more accurately reflect the way management is now monitoring and reporting activities. Prior period comparatives have been restated.

2 Other includes CGUs which are not individually significant. $34,000 of impairment of software was recorded in the year ended 30 June 2024.

3 FLT owns these brands and licences and intends to continue to use them indefinitely.

Current year

During the period it was decided to restructure Student Universe under FLT's Jetmax online travel agency group to gain synergies across the brands, as a result it was impaired. FLT has recorded a non-cash impairment to goodwill of $19,484,000, indefinite life brand names of $2,108,000 and software of $14,782,000. The impairment has been recognised in the Leisure segment and Americas geographic information in note A1. Post impairment there is no remaining goodwill, brand names or software in the Student Universe CGU.

The recoverable amount of the Student Universe CGU was determined by reference to a fair value less cost to sell methodology. The key assumptions in the model are as follows:

- Five year budgeted EBITDA based on management's forecast of revenue, taking into account the maintainable growth rate of both on-line and travel services
- Revenue forecasts take into account historical revenue and consider external factors such as projections of gross on-line airline bookings
- A rate of 2% was used to extrapolate cash flows beyond budget period to calculate a terminal value
- No cost to sell was applied as the business will be restructured internally.

Management have applied a pre-tax discount rate of 17.4% based on available market data and data from other comparable listed companies within the travel sector.

Prior year

There has been no impairment of goodwill or indefinite brand names & licences in the prior year

A5 INTANGIBLE ASSETS (CONTINUED)

(B) KEY ASSUMPTIONS USED FOR VALUE-IN-USE / FAIR VALUE LESS COST TO SELL CALCULATIONS

The discount rates shown were applied to CGUs within each of the geographic areas. For the purposes of impairment testing, fair value methodologies were applied and a long-term growth rate of 2.0% - 2.5% (2023: 2.0% - 2.5%) was used to extrapolate cash flows beyond the budget period and calculate a terminal value.

These assumptions have been used for the analysis of each CGU within the business segment, in line with local expected long-term inflation.

GOODWILL & BRAND NAMES	PRE-TAX DISCOUNT RATE	
	2024	2023
CGU	%	%
Global Leisure	15.8	16.2
Global Corporate	15.0	14.6
Discova	17.8	17.4
Student Universe	17.4	18.2
Other CGUs (excluding those listed above)	15.8	16.2

The basis of estimation of the five-year cash flows uses the following key operating assumptions:

- Five-year budgeted EBITDA is based on management's forecasts of revenue from travel services, taking into account expected TTV/sales growth
- Revenue forecasts take into account historical revenue and consider external factors such as market sector and geography
- Costs are calculated taking into account historical margins, forecast increases and estimated inflation rates over the period, consistent with the locations in which the CGUs operate
- Where fair value less cost to sell methodology has been appropriately applied, the costs to dispose are estimated at 2% of enterprise value

Management has calculated the discount rates based on available market data and data from comparable listed companies within the travel sector.

(C) IMPACT OF POSSIBLE CHANGES IN KEY ASSUMPTIONS

There are no CGUs identified as being sensitive to changes in key assumptions.

A6 BUSINESS COMBINATIONS

(A) CURRENT YEAR ACQUISITIONS

There were no acquisitions in the current period.

(B) PRIOR YEAR ACQUISITIONS

The Luxury Travel Holdings Ltd and its subsidiaries (Scott Dunn) acquisition occurred in the prior period to 30 June 2023 with the purchase price accounting for Scott Dunn finalised during 30 June 2024 with no changes to the provisional accounting disclosed.

A7 FINANCIAL LIABILITIES

CURRENT	2024 $'000	2023 $'000
Contingent consideration	3,683	3,908
Total current financial liabilities	**3,683**	**3,908**
NON-CURRENT		
Put option financial liability	5,915	10,573
Total non-current financial liabilities	**5,915**	**10,573**

Contingent consideration and the put option financial liability are recognised in relation to the acquisitions listed below. FLT has determined that contingent consideration and put option is classified as Level 3 (2023: Level 3) under the AASB 13 *Fair value measurement* hierarchy as the main valuation inputs outlined below are unobservable.

Any changes in the fair value of the contingent consideration are recorded through other income in the statement of profit or loss.

The put option liabilities that exist, outlined for each company below, have been recognised as a financial liability and in the acquisition reserve of the parent entity. Changes in fair value have gone through the statement of profit or loss.

AVMIN PTY LIMITED (AVMIN)

The financial liability related to the put option for AVMIN of $3,683,000 (2023: $3,683,000) has been recorded as part of current contingent consideration. The potential undiscounted amount of this liability has been estimated as the value of future expected cash flows for the settlement of the put option for AVMIN. The expected cash flows are based on a multiple of the average NPAT for the year ended 30 June 2022 and for the year ended 30 June 2023.

TRAVEL TECHNOLOGY FZ LLC (TP CONNECTS)

Concurrent with the acquisition in the year ended 30 June 2022, FLT through its subsidiary Flight Centre Travel Group (UAE Holdings) Limited entered into a call option over the non-controlling shareholders' remaining 30% interest in TP Connects and the non-controlling shareholders entered into a corresponding put option. The call option can be exercised after 1 July 2027 and the put option can only be exercised by TP Connects if the call option is not exercised by FLT.

The financial liability relates to the expected put option exercise price and has been recorded as a non-current financial liability of $5,915,000 (2023: $10,573,000). On initial recognition the corresponding amount was recognised in the acquisition reserve (note F11). The carrying value of the liability has been estimated as the expected cash flows for the settlement of the put option, and has been determined with reference to the actual and forecast EBITDA of TP Connects. Any change in value, together with the net present value interest unwind on the put option liability, is recorded through the statement of profit or loss.

GRASSHOPPER ADVENTURES LTD (GRASSHOPPER)

The financial liability related to the Grasshopper acquisition that was recorded as part of contingent consideration was paid during the period. The potential undiscounted amount payable per the asset purchase agreement is $0 (2023: $225,000).

Reconciliation of financial liabilities for the period is set out below:

	NOTES	FINANCIAL LIABILITIES $'000
Opening balance at 1 July 2023		**14,481**
Net foreign exchange movements		(58)
Remeasurement to fair value		(4,600)
Grasshopper Final Tranche payment		(225)
Closing balance at 30 June 2024		**9,598**

SIGNIFICANT ACCOUNTING ESTIMATE

The valuations used to determine the carrying amount of put option financial liabilities are based on forward looking key assumptions that are, by nature, uncertain. This requires an estimation of future earnings which includes assumptions in relation to revenue growth and the cost of business operations.

B CASH MANAGEMENT

FLT has a capital allocation framework in place which looks to maximise shareholder returns and long-term growth while balancing a conservative capital structure.

B1 CASH AND CASH EQUIVALENTS

	2024 $'000	2023 $'000
Cash at bank and on hand	718,287	926,414
Restricted cash[1]	419,855	402,024
Total cash and cash equivalents	**1,138,142**	**1,328,438**

1 Restricted cash and cash equivalents relates to cash held within legal entities of the group for payment to product and service suppliers or cash held for supplier guarantees where contractually required. Restricted cash includes monies paid to the group by end consumers for payment to local International Air Transport Association (IATA) for ticketed travel arrangements, and refund monies received from IATA awaiting payment to end consumers.

RECONCILIATION TO STATEMENT OF CASH FLOWS

	2024 $'000	2023 $'000
Cash and cash equivalents	1,138,142	1,328,438
Bank overdraft	(1,277)	(49,502)
Balance per Statement of Cash Flows	**1,136,865**	**1,278,936**

B1 CASH AND CASH EQUIVALENTS (CONTINUED)

RECONCILIATION OF PROFIT AFTER TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2024 $'000	2023 $'000
Profit after income tax for the year	139,155	47,412
Depreciation and amortisation	159,326	142,092
Net loss / (gain) on disposal of non-current assets	2,286	(306)
Net gain on sale of financial assets at fair value	—	(138)
Share of loss of joint ventures & associates	2,435	4,084
Impairment charges / (reversals)	39,850	(328)
Dividends paid to non-controlling shareholders in subsidiaries	408	1,009
Non-cash employee benefits expense - share based payments	24,235	41,100
Non-cash employee benefits expense - other	446	772
Amortisation of convertible note	30,816	24,366
Non-cash other income - buy back and remeasurement of convertible note	(48,022)	—
Non-cash other income - other	(7,603)	—
Lease surrender payments	236	661
Net exchange differences	(445)	(7,968)
Increase in trade receivables, contracts assets and other assets	(57,878)	(349,768)
Increase in trade creditors and other payables	94,212	213,103
Increase in net income taxes payable	41,075	29,734
Increase in other provisions	948	10,345
Net cash inflow from operating activities	**421,480**	**156,170**

B2 FINANCIAL ASSET INVESTMENTS

CURRENT	2024 $'000	2023 $'000
Debt securities - Fair value through other comprehensive income (FVOCI)	10,007	20,227
Total current financial asset investments	**10,007**	**20,227**

NON-CURRENT		
Equity investments - Fair value through profit or loss (FVTPL)	7,729	4,589
Debt securities - Fair value through other comprehensive income (FVOCI)	—	10,067
Total non-current financial asset investments	**7,729**	**14,656**

Debt securities measured at FVOCI have contractual cash flow characteristics that are solely payment of principal and interest and are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Debt securities and repurchase receivables are measured at amortised cost only if both the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest

Debt securities at FVOCI (corporate bonds) are measured at fair value, which is determined by reference to price quotations in a market for identical assets. FLT has determined that they are classified as Level 2 (2023: Level 2) under the AASB 13 *Fair Value Measurement* hierarchy.

Equity investments at FVTPL are measured at fair value, which is determined by an independent qualified valuer in accordance with Australian Accounting Standards (AASB's) and International Private Equity and Venture Capital Valuation Guidelines as adopted by Australian Private Equity and Venture Capital Association Limited. FLT has determined that they are classified as Level 3 (2023: Level 3) under the AASB 13 *Fair Value Measurement* hierarchy, based on the valuation technique as described above.

B3 CASH AND FINANCIAL ASSET INVESTMENTS - FINANCIAL RISK MANAGEMENT

CREDIT RISK

Credit risk arising from cash and cash equivalents and financial asset investments is managed in accordance with group treasury policy. Limits are set on credit rating, type of security, counterparty exposure and maturity.

Credit quality has been assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. There has been no significant increase to credit risk for cash and cash equivalents and financial assets.

	EQUIVALENT S&P RATING					
	AA AND ABOVE	AA-TO A-	BBB+ TO BBB-	NON INVESTMENT GRADE / UNRATED	UNRATED - FX BUSINESS CURRENCY HOLDINGS	TOTAL
AT 30 JUNE 2024	$'000	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	—	897,813	95,276	89,237	55,816	1,138,142
Equity investments - FVTPL	—	—	—	7,729	—	7,729
Debt securities - FVOCI	—	10,007	—	—	—	10,007
AT 30 JUNE 2023						
Cash and cash equivalents	—	1,157,068	53,264	76,992	41,114	1,328,438
Equity investments - FVTPL	—	—	—	4,589	—	4,589
Debt securities - FVOCI	—	30,294	—	—	—	30,294

ACCOUNTING POLICY

FLT has applied the simplified approach for provisioning for expected credit losses prescribed by AASB 9 for financial assets held at amortised cost. Additional information on trade and other receivables accounting policy is included in note I (m).

The maximum exposure to credit risk is the carrying amount of financial assets and the carrying amount of cash and cash equivalents as disclosed above. Rated assets falling outside the AAA and BBB- range are considered non-investment grade / unrated. These include term deposits in overseas banks held by the subsidiaries, mainly in South Africa. Unrated FX business currency holdings consists of cash on hand for trading purposes as part of the Travel Money foreign exchange business.

MARKET RISK

INTEREST RATE AND FOREIGN CURRENCY RISK

The group holds investments at variable rates. FLT's profit and operating cash flows are, therefore, exposed to changes in market interest rates. The group constantly analyses its interest rate exposure.

The group has no exposures to interbank offered rates (IBORs) on its non-derivative financial instruments that have been replaced or reformed as part of the market-wide initiatives.

Refer to note C1 for sensitivity of interest rate risk and foreign currency risk.

B4 BORROWINGS

CURRENT	NOTES	2024 $'000	2023 $'000
Bank loans (including bank overdraft)		10,592	56,875
Net unsecured notes principal[1]	D2	610	602
Total current borrowings		**11,202**	**57,477**

NON-CURRENT		2024 $'000	2023 $'000
Bank loans		102,561	352,893
Total non-current borrowings		**102,561**	**352,893**

1 Refer to note D2 for further information on the net unsecured notes that form part of the Business Ownership Scheme (BOS).

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

BORROWINGS	2024 $'000	2023 $'000
Opening Balance at 1 July	**410,370**	**374,238**
Cashflow - Proceeds from borrowings[1]	3,217	254,420
Cashflow - Repayment of borrowings[1]	(252,092)	(253,286)
Proceeds from bank overdrafts	1,203	34,259
Repayment of bank overdrafts	(49,428)	(1,404)
Foreign exchange movement	493	2,143
Closing Balance at 30 June	**113,763**	**410,370**

1 This includes the bank debt facilities, the periodic use of the repurchase facility and operation of the Business Ownership Scheme (BOS) during the year. Further details of BOS are included in note D2.

The group classifies interest paid within cash flows from operating activities.

FINANCIAL RISK MANAGEMENT

CAPITAL MANAGEMENT

FLT has $250,000,000 of the $350,000,000 syndicated debt facility (SFA) undrawn. Facility has a maturity date of 28 April 2026 (2023: February 2025). The facility is guaranteed by certain members of Group.

At 30 June 2024 FLT complied with the net leverage ratio and fixed charges cover ratio covenants for the fiscal year. This satisfied the financial covenants requirements under the SFA. FLT's next covenant compliance obligation is 31 December 2024.

MARKET RISK

A fundamental reform of major interest rate benchmarks was undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The group has no exposures to IBORs on its borrowings that have been replaced or reformed as part of these market-wide initiatives.

CASH FLOW AND FAIR VALUE INTEREST RATE RISK

The group holds borrowings which are issued at both effective fixed and variable rates. FLT's profit and operating cash flows are, therefore, exposed to changes in market interest rates.

The group constantly analyses its interest rate exposure, taking into consideration refinancing, renewal of existing positions and alternative financing. The group calculates the impact a defined interest rate shift will have on profit or loss. For each analysis, the same interest rate shift is used for all currencies.

Under group policy, the maximum percentage of outstanding external group debt that may be maintained at a fixed interest rate is 50%, unless the group's Global CFO and Global Treasurer approve otherwise. Current bank loan facilities are subject to annual review (except the syndicated debt facility) and are a mix of fixed and floating interest rates.

Non-current loan facilities have maturities between 1 - 4 years (2023: 1.5 - 3 years) and are at a mix of fixed and floating rates.

The current interest rates on loan facilities range from 0.55% - 11.00% (2023: 0.55% - 8.00%).

B4 BORROWINGS (CONTINUED)

LIQUIDITY RISK

The group has access to additional financing via unused bank loan facilities, repurchase agreements, credit card facilities, bank guarantees and letter of credit facilities.

	BANK LOANS & LEASING FACILITIES		CREDIT CARDS		BANK GUARANTEES & LETTERS OF CREDIT	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Unused	313,635	17,493	107,466	89,686	33,590	42,086
Used	113,555	410,729	74,807	73,264	72,991	44,577
Total facilities	**427,190**	**428,222**	**182,273**	**162,950**	**106,581**	86,663

Bank guarantees and letters of credit are provided as security on various facilities with vendors and in accordance with local travel agency licensing and IATA regulations.

Refer to note C1 for a sensitivity analysis of borrowings' interest rate risk and details of borrowings' maturity profiles and associated liquidity risks.

There have been no defaults during the period.

FAIR VALUE

The carrying amount of the group's borrowings approximates their fair values, as commercial rates of interest are paid and the impact of discounting is not significant.

ASSETS PLEDGED AS SECURITY

$42,250,000 of FLT's cash is invested with the providers of certain bank guarantees and letter of credit facilities and used as collateral for bank guarantees and letters of credit issued under those facilities.

B5 CONVERTIBLE NOTES

CONVERTIBLE NOTES DUE NOVEMBER 2027

The Company issued convertible notes with an aggregate amount of $400,000,000 and strike price of $20.04, on 17 November 2020 (see below for changes in strike price subsequent to the date of issuance). Note holders have an option to redeem the bond at the end of 4 years (November 2024) at face value plus any accrued but unpaid interest. Any convertible notes not converted will be redeemed on 17 November 2027 at the principal amount together with accrued but unpaid interest thereon.

These notes carry an interest rate of 2.50% per annum (effective interest rate of 7% per annum based on a seven year amortisation period on estimation of cashflow timing in line with a seven year redemption), which is payable semi-annually in arrears in May and November. FLT applies significant judgment in determining the amortisation period.

PARTIAL REPURCHASE OF CONVERTIBLE NOTES DUE NOVEMBER 2027

During October 2023, convertible notes due November 2027, with a face value of $75,000,000 were bought back for $84,153,000. The fair value of the liability component of these notes was re-measured before buy-back using an equivalent market interest rate for a similar bond without a conversion option, which resulted in a gain of $10,982,000. The gain is recognised in other income in the statement of profit or loss.

The $84,153,000 consideration was allocated between liabilities and equity. The liability component was $60,797,000 and the equity component was $23,356,000.

CONVERTIBLE NOTES DUE NOVEMBER 2028

The Company issued a second convertible note with an aggregate amount of $400,000,000 and strike price of $27.30, on 1 November 2021 (see below for changes in the strike price subsequent to the date of issuance). Note holders have an option to redeem the bond at the end of 4.5 years (May 2026) at face value plus any accrued but unpaid interest. Any convertible notes not converted will be redeemed on 1 November 2028 at the principal amount together with accrued but unpaid interest thereon.

These notes carry an interest rate of 1.625% per annum (effective interest rate of 7.12% per annum based on a four-and-a-half-year amortisation period on estimation of cashflow timing in line with four-and-a-half year redemption option), which is payable semi-annually in arrears in May and November. FLT applies significant judgment in determining the amortisation period.

CONVERSION PRICE ADJUSTMENT OF CONVERTIBLE NOTES

As a result of the issue on 13 March 2023 of 4,109,183 new ordinary shares at a price of $14.60 per ordinary share pursuant to a Share Purchase Plan and the declaration on 30 August 2023 of fully franked interim dividend of $0.18, the conversion price of the convertible notes due November 2027 has been adjusted from $20.04 to $19.77, and the conversion price of the convertible notes due November 2028 has been adjusted from $27.30 to $26.93 effective 20 September 2023.

The current dividend (declared by FLT on 28 August 2024), together with the interim dividend (declared by FLT on 28 February 2024), will result in adjustments to strike prices of both the convertible notes due November 2027 and the convertible notes due November 2028. Any future dividends may also result in adjustments to strike prices.

REMEASUREMENT OF CONVERTIBLE NOTES

FLT reassessed the estimated timing of cashflows of the notes and concluded that based on management's estimate, the amortisation period of the notes due November 2027 should be aligned with the contractual maturity of 17 November 2027 (originally amortised to the put date of November 2024). A remeasurement of the carrying value of the remaining $325,000,000 of notes due November 2027 resulted in a gain of $37,040,000. The gain is recognised in other income in the statement of profit or loss. There has been no change to the amortisation period of the notes due November 2028 (amortised to put date of May 2026).

	NOTES	2024 $'000	2023 $'000
CURRENT			
Convertible notes due November 2027[1]		280,825	—
Total current convertible notes		**280,825**	**—**
NON-CURRENT			
Convertible notes due November 2028[1]		338,999	688,940
Total non-current convertible notes		**338,999**	**688,940**

1 The convertible notes due November 2027 are classified as current, as note holders have an option to redeem the remaining $325,000,000 face value of the bond in November 2024. The convertible notes due November 2028 are classified as non-current as note holders have an option to redeem the bonds in May 2026.

B5 CONVERTIBLE NOTES (CONTINUED)

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	NOTES	2024 $'000	2023 $'000
Opening Balance at 1 July		**688,940**	**655,985**
Amortisation of borrowings at effective interest rate	A4	30,816	32,877
Cashflow - buy-back of convertible notes[1]		(84,153)	—
Gain on buy-back of convertible notes[1]	A3	(10,982)	—
Gross equity component of convertible notes bought back[1]	F11	23,356	—
Gain on remeasurement of notes[1]	A3	(37,040)	—
Changes in fair value hedge during the period		8,887	78
Closing Balance at 30 June		**619,824**	**688,940**

1 These transactions relate to convertible notes due November 2027.

ACCOUNTING POLICY

The component of convertible notes that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs. On issuance of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note; and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in liability due to passage of time is recognised as finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent periods. Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

B6 RATIOS

CAPITAL MANAGEMENT

FLT maintains a funding structure that allows it to meet its operational and regulatory requirements, while providing sufficient flexibility to fund growth, working capital requirements and future strategic opportunities. The group's capital structure includes a mix of debt, general cash and equity attributable to the parent's equity holders.

NET CASH / (DEBT)

	NOTES	2024 $'000	2023 $'000
Cash at bank and on hand (excluding restricted cash)	B1	718,287	926,414
Financial investments - current	B2	10,007	20,227
Financial investments - non-current	B2	7,729	14,656
		736,023	**961,297**
Less:			
Borrowings - current	B4	11,202	57,477
Borrowings - non-current	B4	102,561	352,893
		113,763	**410,370**
Net cash / (debt)[1]		**622,260**	**550,927**

FLT continues to be in a net cash position (30 June 2023: net cash position). FLT bought back $84,153,000 of convertible notes and paid $61,591,000 in dividends (to company owners and non-controlling shareholders in subsidiaries) during the period, reducing the net cash balance. In addition, FLT repaid $252,092,000 in borrowings and $49,428,000 in bank overdrafts which, whilst not impacting net cash, did reduce cash at bank and on hand.

1 Net cash / (debt) = (Cash + financial investments) – (current and non-current borrowings). The calculation excludes restricted cash (refer note B1) and convertible notes. The calculation also excludes the impact of AASB 16 Leases in respect of the current and non-current lease liabilities.

GEARING RATIO

	NOTES	2024 $'000	2023 $'000
Total borrowings	B4	113,763	410,370
Total equity		1,203,203	1,136,497
Gearing ratio[1]		9.5 %	36.1 %

1 Gearing ratio = Total borrowings / Total equity. The calculation excludes the convertible note and lease liabilities from total borrowings.

B7 DIVIDENDS

OVERVIEW

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

A final dividend has been declared taking into account traditional seasonal cashflows, anticipated cash outflows and one-off profit items.

The combined interim and final dividend represents a $88,023,000 (2023: $39,491,000) return to shareholders, 47% (2023: 83%) of FLT's statutory NPAT. The combined dividend represents 29% (2023: 36%) of FLT's full year underlying NPAT.

ORDINARY SHARES	2024 $'000	2023 $'000
Final ordinary dividend for the year ended 30 June 2023 of 18.0 c cents (2022: 0.0 cents) per fully paid share	39,491	—
Interim ordinary dividend for the year ended 30 June 2024 of 10.0c cents (2023: 0.0 cents) per fully paid share	22,100	—
	61,591	**—**

The final dividend is per fully paid ordinary share fully franked based on tax paid at 30%. The aggregate amount of the proposed dividends expected to be paid on 17 October 2024 out of retained profits at 30 June 2024, but not recognised as a liability at the end of the year are as follows:

	2024 AMOUNT PER SECURITY CENTS	2023 AMOUNT PER SECURITY CENTS
Final dividend	30	18
	$'000	$'000
Final dividend	65,923	39,110

FRANKING CREDITS	$'000	$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	102,570	127,604

The above amounts represent the balance of the franking account at the end of the financial year, adjusted for:

i. Franking credits that will arise from the current tax liability's payment

ii. Franking debits that will arise from the dividend payments recognised as a liability for the reporting period's end; and

iii. Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting period's end.

The dividend recommended by the directors since year-end, but not recognised as a year-end liability will reduce the franking account by $28.4m (2023: $nil.)

1 Underlying NPAT is an unaudited, non-IFRS measure.

Current year underlying PBT of $320,385,000 excludes underlying adjustments detailed in note A1. Underlying NPAT of $229,612,000 excludes the related tax impact of $90,773,000.

DIVIDENDS PAYABLE	2024 $'000	2023 $'000
Opening balance at 1 July	**—**	**—**
Dividends declared - parent entity	61,591	—
Dividends declared - attributable to non-controlling interest	—	—
Cashflow - Dividend payment	(61,591)	—
Closing balance at 30 June	**—**	**—**

C FINANCIAL RISK MANAGEMENT

This section provides information relating to FLT group's exposure to financial risks, how they affect the group's financial position and performance and how the risks are managed.

C1 FINANCIAL RISK MANAGEMENT

OVERVIEW

FLT continues to ensure it retains a robust balance sheet and liquidity position.

The group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

A central treasury department oversees financial risk under board-approved policies that cover specific areas, such as foreign exchange risk, interest rate risk and credit risk, use of derivative financial instruments and non-derivative financial instruments and investments. Treasury identifies, evaluates and hedges financial risks in co-operation with the group's operating units. The board provides written principles for overall risk management, as well as policies covering the specific areas noted above.

Market risk and credit risk are analysed within the relevant balance sheet note disclosures with the exception of the effects of hedge accounting, which is set out below. Liquidity risk and sensitivities are also set out below.

LIQUIDITY RISK

FLT closely manages and monitors liquidity at a group level through rolling operating cashflow forecasts, supported by Global Treasury review of short-term,13-week cashflow forecasts prepared weekly at a detailed level by business and country.

During the year FLT complied with the net leverage ratio, and the fixed charges cover ratio financial covenants for the twelve month periods to 31 December 2023 and 30 June 2024. FLT's next covenant compliance obligation is 31 December 2024.

C1 FINANCIAL RISK MANAGEMENT (CONTINUED)

LIQUIDITY RISK (CONTINUED)

MATURITIES OF FINANCIAL LIABILITIES

The tables below analyse the group's financial liabilities and net and gross settled derivative financial instruments into relevant maturity groupings. Groupings are based on the remaining period to the contractual maturity date at the reporting period's end. The amounts disclosed in the table are the contractual undiscounted cash flows.

2024	LESS THAN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL CONTRACTUAL CASH FLOWS	CARRYING AMOUNT (ASSETS)/ LIABILITIES
Non-derivatives	$'000	$'000	$'000	$'000	$'000	$'000
Trade and other payables	1,708,553	—	—	—	1,708,553	1,708,553
Financial liabilities	3,683	—	7,727	—	11,410	9,598
Borrowings	16,530	107,180	1,004	—	124,714	113,763
Convertible note[1]	335,563	406,500	—	—	742,063	619,824
Lease liabilities	84,475	66,117	98,723	28,159	277,474	254,565
Total non-derivatives	**2,148,804**	**579,797**	**107,454**	**28,159**	**2,864,214**	**2,706,303**
Derivatives	18,809	15,040	—	—	33,849	32,406
Derivatives - net settled	**18,809**	**15,040**	**—**	**—**	**33,849**	**32,406**
2023						
Non-derivatives						
Trade and other payables	1,637,299	—	—	—	1,637,299	1,637,299
Financial liabilities	3,908	—	11,464	—	15,372	14,481
Borrowings	77,242	365,081	1,950	—	444,273	410,370
Convertible note	16,500	411,500	406,500	—	834,500	688,940
Lease liabilities	85,486	63,228	97,549	38,187	284,450	259,423
Total non-derivatives	**1,820,435**	**839,809**	**517,463**	**38,187**	**3,215,894**	**3,010,513**
Derivatives	21,034	12,454	13,650	—	47,138	45,169
Derivatives - net settled	**21,034**	**12,454**	**13,650**	**—**	**47,138**	**45,169**

1 The convertible notes due November 2027 are classified as current, as note holders have an option to redeem the remaining $325,000,000 face value of the bond in November 2024. The convertible notes due November 2028 are classified as non-current as note holders have an option to redeem the bonds in May 2026.

SUMMARISED SENSITIVITY ANALYSIS

The following table summarises the sensitivity of the group's financial assets and financial liabilities to interest rate risk and foreign exchange risk.

The foreign exchange sensitivities are based on the group's exposures existing at balance date taking into account the Group's designated cash flow hedges.

Interest rate sensitivities are based on reasonable changes in interest rates on that portion of cash, investments and borrowings affected.

Foreign currency risks, as defined by AASB 7 *Financial Instruments: Disclosures*, arise on account of financial instruments being denominated in a currency that is not the functional currency in which the financial instrument is measured. Differences from the translation of financial statements into the group's presentation currency are not taken into consideration in the sensitivity analysis. Foreign exchange sensitivities are based on reasonably possible changes in foreign exchanges rates.

For interest rate and foreign exchange rate sensitivities, all other variables are held constant. Sensitivity figures are pre tax. The movement in equity excludes movements in retained earnings.

C1 FINANCIAL RISK MANAGEMENT (CONTINUED)

SUMMARISED SENSITIVITY ANALYSIS (CONTINUED)

2024	CARRYING AMOUNT	INTEREST RATE RISK		FOREIGN EXCHANGE RISK	
		-1%	+1%	-10%	+10%
Financial assets	$'000	PROFIT	PROFIT	PROFIT	PROFIT
Cash and cash equivalents	1,138,142	(11,381)	11,381	13,494	(11,040)
Equity securities - FVTPL	7,729	—	—	—	—
Debt securities - FVOCI	10,007	(100)	100	—	—
Trade & other receivables	907,956	—	—	16,376	(13,399)
Contract assets	314,561	—	—	13,076	(10,699)
Other financial assets	23,124	—	—	—	—
Derivative financial instruments	2,518	—	—	(22,248)	16,100
Financial liabilities					
Trade and other payables	1,708,553	—	—	(40,153)	32,853
Financial liabilities	9,598	—	—	(538)	657
Borrowings - current	11,202	(88)	88	—	—
Borrowings - non-current	102,561	(1,000)	1,000	—	—
Convertible notes (including derivatives)	619,824	(4,000)	4,000	—	—
Derivative financial instruments	24,895	—	—	(8,097)	5,609
Total increase / (decrease)		**(16,569)**	**16,569**	**(28,090)**	**20,081**

2023	CARRYING AMOUNT	INTEREST RATE RISK		FOREIGN EXCHANGE RISK	
		-1%	+1%	-10%	+10%
Financial assets	$'000	PROFIT	PROFIT	PROFIT	PROFIT
Cash and cash equivalents	1,328,438	(13,284)	13,284	13,360	(10,931)
Equity securities - FVTPL	4,589	—	—	—	—
Debt securities - FVOCI	30,294	(300)	300	—	—
Trade & other receivables	866,591	—	—	10,266	(8,399)
Contract assets	320,931	—	—	14,328	(11,723)
Other financial assets	28,555	—	—	—	—
Derivative financial instruments	3,460	—	—	(2,634)	2,207
Financial liabilities					
Trade and other payables	1,637,299	—	—	(23,688)	19,381
Financial liabilities	14,481	—	—	(1,130)	925
Borrowings - current	57,477	496	(496)	—	—
Borrowings - non-current	352,893	3,500	(3,500)	—	—
Convertible note (including derivatives)	688,940	4,000	(4,000)	—	—
Derivative financial instruments	40,464	—	—	(6,232)	7,030
Total increase / (decrease)		**(5,588)**	**5,588**	**4,270**	**(1,510)**

C1 FINANCIAL RISK MANAGEMENT (CONTINUED)

SUMMARISED SENSITIVITY ANALYSIS (CONTINUED)

	CARRYING	INTEREST RATE RISK		FOREIGN EXCHANGE RISK	
2024	AMOUNT	-1%	+1%	-10%	+10%
Financial assets	$'000	EQUITY	EQUITY	EQUITY	EQUITY
Derivative financial instruments	1,470	—	—	4,125	(3,386)
Financial liabilities					
Derivative financial instruments	7,511	(395)	393	(25,589)	22,571
		(395)	**393**	**(21,464)**	**19,185**

	CARRYING	INTEREST RATE RISK		FOREIGN EXCHANGE RISK	
2023	AMOUNT	-1%	+1%	-10%	+10%
Financial assets	$'000	EQUITY	EQUITY	EQUITY	EQUITY
Derivative financial instruments	3,030	—	—	6,706	(5,487)
Financial liabilities					
Derivative financial instruments	4,705	(1,405)	1,382	(5,671)	6,452
		(1,405)	**1,382**	**1,035**	**965**

Other than disclosed in the table above, there are no other equity impacts as a result of movements in interest rates and foreign exchange rates.

There is no profit or equity impact as a result of other price risk.

C2 DERIVATIVE FINANCIAL INSTRUMENTS

	NOTES	2024 $'000	2023 $'000
CURRENT ASSETS			
Forward foreign exchange contracts - designated in a cash flow hedge		1,470	3,030
Forward foreign exchange contracts - FVTPL		2,518	3,460
Total current derivative financial instrument assets		**3,988**	**6,490**
CURRENT LIABILITIES			
Forward foreign exchange contracts - designated in a cash flow hedge		5,043	1,433
Forward foreign exchange contracts - FVTPL		1,046	8,376
Total current derivative financial instrument liabilities		**6,089**	**9,809**
NON-CURRENT LIABILITIES			
Forward foreign exchange contracts - FVTPL		667	—
Cross currency interest rate swaps - designated in a net investment hedge		2,468	3,272
Interest rate swaps - designated in a fair value hedge		23,182	32,088
Total non-current derivative financial instrument liabilities		**26,317**	**35,360**

C2 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL RISK MANAGEMENT

FAIR VALUE

Forward foreign exchange contracts are measured at fair value, which is based on observable forward foreign exchange rates and the respective currencies' yield curves, as well as the currency basis spreads between the respective currencies.

Cross currency interest rate swaps and interest rate swaps are measured at fair value, which is calculated as the present value of the estimated future cash flows. Estimate of future cash flows are based on quoted swap rates, interbank borrowing rates and, as appropriate, forward exchange rates.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument. See hedge accounting set out below for derivatives designated as part of a hedging relationship to which hedge accounting is applied. Changes in fair value for derivative instruments that do not qualify for hedge accounting are recognised immediately in the statement of profit or loss.

The forward foreign exchange contracts, cross currency interest rate swaps and interest rate swaps are classified as Level 2 (2023: Level 2) under the AASB 13 *Fair value measurement* hierarchy, based on the valuation technique described above.

MARKET RISK

The group has no exposures to IBORs on its derivative financial instruments that have been replaced or reformed as part of these market-wide initiatives.

CREDIT RISK

The maximum exposure to credit risk in relation to derivatives at the reporting period's end is the fair value of all forward foreign exchange contracts, cross currency interest rate swaps and interest rate swaps as disclosed above. Credit quality can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. All counterparties have an equivalent S&P rating ranging from A - AA.

HEDGE ACCOUNTING

ACCOUNTING POLICY

All derivatives are recognised in the balance sheet at fair value and are classified as FVTPL except where they are designated as part of an effective hedge relationship and classified as hedging derivatives. The carrying value of a derivative is remeasured at fair value throughout the life of the contract. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The method of recognising the resulting fair value gain or loss on a derivative depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The group designates its derivatives as fair value hedges when hedging fair value of recognised assets or liabilities or a firm commitment.

The group designates its derivatives as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a foreign currency risk or interest rate risk associated with a recognised asset or liability or a highly probable foreign currency forecast transaction.

The group designates its derivatives as net investment hedges when hedging foreign currency risk attributable to a net investment in a foreign operation.

FLT documents at the inception of the transaction the relationship between hedging instruments and hedged items, the risk being hedged and the group's risk management objective and strategy for undertaking these hedge transactions. The effectiveness of the hedges is measured throughout the life of the hedging relationship. Ineffectiveness arises in the event of over hedging, whereby the notional amount of the designated hedge instrument exceeds the notional amount of the hedged item attributable to the hedged risk, or timing mismatches. Where ineffectiveness is identified, any revaluation gains or losses on the ineffective portion of the hedging instrument are immediately recognised in the statement of profit or loss in foreign exchange gains or foreign exchange losses or interest expense.

The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges are recognised in the cash flow hedge reserve within equity. The effective portion of changes in the fair value of derivatives that are designated as net investment hedges are recognised in the foreign currency translation reserve within equity. Amounts accumulated in equity are transferred to the statement of profit or loss in the period(s) in which the hedged item affects the statement of profit or loss. Changes in the fair value of derivatives that are designated as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged items that are attributable to the hedged risk. If the fair value hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

C2 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

RISK MANAGEMENT STRATEGY

The fundamental objective is to minimise risk. This is achieved by minimising the volatility in the statement of profit or loss and variations in cash flows. The objective is not to maximise revenue or minimise costs, however in certain situations hedging may deliver value to FLT by minimising downside risk. There is no speculation allowed and all treasury activities and transactions must be linked to underlying business requirements.

FLT currently holds a cross currency interest rate swap which has been designated in a net investment hedge relationship. Net investment hedge is used to hedge FLT's exposure to the EUR foreign exchange risk on 3mundi investment. There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the EUR swap. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. The effective portion of the hedge is recognised in the foreign currency translation reserve net of tax. The hedge ineffectiveness may arise when the amount of the investment in the foreign subsidiary becomes lower than the notional amount of the swap. This is recognised in the statement of profit or loss in net foreign exchange gains or net foreign exchange losses.

FLT currently holds an interest rate swap which has been designated in a fair value hedge relationship. The swap is being used to hedge the exposure to changes in the fair value of its fixed rate 1.625% convertible note. There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the convertible note (i.e., notional amount, maturity, and payment). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

THE EFFECTS OF HEDGE ACCOUNTING

At 30 June 2024, FLT holds the following forward foreign exchange contracts (FECs) to hedge its exposure on forecast foreign currency receipts and forecast foreign currency payments.

CASH FLOW HEDGES – 2024	NOTIONAL AMOUNT IN LOCAL CURRENCY 000	CARRYING AMOUNT $'000	AVERAGE FORWARD PRICE	CHANGE IN FAIR VALUE USED FOR MEASURING INEFFECTIVENESS FOR THE PERIOD $'000
USD	192,432	(76)	0.60	(76)
THB	171,146	(232)	1.44	(232)
JPY	88,752	(87)	23.45	(87)
EUR	69,620	(2,055)	0.53	(2,055)
GBP	33,220	(194)	12.42	(194)
Others		(944)		(944)
		(3,588)		**(3,588)**

CASH FLOW HEDGES – 2023	NOTIONAL AMOUNT IN LOCAL CURRENCY 000	CARRYING AMOUNT $'000	AVERAGE FORWARD PRICE	CHANGE IN FAIR VALUE USED FOR MEASURING INEFFECTIVENESS FOR THE PERIOD $'000
EUR	55,350	1,067	0.62	1,067
USD	80,010	981	0.66	981
FJD	32,100	(358)	1.45	(358)
GBP	23,400	241	0.53	241
THB	155,000	(167)	22.88	(167)
Others		(167)		(167)
		1,597		**1,597**

C2 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

CASH FLOW HEDGES – 2024	CURRENCY	CHANGE IN VALUE USED FOR MEASURING INEFFECTIVENESS $'000	CASH FLOW HEDGE RESERVE $'000
Foreign currency receipts	EUR	(2,303)	(2,303)
	FJD	(629)	(629)
	THB	(245)	(245)
	GBP	(242)	(242)
	USD	(193)	(193)
	Other	(449)	(449)
Foreign currency payments	EUR	249	249
	USD	117	117
	ZAR	(113)	(113)
	NZD	103	103
	SGD	54	54
	Other	65	65
			(3,586)

CASH FLOW HEDGES – 2023	CURRENCY	CHANGE IN VALUE USED FOR MEASURING INEFFECTIVENESS $'000	CASH FLOW HEDGE RESERVE $'000
Foreign currency receipts	USD	1,028	1,028
	ZAR	(53)	(53)
	SGD	(43)	(43)
	NZD	(37)	(37)
	CAD	(15)	(15)
	EUR	12	12
Foreign currency payments	EUR	1,054	1,054
	FJD	(358)	(358)
	GBP	241	241
	THB	(167)	(167)
	JPY	(90)	(90)
	Others	24	25
			1,597

C2 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 30 June 2024, FLT holds the following cross currency interest rate swaps and interest rate swaps to hedge its exposure on net investments in foreign operations and convertible notes. The impact of hedging instruments designated in hedging relationships at 30 June 2024 on the balance sheet of the group is as follows. Note these are all shown in the consolidated balance sheet in current assets and liabilities as derivative financial instruments.

FAIR VALUE HEDGES - 2024	NOTIONAL AMOUNT $'000	CARRYING AMOUNT $'000	CHANGE IN VALUE USED FOR MEASURING INEFFECTIVENESS $'000
Interest rate swap	400,000	23,182	(8,906)
			(8,906)
FAIR VALUE HEDGES - 2023			
Interest rate swap	400,000	32,088	(128)
			(128)

FAIR VALUE HEDGES - 2024	CARRYING AMOUNT $'000	ACCUMULATED FAIR VALUE ADJUSTMENTS $'000	CHANGE IN VALUE USED FOR MEASURING INEFFECTIVENESS $'000
Convertible note	339,018	(23,182)	8,906
			8,906
FAIR VALUE HEDGES - 2023			
Convertible note	311,578	(32,088)	128
			128

NET INVESTMENT HEDGES - 2024	NOTIONAL AMOUNT IN LOCAL CURRENCY 000	CARRYING AMOUNT $'000	CHANGE IN VALUE USED FOR MEASURING INEFFECTIVENESS $'000
Cross currency interest rate swap - Euro	63,925	(2,468)	804
			804
NET INVESTMENT HEDGES - 2023			
Cross currency interest rate swap - Euro	63,925	(3,272)	(4,963)
			(4,963)

NET INVESTMENT HEDGES - 2024	CHANGE IN VALUE USED FOR MEASURING INEFFECTIVENESS $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000
Investment in subsidiaries	804	(1,728)
	804	**(1,728)**
NET INVESTMENT HEDGES - 2023		
Investment in subsidiaries	(4,963)	(2,290)
	(4,963)	**(2,290)**

C2 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The impact of hedging instruments designated in hedging relationships at 30 June 2024 on the consolidated statement of profit or loss of the group is as follows. These are all shown in the consolidated statement of profit or loss in other expenses as net foreign exchange losses or finance costs in interest and finance charges paid/payable.

CASH FLOW HEDGES	INEFFECTIVENESS RECOGNISED IN THE INCOME STATEMENT $'000	HEDGING GAIN /(LOSS) RECOGNISED IN OCI $'000	AMOUNT RECLASSIFIED FROM OCI TO THE INCOME STATEMENT $'000
Hedges of forecast foreign currency transactions			
2024	—	(5,507)	3,271
2023	—	966	(186)
NET INVESTMENT HEDGES			
2024	—	804	—
2023	—	(4,963)	—

C3 OTHER FINANCIAL ASSETS

	2024 $'000	2023 $'000
Accrued interest	2,552	2,396
Security deposits	19,516	23,056
Total current other financial assets	**22,068**	**25,452**
Loans to external parties	156	147
Security deposits	900	2,956
Total non-current other financial assets	**1,056**	**3,103**

ACCOUNTING POLICY

Loans to related parties, external parties and security deposits are measured at amortised cost, as they are held in order to collect contractual cash flows which are solely principal and interest.

FINANCIAL RISK MANAGEMENT

FAIR VALUE

Due to their short-term nature, the carrying amounts of current other financial assets are assumed to approximate their fair values.

The carrying amounts of non-current other financial assets equals their fair values, due to the commercial rates of interest earned and paid respectively, and the impact of discounting is not significant.

CREDIT RISK

The maximum exposure to credit risk at the reporting period's end is the carrying amount of other financial assets as disclosed above, however FLT has categorised these as having an insignificant amount of credit risk and therefore no expected credit loss has been recognised.

D REWARD AND RECOGNITION

This section provides a breakdown of the various programs FLT uses to reward and recognise employees and key executives, including Key Management Personnel (KMP).

FLT believes that these programs reinforce the value of ownership and incentives, both of which are key parts of the company's philosophies and culture, and drive performance both individually and collectively to deliver better returns to shareholders.

These programs also result in changes to the group's contributed equity.

The PCRP and GRR programs were introduced as a strategic response to the profound impacts that COVID-19 restrictions had on the business, with a focus on ensuring key executives who would be crucial to FLT's recovery were retained while the business recovers and during the rebuilding phase.

D1 KEY MANAGEMENT PERSONNEL

KMP COMPENSATION

	2024 $	2023 $
Short-term employee benefits	7,078,652	9,276,154
Post-employment benefits	206,899	205,322
Long-term benefits	834,779	(50,008)
Share-based payments	1,561,211	2,178,140
Total KMP compensation	**9,681,541**	**11,609,608**

Detailed remuneration disclosures are provided in the remuneration report from page 21. Supporting information on Non-Executive Directors, Executive Director and Executive KMP remuneration is included in the remuneration report from page 22.

EQUITY INSTRUMENT DISCLOSURES RELATING TO KMP

Details of LTRP, PCRP and ESP provided as remuneration to KMP and shares issued on the exercise of such, together with terms and conditions, can be found from page 29 of the remuneration report.

OTHER TRANSACTIONS WITH KMP

Directors and specified executives receive travel services from FLT and its related companies on normal terms and conditions to employees.

Director related companies receive travel services from FLT and its related companies on normal terms and conditions to other customers.

D2 BUSINESS OWNERSHIP SCHEME (BOS)

OVERVIEW

FLT believes it is important that its leaders see the businesses they run as their own and, under the BOS, eligible employees (front-line team leaders) invest in unsecured notes in their businesses as an incentive to improve short and long-term performance.

ACCOUNTING POLICY

The Australian BOS program is an ASIC-registered unsecured notes scheme. In Australia, the scheme re-commenced in April 2022 in the Travel Associates business, November 2022 in the Travel Money business, and January 2023 in the Ignite business.

The employees receive a variable interest return on investment based on the individual businesses performance and is, therefore, exposed to the risks of his or her business, as neither FLT nor any of its group companies guarantees returns.

The unsecured notes are repayable within 30 days notice by either party, upon termination of the note holder's employment or on the 10th anniversary of the date of issue of the unsecured note. Interest is generally payable in arrears, one month in arrears.

FLT has arrangements through its subsidiary, P4 Finance Pty Ltd (P4), to provide loans on an arm's length, commercial basis to fund eligible business leaders' acquisition of unsecured notes. Under the terms of these loans, unsecured note holders agree that FLT will hold the Unsecured Note Certificate in escrow and note holders must assign the payment of funds owing on an unsecured note to P4.

Accordingly, the group has, at a consolidated level, offset FLT's unsecured note liability and P4's loan receivable in the group balance sheet and has also netted the interest income earned on loans provided by P4 against interest paid by FLT on the unsecured notes.

BUSINESS OWNERSHIP SCHEME

Both the unsecured notes and loans are recorded at amortised cost.

	2024 $'000	2023 $'000
Unsecured notes principal	6,240	6,240
Loans held for unsecured notes	(5,630)	(5,638)
Net unsecured notes principal	**610**	**602**

The unsecured note holders earn a variable, non-guaranteed return, based on their business's performance.

FINANCIAL RISK MANAGEMENT

Credit risk

There is no credit risk arising for BOS loans held for unsecured notes, as there is a legally enforceable right to set-off against FLT's unsecured note liability.

D2 BUSINESS OWNERSHIP SCHEME (BOS) (CONTINUED)

BOS MULTIPLIER PROGRAMME

As noted in the Remuneration Report, the key executive that has a Founder BOS in place as at June 2024 is Chris Galanty.

Melanie Waters-Ryan Founder BOS was in place as at June 2023 and paid out in accordance with its redemption terms during the period.

During the financial year, Chris Galanty received a part early redemption payment. Refer to Statutory Remuneration and Framework section in the remuneration report from page 24 for further information.

ACCOUNTING POLICY

A liability for the employee benefit of the potential BOS return multiple has been recognised as a provision (refer to note F10) when there is a contractual obligation or valid expectation that payment will be made.

The BOS multiplier is recognised as current as it has vested for the KMP.

CURRENT	NOTE	2024 $'000	2023 $'000
Employee benefits	F10	7,873	12,944

D3 SHARE-BASED PAYMENTS

OVERVIEW

FLT has a number of plans which issue share rights to employees and key executives, including:

- Long Term Retention Plan (LTRP)
- Post-COVID-19 Retention Plan (PCRP)
- Global Recovery Rights (GRR)
- Employee Share Plan (ESP)

EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	2024 $'000	2023 $'000
Long term retention plan	11,933	10,226
Post COVID-19 retention plan	510	1,269
Employee share plan	2,688	1,525
Global recovery rights plan	9,104	28,080
Total expenses arising from share-based payment transactions	**24,235**	**41,100**

Directors are not eligible to participate in the LTRP, PCRP, GRR or ESP.

ACCOUNTING POLICY AND VALUATION

The fair value of performance rights granted are recognised as an employee benefit expense with a corresponding increase in reserves. The fair value is measured at grant date and recognised over the period during which employees become unconditionally entitled to the rights.

The fair value at grant date is determined using the Black-Scholes option pricing model.

The fair value of the rights granted excludes the impact of any non-market vesting conditions (for example, continued employment). Non-market vesting conditions are included in assumptions about the number of rights that are expected to become exercisable and the length of the vesting period. At the reporting period's end, the entity revises its estimate of the number of rights that are expected to become exercisable and the most likely vesting period. The employee benefit expense recognised each period takes into account the most recent estimate.

D3 SHARE-BASED PAYMENTS (CONTINUED)

LONG TERM RETENTION PLAN (LTRP)

GENERAL TERMS

Invited participants are granted base rights, for no consideration, in annual tranches over a 12 year period with vesting conditions based upon continued service. At the time base rights are granted, participants are granted a corresponding number of matched rights for no consideration (one matched right for each base right granted). From Grant 9 there is no split of base and matched rights and participants are granted rights, referred to as base rights below.

Rights granted under the plan carry no dividend or voting rights. When exercisable, each right is convertible into one ordinary FLT share.

The plan's rules stipulate that the number of shares resulting from exercising all unexercised rights cannot exceed 5% of the company's issued capital (currently less than 1%).

VESTING REQUIREMENTS

Base rights granted to participants for each tranche will vest on the base rights vesting dates as noted in the table below, subject to the service condition being satisfied (participants remain employed by the company at the vesting date).

Matched rights granted to participants for each tranche will vest on the matched rights vesting dates as noted in the table below, subject to the service condition being satisfied (participants remain employed by the company at the vesting date) and the base rights (or shares) in respect of the respective grant continue to be held.

METHOD OF SETTLEMENT

The base rights and matched rights may be newly issued by FLT, purchased on-market or allocated from treasury shares.

VALUATION

The fair value of base and matched rights under the plan is estimated at the date of grant using a fixed dollar amount of rights granted for each participant and the Black-Scholes option pricing model which takes into account the rights' term, the rights' non-tradeable nature, the expected dividend yield and risk-free rate for the rights' term. The fair value is recognised in the balance sheet as part of reserves over the period that the right vests with a corresponding expense recognised in the employee benefits costs.

		BASE RIGHTS			MATCHING RIGHTS		
GRANT NUMBER	GRANT DATE	DATE/YEAR VESTED AND EXERCISABLE[1]	EXPIRY DATE	VALUE PER RIGHT AT GRANT DATE	DATE/YEAR VESTED AND EXERCISABLE[1]	EXPIRY DATE	VALUE PER RIGHT AT GRANT DATE
4	1 July 2018	August 2021	1 July 2030	$54.26	August 2021	1 July 2030	$54.26
4b	1 July 2018	August 2021	1 July 2030	$54.26	August 2023	1 July 2030	$51.58
5	1 July 2019	August 2022	1 July 2030	$42.06	August 2022	1 July 2030	$42.06
5b	1 July 2019	August 2021	1 July 2030	$42.06	August 2024	1 July 2030	$38.84
6	1 July 2020	August 2023	1 July 2030	$11.30	August 2023	1 July 2030	$11.30
6b	1 July 2020	August 2021	1 July 2030	$11.30	August 2023	1 July 2030	$11.30
6c	1 July 2020	August 2022	1 July 2030	$11.30	August 2024	1 July 2030	$10.79
6d	1 July 2020	August 2023	1 July 2030	$11.30	August 2023	1 July 2030	$11.30
7[2]	1 July 2021	August 2024	1 July 2030	$17.27	August 2024	1 July 2030	$17.27
7c	1 July 2021	August 2022	1 July 2030	$17.27	August 2024	1 July 2030	$17.27
7e[2]	1 July 2021	August 2023	1 July 2030	$17.26	August 2023	1 July 2030	$17.26[2]
8	1 July 2022	August 2025	1 July 2030	$17.02	August 2025	1 July 2030	$17.02
9	1 July 2023	August 2026	1 July 2030	$20.59			

1 The vesting date is the day the Company releases full year financial results to the ASX in the year of vesting.

2 During the period, an administrative error was identified where new LTRP participants has been offered rights on 1 July 2021 to Grant 7 and Grant 7e , however the rights had not been issued. The rights were issued during the period.

The weighted average contractual remaining life (until expiry date) is 6 years.

D3 SHARE-BASED PAYMENTS (CONTINUED)

LONG TERM RETENTION PLAN (LTRP) (CONTINUED)

The LTRP rights held by executives, including those KMP separately disclosed in the remuneration report, is set out below:

	BALANCE AT START OF THE YEAR		DURING THE YEAR				BALANCE AT END OF THE YEAR	
2024	VESTED AND EXERCISABLE NUMBER	UNVESTED NUMBER	GRANTED NUMBER	FORFEITED NUMBER	VESTED NUMBER	EXERCISED NUMBER	VESTED AND EXERCISABLE NUMBER	UNVESTED NUMBER
Grant 9								
Base Rights	—	—	767,901	(33,076)	20,946	(20,946)	—	713,879
Grant 8								
Base	—	418,654	—	(28,677)	11,578	(11,578)	—	378,399
Match	—	418,654	—	(28,677)	11,578	(11,578)	—	378,399
Grant 7								
Base	—	339,676	—	(18,102)	16,323	(16,323)	—	305,251
Match	—	339,676	—	(18,917)	16,323	(16,323)	—	304,436
Grant 7c								
Base	10,369	—	—	—	—	(5,795)	4,574	—
Match	2,291	8,078	—	—	—	—	2,291	8,078
Grant 7e								
Base	—	4,691	—	—	4,691	(4,691)	—	—
Match	—	4,691	—	—	4,691	(4,691)	—	—
Grant 6								
Base	—	197,319	—	—	197,319	(166,316)	31,003	—
Match	—	197,319	—	—	197,319	(175,585)	21,734	—
Grant 6b								
Base	18,512	—	—	—	—	(13,375)	5,137	—
Match	—	23,417	—	—	23,417	—	23,417	—
Grant 6c								
Base	13,953	—	—	—	—	(7,841)	6,112	—
Match	—	13,953	—	—	—	—	—	13,953
Grant 6d								
Base	—	42,898	—	—	42,898	(27,867)	15,031	—
Match	—	42,898	—	—	42,898	(31,741)	11,157	—
Grant 5								
Base	25,495	—	—	—	—	(19,328)	6,167	—
Match	26,798	—	—	—	—	(13,091)	13,707	—
Grant 5b								
Base	4,355	—	—	—	—	—	4,355	—
Match	—	4,355	—	—	4,355	(4,355)	—	—
Grant 4								
Base	10,032	—	—	—	—	(9,359)	673	—
Match	12,383	—	—	—	—	(7,340)	5,043	—
Grant 4b								
Base	5,498	—	—	—	—	—	5,498	—
Match	—	4,030	—	—	4,030	(2,902)	1,128	—

D3 SHARE-BASED PAYMENTS (CONTINUED)

LONG TERM RETENTION PLAN (LTRP) (CONTINUED)

	BALANCE AT START OF THE YEAR		DURING THE YEAR				BALANCE AT END OF THE YEAR	
2023	VESTED AND EXERCISABLE NUMBER	UNVESTED NUMBER	GRANTED NUMBER	FORFEITED NUMBER	VESTED NUMBER	EXERCISED NUMBER	VESTED AND EXERCISABLE NUMBER	UNVESTED NUMBER
Grant 8								
Base	—	—	422,927	(4,273)	—	—	—	418,654
Match	—	—	422,927	(4,273)	—	—	—	418,654
Grant 7								
Base	—	347,576	4,691	(12,591)	—	—	—	339,676
Match	—	347,576	4,691	(12,591)	—	—	—	339,676
Grant 7c								
Base	—	10,369	—	—	10,369	—	10,369	—
Match	—	10,369	—	—	2,291	—	2,291	8,078
Grant 7e								
Base	—	—	4,691	—	—	—	—	4,691
Match	—	—	4,691	—	—	—	—	4,691
Grant 6								
Base	—	197,319	—	—	—	—	—	197,319
Match	—	197,319	—	—	—	—	—	197,319
Grant 6b								
Base	23,417	—	—	—	—	(4,905)	18,512	—
Match	—	23,417	—	—	—	—	—	23,417
Grant 6c								
Base	—	13,953	—	—	13,953	—	13,953	—
Match	—	13,953	—	—	—	—	—	13,953
Grant 6d								
Base	—	45,207	—	(2,309)	—	—	—	42,898
Match	—	45,207	—	(2,309)	—	—	—	42,898
Grant 5								
Base	—	60,828	—	—	60,828	(35,333)	25,495	—
Match	—	60,828	—	—	60,828	(34,030)	26,798	—
Grant 5b								
Base	4,355	—	—	—	—	—	4,355	—
Match	—	4,355	—	—	—	—	—	4,355
Grant 4								
Base	13,305	—	—	—	—	(3,273)	10,032	—
Match	14,793	—	—	—	—	(2,410)	12,383	—
Grant 4b								
Base	5,498	—	—	—	—	—	5,498	—
Match	—	4,030	—	—	—	—	—	4,030
Grant 3								
Base	1,691	—	—	—	—	(1,691)	—	—
Match	1,691	—	—	—	—	(1,691)	—	—
Grant 2								
Base	2,341	—	—	—	—	(2,341)	—	—
Match	2,341	—	—	—	—	(2,341)	—	—

D3 SHARE-BASED PAYMENTS (CONTINUED)

POST-COVID-19 RETENTION PLAN (PCRP)

GENERAL TERMS

Invited participants are granted one-off base rights, for no consideration, with vesting conditions based upon continued service. When these base rights are granted, participants are also granted a corresponding number of one-off matched rights in two separate tranches for no consideration (one matched right for each base right granted).

Rights granted under the plan carry no dividend or voting rights. When exercisable, each right is convertible into one ordinary FLT share.

The plan's rules stipulate that the number of shares resulting from exercising all unexercised rights cannot exceed 5% of the company's issued capital (currently less than 1%).

VESTING REQUIREMENTS

Base rights granted to participants will vest on the base rights' vesting date as noted in the table below, subject to the service condition being satisfied (participants remain employed by the company at the vesting date).

Matched rights granted to participants for each tranche will vest on the matched rights' vesting dates as noted in the table below, subject to the service condition being satisfied (participants remain employed by the company at the vesting date) and for Tranche 1 matched rights that the base rights (or shares) in respect of the respective grant continue to be held, and for Tranche 2 matched rights' that the Tranche 1 matched rights (or shares) continue to be held.

METHOD OF SETTLEMENT

The base rights and matched rights may be issued by FLT, purchased on-market or allocated from treasury shares.

VALUATION

The fair value of base and matched rights under the plan is estimated at the date of grant using the Black-Scholes option pricing model. The fair value is allocated equally over the period from grant date to vesting date.

GRANT NUMBER	GRANT DATE	DATE/YEAR VESTED AND EXERCISABLE[1]	EXPIRY DATE	VALUE PER RIGHT AT GRANT DATE
Grant 1	29 June 2020			
Base Rights		August 2022	1 July 2031	$9.66
Matching Rights - Tranche 1		August 2023	1 July 2031	$9.25
Matching Rights - Tranche 2		August 2024	1 July 2031	$8.83

1 The vesting date is the day the Company releases full year financial results to the ASX in the year of vesting.

The weighted average contractual remaining life (until expiry date) is 7 years.

The PCRP rights held by executives, including those KMP separately disclosed in the remuneration report, is set out below:

	BALANCE AT START OF THE YEAR						BALANCE AT END OF THE YEAR	
2024 **Grant 1**	VESTED AND EXERCISABLE NUMBER	UNVESTED NUMBER	GRANTED NUMBER	FORFEITED NUMBER	VESTED NUMBER	EXERCISED NUMBER	VESTED AND EXERCISABLE NUMBER	UNVESTED NUMBER
Base	459,899	—	—	—	—	(320,680)	139,219	—
Match 1	—	295,169	—	—	295,169	(153,555)	141,614	—
Match 2	—	250,169	—	(4,814)	—	—	—	245,355
2023 **Grant 1**								
Base	—	590,338	—	—	590,338	(130,439)	459,899	—
Match 1	—	295,169	—	—	—	—	—	295,169
Match 2	—	295,169	—	(45,000)	—	—	—	250,169

D3 SHARE-BASED PAYMENTS (CONTINUED)

GLOBAL RECOVERY RIGHTS (GRR)

The GRR has identical objectives to the PCRP but is a broader program targeted at FLT's global workforce.

GENERAL TERMS

Invited participants (all employees globally excluding board members and senior executives) are granted one-off rights, for no consideration.

Rights granted under the plan carry no dividend or voting rights. When exercisable, each right is convertible into one ordinary FLT share.

The plan's rules stipulate that the number of shares resulting from exercising all unexercised rights cannot exceed 5% of the company's issued capital (currently less than 1%).

VESTING REQUIREMENTS

Rights granted to participants will vest on the rights' vesting date as noted in the table below, subject to the service condition being satisfied (participants remain employed by the company at the vesting date).

METHOD OF SETTLEMENT

The rights may be issued by FLT, purchased on-market or allocated from treasury shares.

VALUATION

The fair value of rights under the plan is estimated at the date of grant using the Black-Scholes option pricing model which takes into account the rights' term, the rights' non-tradeable nature, the expected divided yield and risk-free rate over the rights' term. The fair value is allocated equally over the period from grant date to vesting date.

		RIGHTS		
GRANT NUMBER	GRANT DATE	DATE/YEAR VESTED AND EXERCISABLE[1]	EXPIRY DATE	VALUE PER RIGHT AT GRANT DATE
Grant 1	25 June 2021	February 2023	February 2028	$15.06
Grant 2	15 June 2022	February 2024	February 2029	$17.02

1 The vesting date is the day the Company releases half year financial results to the ASX in the year of vesting

The weighted average contractual remaining life (until expiry date) for Grant 1 is 4 years, and for Grant 2, 5 years.

	BALANCE AT START OF THE YEAR		DURING THE YEAR				BALANCE AT END OF THE YEAR	
2024	VESTED AND EXERCISABLE NUMBER	UNVESTED NUMBER	GRANTED NUMBER	FORFEITED NUMBER	VESTED NUMBER	EXERCISED NUMBER	VESTED AND EXERCISABLE NUMBER	UNVESTED NUMBER
Grant 2	—	1,781,809	—	(497,145)	1,781,809	(967,821)	316,843	—
Grant 1	737,988	—	—	(53,270)	—	(324,586)	360,132	—
2023								
Grant 2	—	—	1,829,841	(48,032)	—	—	—	1,781,809
Grant 1	—	1,647,288	—	(155,614)	1,491,674	(753,686)	737,988	—

D3 SHARE-BASED PAYMENTS (CONTINUED)

EMPLOYEE SHARE PLAN (ESP)

GENERAL TERMS

Eligible employees are granted a conditional right to one matched share for every two shares purchased (for cash consideration), subject to vesting conditions.

Employees are eligible to participate if they have been employed full time or permanent part-time for at least three months.

VESTING REQUIREMENTS

A participant must hold the acquired shares for a period of two years and one month and still be employed with FLT at the end of that time. If acquired shares are sold before the end of the vesting period, conditional rights to the matched shares are forfeited.

METHOD OF SETTLEMENT

A participant who satisfies the vesting conditions will become entitled to the matched shares on the last day of the vesting period.

The matched shares may be newly issued by FLT, purchased on-market or allocated from treasury shares.

VALUATION – ACQUIRED SHARES

The market value of shares issued under the plan, measured as the weighted average price at which FLT's shares are traded on the ASX during the five days following the date on which the contributions are paid, is recognised in the balance sheet as an issue of shares in the period the shares are acquired by the employee.

VALUATION – MATCHED SHARES

The fair value of matched shares allocated (but not issued) under the plan is estimated at the date of grant using the Black-Scholes option pricing model which takes into account the rights' term, the rights' non-tradeable nature, the expected divided yield and risk-free rate over the rights' term and is recognised in the balance sheet as part of reserves over the period that the matched share vests with a corresponding expense recognised in the employee benefits costs.

NUMBER OF MATCHED SHARES	NOTES	2024	2023
Issued under the plan to participating employees		37,463	42,467
Allocated from the share trust to participating employees		57,423	52,290
Purchased on-market under the plan to participating employees		27,927	25,787
		122,813	**120,544**
Weighted average market price of matched shares:			
Issued		$0.00	$0.00
Allocated from share trust		$21.82	$18.60
Purchased on-market		$21.47	$17.60

D4 CONTRIBUTED EQUITY AND TREASURY SHARES

OVERVIEW

Typically movements in contributed equity relate to shares issued under the ESP, which reinforces the importance that FLT places on ownership to drive business performance and overall results. Where shares in FLT are acquired y on-market purchases prior to settling the vested entitlement, the cost of the acquired shares is carried as treasury shares and deducted from equity.

RECONCILIATION OF ORDINARY SHARE CAPITAL:

The following reconciliation summarises the movements in authorised and issued capital during the year.

Issues of a similar nature have been grouped and the issue price shown is the weighted average. Detailed information on each issue of shares is publicly available via the ASX.

DETAILS	NOTES	NUMBER OF SHARES	WEIGHTED AVERAGE ISSUE PRICE	$'000
Opening balance at 1 July 2022		**199,813,184**		**1,105,711**
ESP		365,258	$17.25	6,302
ESP matched shares	D3	42,467	—	—
Treasury shares		1,416,799	$18.48	26,180
Institutional placement and share purchase plan		16,437,951	$14.60	239,994
Equity raising transaction costs		—	—	(5,137)
Deferred tax on equity raising transaction costs	F12	—	—	1,542
Closing balance at 30 June 2023		**218,075,659**		**1,374,592**
ESP		370,636	$20.32	7,532
Treasury shares		2,585,037	$21.57	55,764
Closing balance at 30 June 2024		**221,031,332**		**1,437,888**

RECONCILIATION OF TREASURY SHARES:

The following reconciliation summarises the movements in treasury shares held in a share trust for future allocation to employee share plans. Items of a similar nature have been grouped and the price shown is the weighted average.

DETAILS	NOTES	NUMBER OF SHARES	WEIGHTED AVERAGE PRICE	$'000
Opening balance at 1 July 2022		**(65,176)**	**—**	**(1,055)**
Issue of shares through share trust		(1,782,254)	$18.36	(32,720)
Allocation of shares to ESP matched shares	D3	78,077	$18.25	1,425
Allocation of shares to LTRP		142,051	$16.90	2,401
Allocation of shares to PCRP		77,137	$16.94	1,307
Allocation of shares to GRR		753,686	$18.67	14,069
Gain in equity on allocation of shares				(175)
Closing balance at 30 June 2023		**(796,479)**		**(14,748)**
Issue of shares through share trust		(2,585,037)	$21.57	(55,764)
Allocation of shares to ESP matched shares		113,389	$20.84	2,363
Allocation of shares to LTRP		420,482	$20.30	8,591
Allocation of shares to PCRP		447,584	$20.26	9,069
Allocation of shares to GRR		1,111,814	$20.90	23,236
Gain in equity on allocation of shares				(547)
Closing balance at 30 June 2024		**(1,288,247)**		**(27,800)**

E RELATED PARTIES

This section provides information relating to the FLT group related parties and the extent of related party transactions within the group and the impact they had on the group's financial performance and position.

E1 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

OVERVIEW

ASSOCIATES

FLT has a 50% shareholding in Evolve Travel Limited (ETL), a New Zealand based entity that has the purpose of creating stronger preferred supplier arrangements with an independent travel group for the mutual benefit of both parties.

JOINT VENTURES

FLT holds a 46.8% shareholding in Pedal Group Pty Ltd (2023: 46.9%). FLT continues to have joint control. Significant shareholdings in Pedal Group include a 100% shareholding in 99 Bikes Pty Ltd and 99 Bikes NZ Limited, a Brisbane and Auckland based national chain of retail bike stores, and a 100% shareholding in Advance Traders (Australia) Pty Ltd and Advance Traders (New Zealand) Limited, Brisbane and Auckland based wholesale bike companies and a 100% shareholding in PGP Co Pty Ltd, a Brisbane based property purchasing company for 99 Bikes leases.

Contractual arrangements are in place to establish joint control over each entity's economic activities, including financial and operating decisions.

SHARE OF JOINT VENTURE AND ASSOCIATES CARRYING VALUE AND RESULTS

Joint venture and associates information is presented in accordance with the accounting policy described in note I(c)(ii) and is set out below.

	2024 $'000	2023 $'000
Interest in joint ventures	43,159	45,594
Interest in associates	5	5
Total interest in joint ventures and associates	**43,164**	**45,599**

SHARE OF RESULTS	2024 $'000	2023 $'000
(Loss) from joint ventures	(2,435)	(4,084)
Profit from associates	—	—
Total comprehensive (loss)	**(2,435)**	**(4,084)**

CONTRACTUAL COMMITMENTS

FLT has no commitments in relation to its joint venture and associate entities at 30 June 2024 (2023: nil).

E2 RELATED PARTY TRANSACTIONS

PARENT ENTITY

FLT is the ultimate parent entity within the group.

SUBSIDIARIES AND JOINT VENTURES

Interests in subsidiaries are set out in note G1 and interests in joint ventures and associate are set out in note E1.

FLT is a joint venture (JV) partner in Pedal Group Pty Ltd. The other JV partners are related parties, namely Graham Turner's family company, Gainsdale Pty Ltd 21.83% (2023: 21.88%), and Graham Turner's son, Matthew Turner's family companies Hootie Blowfish Pty Ltd 14.12% (2023: 14.14%), Counting Crows Pty Ltd 0.38% (2023: 0.24%) and his direct employee share plan holdings of 0.39% (2023: 0.40%). The remaining 16.48% (2023: 16.43%) is held by other minor parties including Pedal Group employees who are not considered related parties.

KMP COMPENSATION AND OTHER TRANSACTIONS

KMP disclosures are set out in note D1.

TRANSACTIONS WITH RELATED PARTIES

	2024	2023
Income from joint venture & associate-related parties	$	$
Management fees	625	17,435
Travel and conference	4,900	111,624
Other	42,394	397,733
Expenses to joint venture & associate-related parties		
Override distributions	2,095,253	2,393,059
Income from director-related entities		
Travel and conference	874,396	1,310,539
Other	55,040	—
Expenses to director-related entities		
Conference expense	359,786	111,574
Membership expense[1]	1,045,277	355,800

1 Graham Turner as Director on Industry Body, Australian Travel Industry Association (ATIA), previously known as Australian Federation of Travel Agents Limited (AFTA).

From time to time, related entities may enter into transactions with FLT. These transactions are on the same terms and conditions as those entered into by other FLT subsidiaries or customers.

Joint venture and associate related parties can choose to use FLT group purchasing ability and any costs incurred are passed directly through. These transactions are included in the disclosure above.

OUTSTANDING BALANCES

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

	2024	2023
Joint ventures & associates	$	$
Current receivables	1,006	994
Current payables	—	130,789
Director-related entities		
Current receivables	1,986,008	2,442,592
Current payables	359	—

No provisions for doubtful debts have been raised in relation to any outstanding balances and no expenses have been recognised in respect of bad or doubtful debts due from related parties.

E2 RELATED PARTY TRANSACTIONS (CONTINUED)

LOANS TO RELATED PARTIES

Loans to KMP, joint venture and associate related parties were nil during the current year and prior year.

GUARANTEES

FLT has provided company guarantees to the suppliers of Pedal Group joint venture of $8,995,502 (2023: $9,046,000). The JV partners, Gainsdale Pty Ltd and Hootie Blowfish Pty Ltd, provide full indemnity to FLT up to their respective Pedal Group shareholding percentages. No liability was recognised as the guarantee's fair values are immaterial.

TERMS AND CONDITIONS

All other transactions were made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

F OTHER INFORMATION

This section provides the remaining information relating to the FLT financial report that must be disclosed to comply with the accounting standards and other pronouncements.

F1 EMPLOYEE BENEFITS EXPENSE

EMPLOYEE BENEFITS EXPENSE

	NOTES	2024 $'000	2023 $'000
Defined contribution superannuation expense		77,087	63,430
Share based payments expense	D3	24,235	41,100
Other employee benefits expense		1,319,346	1,193,463
Total employee benefits expense		**1,420,668**	**1,297,993**
Staff numbers (full-time equivalents)		12,514	13,065

In addition to the employee benefits expense disclosed above, 'Tour, hotel & cruise operations - Cost of sales' in the statement of profit or loss includes $5,285,000 (2023: $3,914,000) relating to employee costs directly attributable to the delivery of tour and hotel services.

F2 EARNINGS PER SHARE

OVERVIEW

Statutory earnings per share (EPS) was 63.7 cents (2023: 23.1 cents), an increase of 175.8% on the prior comparative period. At an underlying level[1], EPS increased 98.1% to 105.0 cents (2023: profit 53.0 cents[2]).

	2024 CENTS	2023 CENTS RESTATED
Basic earnings / (loss) per share		
Profit attributable to the company's ordinary equity holders	63.7	23.1
Diluted earnings / (loss) per share		
Profit attributable to the company's ordinary equity holders	50.2	22.5
Reconciliation of earnings used in calculating EPS	$'000	$'000
Profit attributable to the company's ordinary equity holders used in calculating basic earnings per share	139,638	47,461
Profit attributable to the company's ordinary equity holders used in calculating diluted earnings per share[3]	120,733	47,461
Weighted average number of shares used as the denominator	NUMBER	NUMBER
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share[4]	219,190,058	205,165,141
Adjustments for calculation of diluted earnings per share:		
Share rights and convertible note options	21,495,941	6,095,311
Weighted average number of ordinary shares used in calculating diluted earnings per share	240,685,999	211,260,452

1 Underlying EPS are unaudited, non-IFRS measures. Refer to note A1 for breakdown of underlying PBT used in the calculation of underlying EPS. Underlying NPAT includes the tax impact of underlying adjustments of ($10,220,000) (2023: ($7,177,000)).

2 Amortisation of convertible notes has been included as an underlying adjustment in the current period, with prior period comparative amounts restated. Prior period underlying EPS has been restated.

3 Diluted EPS is lower than basic EPS primarily due to the other income and finance costs recognised in relation to the convertible notes. Refer to note B5.

4 The basic EPS denominator is the aggregate of the weighted average number of ordinary shares.

INFORMATION CONCERNING THE CLASSIFICATION OF SECURITIES

LTRP, PCRP, GRR, & ESP

Rights granted under the LTRP, PCRP, GRR and entitlements to matched shares under the ESP are considered contingently issuable ordinary shares as at 30 June 2024. They are included in the determination of diluted earnings per share to the extent to which they are dilutive, based on the number of shares that would be issuable if the end of the period were the end of the contingency period.

The rights are not included in the determination of basic earnings per share. Details of the incentive plans are set out in note D3.

CONVERTIBLE NOTES

Convertible notes issued during prior years and which are convertible into 31,292,372 shares were excluded from the diluted weighted average number of ordinary shares calculation at 30 June 2024. If the notes were converted into shares, favourable profit adjustments relating to interest expense and valuation of derivatives used to hedge interest exposure would result in an anti-dilutive effect on earnings per share. Details relating to the convertible notes are set out in note B5.

F3 TRADE RECEIVABLES

	2024 $'000	2023 $'000
Trade receivables	907,956	866,591
Less: Provision for impairment of receivables	(22,608)	(31,826)
Total trade receivables	**885,348**	**834,765**

ACCOUNTING POLICY

FLT has applied the simplified approach for provisioning for expected credit losses prescribed by AASB 9. Additional information on trade receivables accounting policies is included in note I (m).

FINANCIAL RISK MANAGEMENT

MARKET RISK

Interest rate risk

Receivables are generally non-interest bearing and are not, therefore, subject to interest rate risk. The exception is other receivables, which generally arise from transactions outside the group's usual operating activities. Interest may be charged at commercial rates where the repayment terms exceed six months. Collateral is not normally obtained.

Foreign exchange risk

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

In addition to identifying foreign exchange risk likely to arise from future commercial transactions, group treasury recognises assets and liabilities in foreign currencies and, where appropriate, uses forward exchange contracts to reduce foreign currency risk.

The group's exposure to foreign currency risk on trade receivables at the end of the reporting period is set out below in Australian dollars:

TRADE RECEIVABLES	2024 $'000	2023 $'000
United States Dollar	30,019	59,731
New Zealand Dollar	13,714	13,867
United Kingdom Pound	5,143	6,301
Switzerland Franc	5,013	—
Viet Nam Dong	4,967	—
Euro Member Countries	3,276	1,586
South Africa Rand	3,095	3,156
Indonesia Rupiah	2,874	—
Singapore Dollar	57	—
Other	9,118	7,763

Foreign exchange risk on trade payables is set out in note F8.

FAIR VALUE

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

CREDIT RISK

Credit risk arises from exposure to corporate, leisure and other customers, including outstanding receivables and committed transactions. The maximum exposure to credit risk at the reporting period's end is the receivables carrying amount. The group does not hold collateral as security. Credit risk exposure is monitored regularly as per below:

Corporate

Corporate clients' credit quality is assessed by analysing external credit ratings and financial position where appropriate. Individual risk limits are established for all corporate customers, in accordance with corporate credit policy, with regular monitoring and reporting to management.

Leisure

Agency and principal sales to end-consumers are typically settled in cash or via major credit cards at time of booking, reducing trade receivables balances and mitigating credit risk. Independent agents' credit quality is assessed by analysing external credit ratings and financial position where appropriate. Independent agents' debtors are subject to weekly payment sweeps and are generally settled before payment is required to the supplier therefore mitigating credit risk.

F3 TRADE RECEIVABLES (CONTINUED)

Product suppliers

Receivables are due from suppliers in relation to overrrides, commissions, refunds and other revenue streams.

Suppliers' credit quality is assessed and the provisions increased based on assumptions around the deterioration in ageing, known or expected financial difficulty of customers and individual customer credit risk assessment with reference to external rating agencies and industry.

Other

Concentration of risk in respect of remaining receivables, which includes receivables from government agencies, is considered low.

PROVISION FOR IMPAIRMENT OF RECEIVABLES

Movements in the provision for impairment of receivables are as follows:	NOTES	2024 $'000	2023 $'000
Balance at 1 July 2023		**31,826**	**28,000**
Bad debts (reversal) / expense[1]	A4	(2,835)	2,400
Changes due to foreign exchange translation		295	1,426
Receivables written off during the year as uncollectible or reversed due to collectability[2]		(6,678)	—
Balance at 30 June 2024		**22,608**	**31,826**

1 The creation and release of the provision for impairment of receivables is included in other expenses (refer note A4) in the statement of profit or loss.

2 The provision has reduced based on customer payments being received and removing customer balances where recoverability is highly unlikely. At risk customers were provided for in FY23 and continue to be provided for in FY24 unless payment has been received.

F4 CONTRACT ASSETS

	2024 $'000	2023 $'000
Volume incentive receivables	239,006	259,681
Accrued revenue	75,555	61,250
Loss allowance	(13,919)	(3,353)
Total contract assets	**300,642**	**317,578**

ACCOUNTING POLICY

A contract asset is the right to consideration in relation to volume incentive payments received from suppliers for achieving annual targets and other services transferred to the customer (under AASB 15) in advance of payment. If services are transferred to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Refer to note A2 for accounting policy on recognition of volume incentive receivables.

SIGNIFICANT CHANGES IN CONTRACT ASSETS

The movement in contract assets each period is dependent on the contract period, volume, tier levels, rebate rates and payment terms as negotiated with each individual supplier.

FINANCIAL RISK MANAGEMENT

MARKET RISK

Interest rate risk

Contract assets are generally non-interest bearing and are not, therefore, subject to interest rate risk. Collateral is not normally obtained.

Foreign exchange risk

The group operates internationally and is subject to foreign exchange risk on contract assets arising from exposure to foreign currencies. In addition to identifying foreign exchange risk likely to arise from future commercial transactions, group treasury recognises assets and liabilities in foreign currencies and, where appropriate, uses forward exchange contracts to reduce foreign currency risk.

F4 CONTRACT ASSETS (CONTINUED)

CONTRACT ASSETS	2024 $'000	2023 $'000
United States Dollar	65,564	94,128
Singapore Dollar	31,947	6,031
Euro Member Countries	15,769	21,589
United Kingdom Pound	1,444	2,074
Fiji Dollar	1,451	663
Other	1,515	4,541

FAIR VALUE

Due to the short-term nature of these assets, their carrying amount is assumed to approximate their fair value.

CREDIT RISK

Credit risk arises from exposure to suppliers, including outstanding receivables and committed transactions.

Credit risk management assesses supplier and corporate clients' credit quality by analysing external credit ratings and financial position where appropriate. Regular monitoring and reporting to management is performed.

The maximum exposure to credit risk at the reporting period's end is the contract assets carrying amount. The group does not hold collateral as security.

LOSS ALLOWANCE OF CONTRACT ASSETS

Movements in the loss allowance of contract assets are as follows:	NOTES	2024 $'000	2023 $'000
Balance at 1 July		**3,353**	**9,203**
Loss allowance expense	A4	10,828	1,754
Changes due to foreign exchange translation		(262)	—
Contract assets written off during the year as uncollectible or reversed due to collectability		—	(7,604)
Balance at 30 June		**13,919**	**3,353**

FLT has recorded a significant increase in the loss allowance provision during the current year. The group recorded an expected credit loss of $10.7m on contract assets due to deteriorated creditworthiness of REX airlines as of 30 June 2024. This has been recognised as a bad debts expense and disclosed separately in the supplier loss line. Refer note A4.

F5 OTHER ASSETS

	2024 $'000	2023 $'000
GST / consumption tax receivable	11,397	7,772
Inventories	28,305	15,718
Prepayments	58,215	51,371
Fulfilment assets	5,784	7,627
Total current other assets	**103,701**	**82,488**
Inventories	17,438	11,808
Prepayments	364	1,220
Fulfilment assets	8,900	8,580
Total non-current other assets	**26,702**	**21,608**

FULFILMENT ASSETS

Contract costs may be eligible for capitalisation as fulfilment assets and are amortised over the contract period, refer note A2.

F6 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

USEFUL LIVES

Land is not depreciated. For other assets, depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- *Buildings 30 years*
- *Plant and equipment 2 - 8 years*

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting period's end.

Additional information on property, plant and equipment accounting policies is included in note I (n).

OPENING BALANCE AT 1 JULY 2022	NOTES	FREEHOLD LAND & BUILDINGS $'000	PLANT & EQUIPMENT $'000	TOTAL $'000
Cost		5,751	309,629	315,380
Accumulated depreciation		(2,583)	(239,708)	(242,291)
Net book amount at 1 July 2022		**3,168**	**69,921**	**73,089**
Additions		22	21,357	21,379
Acquisitions		—	250	250
Disposals[1]		—	(281)	(281)
Depreciation expense		(140)	(26,217)	(26,357)
Exchange differences		(309)	(1,118)	(1,427)
Net book amount at 30 June 2023		**2,741**	**63,912**	**66,653**
OPENING BALANCE AT 1 JULY 2023				
Cost		5,483	325,522	331,005
Accumulated depreciation		(2,742)	(261,610)	(264,352)
Net book amount at 1 July 2023		**2,741**	**63,912**	**66,653**
Additions		—	21,708	21,708
Disposals[1]		—	(4,072)	(4,072)
Depreciation expense		(19)	(22,096)	(22,115)
Exchange differences		66	359	425
Net book amount at 30 June 2024		**2,788**	**59,811**	**62,599**
AT 30 JUNE 2024				
Cost		5,580	310,498	316,078
Accumulated depreciation		(2,792)	(250,687)	(253,479)
Net book amount at 30 June 2024		**2,788**	**59,811**	**62,599**

1 Balances shown net of accumulated depreciation.

F7 LEASES

This note provides information for leases where the group is a lessee.

AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

	NOTES	2024 $'000	2023 $'000
Rent income from sub-leasing of right-of-use assets	A3	7,305	9,157
Interest expense on lease liabilities	A4	(9,789)	(7,295)
Rental expense relating to short-term and low-value leases	A4	(9,124)	(5,192)
Depreciation/amortisation expense of right-of-use assets		(78,623)	(76,847)
		(90,231)	**(80,177)**

AMOUNTS RECOGNISED IN THE BALANCE SHEET

	RIGHT OF USE ASSETS					LEASE LIABILITIES
	PROPERTY $'000	VEHICLES $'000	OFFICE EQUIPMENT $'000	SOFTWARE $'000	TOTAL $'000	TOTAL $'000
Balance as at 1 July 2022	**197,890**	**3**	**300**	**337**	**198,530**	**286,051**
Additions	23,740	363	—	—	**24,103**	**23,838**
Disposals	(2,522)	—	—	—	**(2,522)**	**(4,423)**
Depreciation and amortisation expense	(76,325)	(108)	(154)	(260)	**(76,847)**	**—**
Impairment reversal	328	—	—	—	**328**	**—**
Lease modifications	50,503	—	—	—	**50,503**	**49,257**
Interest expense	—	—	—	—	**—**	**7,295**
Lease liability repayment	—	—	—	—	**—**	**(107,268)**
Exchange differences	2,526	(94)	3	1	**2,436**	**4,673**
Balance as at 30 June 2023	**196,140**	**164**	**149**	**78**	**196,531**	**259,423**
Balance as at 1 July 2023	**196,140**	**164**	**149**	**78**	**196,531**	**259,423**
Additions	19,846	1,340	—	—	**21,186**	**21,186**
Disposals	(683)	(241)	—	—	**(924)**	**(1,076)**
Depreciation and amortisation expense	(78,128)	(294)	(124)	(77)	**(78,623)**	**—**
Impairment	(3,442)	—	—	—	**(3,442)**	**—**
Lease modifications	67,880	—	—	—	**67,880**	**67,347**
Interest expense	—	—	—	—	**—**	**9,789**
Lease liability repayment	—	—	—	—	**—**	**(100,340)**
Exchange differences	(1,323)	163	25	(1)	**(1,136)**	**(1,764)**
Balance as at 30 June 2024	**200,290**	**1,132**	**50**	**—**	**201,472**	**254,565**

F7 LEASES (CONTINUED)

CURRENT AND NON-CURRENT CLASSIFICATIONS

	2024 $'000	2023 $'000
Current	80,752	81,869
Non-current	173,813	177,554
Total lease liabilities	**254,565**	**259,423**

Refer to note C1 for contractual undiscounted cashflows and maturity analysis.

AMOUNTS RECOGNISED IN THE STATEMENT OF CASHFLOW

	2024 $'000	2023 $'000
Operating - payments of interest	(9,789)	(7,295)
Financing - payments of principal	(90,551)	(99,973)
Financing - lease surrender payments	(236)	(661)
Total cash (outflow) relating to leases	**(100,576)**	**(107,929)**

ACCOUNTING POLICY

FLT leases various offices, retail stores, equipment, vehicles and software. Rental contracts are typically made for fixed periods of 1 year to 6 years.

Contracts may contain both lease and non-lease components. For leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- *fixed payments (including in-substance fixed payments), less any lease incentives receivable*
- *variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date*
- *amounts expected to be payable by the group under residual value guarantees*
- *the exercise price of a purchase option if the group is reasonably certain to exercise that option, and*
- *payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.*

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- *where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received*
- *uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by FLT, which does not have recent third party financing, and*
- *makes adjustments specific to the lease, eg term, country, currency and security.*

FLT is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

F7 LEASES (CONTINUED)

ACCOUNTING POLICY (CONTINUED)

Right-of-use assets are measured at cost comprising the following:

- *the amount of the initial measurement of lease liability*
- *any lease payments made at or before the commencement date less any lease incentives received*
- *any initial direct costs, and*
- *restoration costs.*

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture with a value less than US$5,000 (AUD $7,500).

A sale and leaseback is one where FLT sells an asset and immediately reacquires the use of the asset or a portion of the asset by entering into a lease with the buyer. The gain is recognised immediately in other income in the statement of profit or loss. The right-of-use asset is measured as a proportion of the previous carrying amount of the underlying asset, reflecting the rights retained under the leaseback.

SIGNIFICANT JUDGEMENT IN DETERMINING THE LEASE TERM OF CONTRACTS WITH RENEWAL OPTIONS

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Majority of FLT's leases are renegotiated, therefore the renewal options are not typically exercised.

IMPAIRMENT

CURRENT YEAR

The impairment expense of $3,442,000 in the current period relates to right-of-use asset property that is no longer being utilised by FLT.

PRIOR YEAR

The impairment reversal of $328,000 in the prior period related to the reversal of impairment on right-of-use asset property that were originally not being utilised by FLT but have subsequently been sub-leased to external parties.

F8 TRADE AND OTHER PAYABLES

CURRENT	2024 $'000	2023 $'000
Trade payables	743,759	668,883
Client creditors	712,332	722,624
Other trade creditors	252,462	245,792
GST / consumption tax payable	11,496	4,813
Accrued unsecured note interest	268	251
Annual leave	45,309	42,237
Total current trade and other payables	**1,765,626**	**1,684,600**

FINANCIAL RISK MANAGEMENT

MARKET RISK

Foreign exchange risk

The group's exposure to foreign currency risk on trade and other payables at the end of the reporting period is set out below:

	2024 $'000	2023 $'000
United States Dollar	103,169	84,432
Euro Member Countries	47,323	36,566
Fiji Dollar	45,913	43,938
United Kingdom Pound	15,200	12,425
New Zealand Dollar	24,460	19,683
Thailand Baht	12,485	5,178
Viet Nam Dong	11,665	—
Singapore Dollar	6,212	5,847
Indonesia Rupiah	6,484	—
South Africa Rand	5,999	—
Other	15,439	11,515

Refer to note F3 for the group's approach to foreign exchange risk and the group's exposure to foreign currency risk on trade and other receivables.

FAIR VALUE

The trade and other payables' carrying amounts are assumed to approximate their fair values given their short term nature.

F9 CONTRACT LIABILITIES

CURRENT	2024 $'000	2023 $'000
Deferred revenue	89,218	68,246
Revenue constraint	1,776	3,751
Total contract liabilities	**90,994**	**71,997**
NON-CURRENT		
Deferred revenue	32,135	27,077
Total non-current contract liabilities	**32,135**	**27,077**

ACCOUNTING POLICY

DEFERRED REVENUE

Deferred revenue is a contract liability that typically relates to revenue received in advance for tours and cruise cabins and lump sum payments from suppliers. It represents revenue received in advance of the completion of the performance obligation under the contract. It is recognised when the consideration is received or is due (whichever is earlier).

Deferred revenue is released to the statement of profit or loss as the performance obligation is met.

REVENUE CONSTRAINT

FLT has recognised a contract liability which recognises the uncertainty that the travel may be cancelled prior to departure. This is calculated using booking volumes and margins, known or anticipated travel restrictions and cancellation probability rate based on trading patterns.

SIGNIFICANT CHANGES IN CONTRACT LIABILITIES

The movement in deferred revenue is dependent on timing and volume of tours and cruises at each reporting period and any significant lump sum payments received within a contract period.

Revenue released from opening deferred revenue to the statement of profit or loss during the year was $65,158,000 (2023: $38,178,000).

The revenue constraint has reduced in the current year as refunds have been paid to the end consumers, decreasing cancellation rates and less travel uncertainty.

F10 PROVISIONS

CURRENT	NOTES	2024 $'000	2023 $'000
Employee benefits - long service leave		41,859	37,908
Employee benefits - BOS Multiplier	D2	7,873	12,944
Make good provision		3,061	4,482
Total current provisions		**52,793**	**55,334**

NON-CURRENT			
Employee benefits - long service leave		14,781	14,847
Make good provision		11,305	12,488
Total non-current provisions		**26,086**	**27,335**

MOVEMENTS IN PROVISIONS

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

	NOTES	MAKE GOOD PROVISION $'000
Carrying amount at 1 July 2023		**16,970**
Additional provisions recognised		482
Increase in discounted amount arising from passage of time and discount rate adjustments	A4	294
Reassessment of existing provision during the period		(1,250)
Utilised		(2,175)
Other changes		45
Carrying amount at 30 June 2024		**14,366**

LONG SERVICE LEAVE (LSL)

AMOUNTS NOT EXPECTED TO BE SETTLED WITHIN 12 MONTHS

The current portion of the LSL provision represents the amount where the group does not have an unconditional right to defer settlement for at least 12 months after the reporting date, as the employees have completed the required service period and also certain circumstances where employees are entitled to pro-rata payments. However, based on past experience, the group does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months.

The following amounts reflect this leave that is not expected to be taken or paid within the next 12 months:

	2024 $'000	2023 $'000
Long service leave obligations expected to be settled after 12 months	36,255	31,392

F11 RESERVES

Reserves	NOTES	2024 $'000	2023 $'000
Cash flow hedge reserve		(710)	855
Share-based payments reserve		49,080	83,600
Acquisition Reserve		(44,602)	(44,602)
Foreign currency translation reserve		53,925	62,304
Equity component of convertible note		74,986	91,335
Financial assets at FVOCI reserve		(286)	—
Other reserves		(424)	(424)
Total reserves		**131,969**	**193,068**

MOVEMENTS IN RESERVES:

(A) CASH FLOW HEDGE RESERVE

Balance 1 July		**855**	**309**
(Losses) / gains on FEC cash flow hedges		(5,507)	966
Reclassified to profit or loss		3,271	(186)
Deferred tax	F12	671	(234)
Balance 30 June		**(710)**	**855**

FLT apply hedge accounting under AASB 9 Financial Instruments. See note C2 for further details.

The cash flow hedge reserve is used to record gains or losses on hedging instruments on a cash flow hedge that are recorded as other comprehensive income. Amounts are reclassified to the statement of profit or loss in accordance with our hedging policy as described in note C2.

No ineffectiveness (2023: Nil) has been recognised in the statement of profit or loss.

(B) SHARE-BASED PAYMENTS RESERVE

Balance 1 July		**83,600**	**67,381**
Share-based payments expense		12,484	31,368
Treasury share transactions		(42,712)	(12,486)
Deferred tax	F12	(4,292)	(2,663)
Balance 30 June		**49,080**	**83,600**

The share-based payments reserve is used to recognise the fair value of rights issued under the LTRP, PCRP, ESP, and GRR as they vest over the vesting period.

(C) FOREIGN CURRENCY TRANSLATION RESERVE

Balance 1 July		**62,304**	**22,461**
Gains / (losses) on net investment hedge		804	(4,963)
Deferred tax	F12	(214)	1,489
Net exchange differences on translation of foreign operations		(8,969)	43,317
Balance 30 June		**53,925**	**62,304**

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income, as described in note I (d), and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

(D) EQUITY COMPONENT OF CONVERTIBLE NOTE

Balance 1 July		**91,335**	**91,335**
Repurchase of convertible notes due November 2027	B5	(23,356)	—
Deferred tax	F12	7,007	—
Balance 30 June		**74,986**	**91,335**

F12 TAX

(A) INCOME TAX EXPENSE

(I) INCOME TAX EXPENSE / (CREDIT)

	2024 $'000	2023 $'000
Current tax	36,659	10,781
Deferred tax	50,178	10,979
Adjustments for current tax of prior periods	(6,284)	1,287
Income tax expense	**80,553**	**23,047**
Deferred income tax (benefit) / expense included in income tax comprises:		
Decrease / (Increase) in deferred tax assets	17,681	(2,945)
Increase in deferred tax liabilities	20,116	10,081
Prior period adjustments	12,381	3,843
	50,178	**10,979**
Numerical reconciliation of income tax to prima facie tax (receivable) / payable		
Profit before Income tax expense	219,708	70,459
Tax at the Australian tax rate of 30% (2023 - 30%)	**65,912**	**21,138**
Tax effect of amounts in calculating taxable income:		
Non-deductible amounts	2,571	1,977
Deductible amounts	(626)	(12)
Interest denial	873	5,829
Legal costs	246	1,093
Intangibles	(804)	(243)
Investments	6,060	(479)
Share based payments	2,292	4,532
Property, plant and equipment	(96)	(1,418)
Changes in tax rate	—	—
Other amounts	(2,804)	(4,449)
	73,624	**27,968**
Tax losses not recognised	17,800	1,340
Tax losses recognised	(4,383)	(7,258)
Effect of different tax rates on overseas income	(204)	(290)
(Over) / Under provision of prior year's income tax	(6,284)	1,287
	6,929	**(4,921)**
Income tax expense	**80,553**	**23,047**

(II) AMOUNTS RECOGNISED DIRECTLY IN EQUITY

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss and other comprehensive income is directly debited or credited to equity.

Net deferred tax - (credited) / debited directly to equity	NOTES	2024 $'000	2023 $'000
Share-based payments reserve	F11	4,292	2,663
Equity component of convertible note	F11	(7,007)	—
Equity raising	D4	—	(1,542)

(III) TAX EXPENSE / (INCOME) RELATING TO ITEMS OF OTHER COMPREHENSIVE INCOME

Cash flow hedges	F11	(671)	234
Net investment hedge	F11	214	(1,489)
Total tax credit relating to items of other comprehensive income		**(457)**	**(1,255)**

F12 TAX (CONTINUED)

(IV) UNRECOGNISED POTENTIAL DEFERRED TAX ASSETS

	2024 $'000	2023 $'000
Unused tax losses for which no deferred tax asset has been recognised (non-capital)	112,583	60,112
Temporary differences relating to brand name impairment (capital) and other intangibles	53,453	52,178
Investments	13,512	4,875
Lease & decommissioning	3,327	2,367
Other	8,476	6,738
	191,351	**126,270**
Potential tax benefit	**47,444**	**31,401**

KEY ESTIMATES & JUDGEMENTS - UTILISATION OF TAX LOSSES

In most cases the unused tax losses have no expiry date. Therefore, while there is uncertainty in the market, assumptions have been made to support carrying the tax losses. Where the tax losses could not be supported by future operating profits in the near term or losses were incurred in jurisdictions with restrictions on their use, FLT have not recognised the tax losses.

Unrecognised unused tax losses in 2024 were incurred by the group across numerous jurisdictions. These losses have various expiry dates from 2025 through to indefinite carry forward.

(B) DEFERRED TAX ASSETS (DTA)

The balance comprises temporary differences attributable to:	2024 $'000	2023 RESTATED[1] $'000
Intangible assets	4,974	4,789
Lease Liability	62,683	63,078
Tax losses	324,723	347,629
Provisions - non current	6,443	6,847
Trade and other payables	12,199	9,866
Property, plant and equipment	18,738	19,758
Provisions	14,879	14,903
Trade receivables	7,473	6,434
Employee benefits	18,378	29,439
Other	16,088	18,766
	486,578	**521,509**
Set-off of deferred tax liabilities pursuant to set-off provisions	(122,660)	(117,761)
Net deferred tax assets	**363,918**	**403,748**

All movements in DTA were recognised in the statement of profit or loss, with the exception of items stated in note F11, and F12 (a)(ii).

(C) DEFERRED TAX LIABILITIES (DTL)

The balance comprises temporary differences attributable to:	2024 $'000	2023 RESTATED[1] $'000
Borrowings	22,487	20,981
Contract asset	15,598	14,876
Intangible assets	27,943	30,490
Property, plant and equipment	3,464	4,169
Right of use asset	51,116	51,220
Other	7,850	6,004
	128,458	**127,740**
Set-off of deferred tax liabilities pursuant to set-off provisions	(122,660)	(117,761)
Net deferred tax liabilities	**5,798**	**9,979**

All movements in DTL were recognised in the statement of profit or loss, with the exception of items stated in note F12 (a)(ii) and (iii).

[1] Comparatives have been represented to conform with changes in presentation in the current financial year.

F13 AUDITOR'S REMUNERATION

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

	2024 $	2023 $
FEES TO ERNST & YOUNG (AUSTRALIA)		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	2,220,485	1,987,580
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	32,030	48,500
Fees for other services - Tax compliance	501,992	243,036
- Others	54,064	9,000
	2,808,571	**2,288,116**
FEES TO OTHER OVERSEAS MEMBER FIRMS OF ERNST & YOUNG (AUSTRALIA)		
Fees for auditing the financial report of any controlled entities	2,254,579	1,835,330
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	863,695	212,797
Fees for other services - Tax compliance	390,006	249,487
	3,508,280	**2,297,614**
	6,316,851	**4,585,730**
FEES TO NON LEAD AUDITOR AUDIT FIRMS FOR:		
Fees for auditing the financial report of any controlled entities	365,553	268,496
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	24,968	106,595
Fees for other services - Tax compliance	140,385	384,420
- Others	611,841	175,719
	1,142,747	**935,230**

G GROUP STRUCTURE

This section explains significant aspects of the FLT group structure and how changes have affected the group.

G1 SUBSIDIARIES

MATERIAL SUBSIDIARIES

The group's principal subsidiaries are set out below. They have share capital consisting solely of ordinary shares that the group holds directly and the proportion of ownership interests held equals the group's voting rights. The country of incorporation or registration is also their place of business.

Subsidiaries that sell travel or travel related services and contribute to more than 10% of the group's underlying net profit or loss before tax or 10% of the group's net assets are considered material to the group.

NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES/ OWNERSHIP	EQUITY HOLDING 2024 %	EQUITY HOLDING 2023 %
Australian OpCo Pty Ltd[1]	Australia	Ordinary	100	100
Flight Centre (UK) Limited	United Kingdom	Ordinary	100	100
Flight Centre Travel Group (France) SAS	France	Ordinary	100	100
Flight Centre Travel Group (USA) Inc	USA	Ordinary	100	100

1 This controlled entity has been granted relief from the requirement to prepare financial reports in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission. For further information refer to note G2.

There are no significant restrictions on the entities' ability to access or use the assets and settle the liabilities of the group.

NON-CONTROLLING INTERESTS

FCM TRAVEL STANDARDS FOR JAPAN CO., LTD (FCM JAPAN)

FCM Japan is controlled by FLT with a 66% (2023: 66%) interest. The remaining 34% (2023: 34%) interest is held by NSF Engagement Corporation (a joint venture of Sony Corporation and NTT Facilities, Inc.) and is recognised as a non-controlling interest.

LINK TRAVEL GROUP PTY LTD (LINK TRAVEL GROUP)

Link Travel Group Pty Ltd (Link Travel Group) is controlled by FLT with a 60% (2023: 60%) interest. The remaining 40% (2023: 40%) is held by Goldman Travel Corporation Pty. Limited and Spencer Group of Companies Pty Ltd and is recognised as a non-controlling interest.

The above non-controlling interests are not material to the group.

G2 DEED OF CROSS GUARANTEE

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (Instrument) certain wholly-owned subsidiaries (as defined in the Instrument and listed below) are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and directors' reports.

To obtain the relief, the Instrument requires FLT and each of its relevant wholly owned subsidiaries to enter into a Deed of Cross Guarantee in a prescribed form. The effect of the Current Deed (described below) is that FLT guarantees each creditor payment in full of any debt if any of the relevant wholly owned subsidiaries (that are party to the Current Deed described below) are wound up under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Corporations Act 2001, FLT will only be liable in the event that after six months any creditor has not been paid in full. The relevant wholly owned subsidiaries (that are a party to the Current Deed described below) have also given similar guarantees in the event that FLT is wound up.

There is one Deed of Cross Guarantee currently in effect dated 8 June 2021 (Current Deed). The parties to the Current Deed as at 30 June 2024 are Flight Centre Travel Group Limited (as holding entity and trustee), Australian OpCo Pty Ltd, P4 Finance Pty Ltd, Travel Services Corporation Pty Ltd, Flight Centre Technology Pty Ltd, Ignite Travel Group Pty Ltd, Ignite Holidays Pty Ltd, Ignite Travel Pty Ltd, Travel Money Currency Exchange Pty Ltd, Travel Money Holdings Pty Ltd, Travel Partner Holdings Pty Ltd, Top Deck Tours Pty Ltd and Flight Centre (China) Pty Ltd (as a group entity and alternative trustee). Travel Money Holdings Pty Ltd and Top Deck Tours Pty Ltd acceded to the Current Deed via a Deed of Assumption dated 23 May 2024 and 24 June 2024 respectively.

These parties collectively represent the Closed Group for the purposes of the Instrument and, as there are no other parties to the Current Deed (that are controlled by FLT or otherwise), they also represent the Extended Closed Group.

Set out below is the consolidated statement of profit or loss and statement of other comprehensive income, consolidated balance sheet and a summary of movements in consolidated retained earnings for FLT and the wholly owned subsidiaries listed above:

	FOR THE YEAR ENDED 30 JUNE	
STATEMENT OF PROFIT OR LOSS	2024 $'000	2023 $'000 RESTATED[1]
Revenue	1,316,660	1,071,786
Buy-back and remeasurement of convertible notes	48,022	—
Other income	183,275	103,792
Share of loss of joint ventures and associates	(2,435)	(4,084)
EXPENSES		
Employee benefits	(624,354)	(583,854)
Sales and marketing	(112,056)	(88,328)
Tour, hotel & cruise operations - cost of sales	(67,188)	(27,863)
Amortisation and depreciation	(75,490)	(74,312)
Finance costs	(138,263)	(108,318)
Other expenses	(365,555)	(323,439)
Profit / (loss) before income tax expense	**162,616**	**(34,620)**
Income tax expense	(45,683)	(16,037)
Profit / (loss) after income tax expense	**116,933**	**(50,657)**
STATEMENT OF COMPREHENSIVE INCOME		
Items that have been reclassified to profit or loss:		
Hedging gain reclassified to profit or loss	3,271	(186)
Items that may be reclassified to profit or loss:		
Changes in the fair value of cash flow hedges	(5,507)	966
Income tax credit / (expense) on items of other comprehensive income	671	(234)
Total other comprehensive income	**(1,565)**	**546**
Total comprehensive loss for the year	**115,368**	**(50,111)**

1 Restated to include new parties to the Deed.

G2 DEED OF CROSS GUARANTEE (CONTINUED)

ASSETS	AS AT 30 JUNE 2024 $'000	2023 $'000 RESTATED[1]
Current assets		
Cash and cash equivalents	626,198	890,663
Financial asset investments	10,007	20,227
Trade receivables	451,254	552,891
Contract assets	250,898	258,181
Other assets	71,510	55,941
Other financial assets	5,686	6,045
Current tax receivables	4,213	2,785
Derivative financial instruments	4,665	9,260
Total current assets	**1,424,431**	**1,795,993**
Non-current assets		
Financial asset investments	7,729	14,656
Property, plant and equipment	24,624	27,649
Intangible assets	163,661	134,082
Right of use asset	121,548	100,118
Other assets	19,792	15,088
Other financial assets	1,316,072	841,745
Investments in subsidiaries, joint ventures and associates	1,137,906	1,109,623
Deferred tax assets	255,989	291,451
Derivative financial instruments	—	—
Total non-current assets	**3,047,321**	**2,534,412**
Total assets	**4,471,752**	**4,330,405**
LIABILITIES		
Current liabilities		
Trade and other payables	1,102,335	1,143,702
Contract liabilities	63,270	49,687
Financial liabilities	3,683	3,683
Lease liability	46,220	48,162
Borrowings	610	610
Convertible note	280,825	—
Provisions	42,930	43,300
Derivative financial instruments	5,446	10,006
Total current liabilities	**1,545,319**	**1,299,150**
Non-current liabilities		
Trade and other payables	1,175,136	748,543
Contract liabilities	26,690	19,828
Lease liability	94,588	78,616
Borrowings	99,597	349,112
Convertible note	338,999	688,940
Provisions	18,460	19,569
Deferred tax liabilities	317	—
Derivative financial instruments	26,310	35,359
Total non-current liabilities	**1,780,097**	**1,939,967**
Total liabilities	**3,325,416**	**3,239,117**
Net assets	**1,146,336**	**1,091,288**
EQUITY		
Contributed equity	1,442,825	1,379,529
Treasury shares	(27,800)	(14,748)
Reserves	112,916	163,454
Retained profits	(381,605)	(436,947)
Total equity	**1,146,336**	**1,091,288**

1 Restated to include new parties to the Deed.

G2 DEED OF CROSS GUARANTEE (CONTINUED)

SUMMARY OF MOVEMENTS IN CONSOLIDATED RETAINED PROFITS	2024 $'000	2023 $'000
Retained profits at the beginning of the financial year	(430,205)	(376,080)
Loss from ordinary activities after income tax	116,933	(54,125)
Retained (loss) / profit at the end of the financial year	**(313,272)**	**(430,205)**

1 Restated to include new parties to the Deed.

G3 PARENT ENTITY FINANCIAL INFORMATION

SUMMARY FINANCIAL INFORMATION

The financial information for the parent entity, FLT, has been prepared on the same basis as the consolidated financial statements, except for the investments which are carried at cost.

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

	PARENT	
	2024 $'000	2023 $'000
Current assets	1,785,041	2,089,572
Total assets	**4,789,076**	**4,594,734**
Current liabilities	1,087,422	909,276
Total liabilities	**3,766,732**	**3,651,097**
Contributed equity	1,442,225	1,378,929
Treasury shares	(27,800)	(14,748)
Reserves		
Cash-flow hedge reserve	455	598
Compound instrument - equity component	74,986	91,335
Share-based payments reserve	49,080	83,600
Share premium reserve	(2,810)	(2,810)
Acquisition reserve	(8,976)	(8,976)
Financial assets at FVOCI	(282)	—
Foreign exchange reserve	(3,275)	(4,038)
Profit reserves	307,999	229,005
Retained losses	(809,258)	(809,258)
Total shareholders' equity	**1,022,344**	**943,637**
Profit / (Loss) after tax for the year	**140,584**	**(55,009)**
Total comprehensive Income	**139,986**	**(54,463)**

G3 PARENT ENTITY FINANCIAL INFORMATION (CONTINUED)

GUARANTEES ENTERED INTO BY THE PARENT ENTITY

	PARENT	
	2024	2023
	$'000	$'000
United Kingdom	156,448	112,641
India	27,280	27,823
China	9,078	9,148
Ireland	7,613	7,604
Hong Kong	5,280	5,292
Canada	8,319	3,562
France	12,901	—
New Zealand	3,912	3,676
USA	4,152	4,223
Japan	1,331	1,485
Australia	6,747	9,046
Singapore	2,270	2,302
Other	199	279
Total	**245,530**	**187,081**

FLT, as parent entity, has provided both parent company guarantees and issued letters of credit to beneficiaries. The parent entity is liable to pay any claim, subject to the terms of the parent company guarantee or letter of credit, in the event that obligations are not met.

FLT has also entered into a deed of cross guarantee. Refer to note G2 for terms and parties to the deed.

No liability was recognised by the parent entity or consolidated entity, as the guarantee's fair values are immaterial.

CONTINGENT LIABILITIES OF THE PARENT ENTITY

Contingent liabilities of the parent entity at 30 June 2024 have been disclosed in note H2.

CONTRACTUAL COMMITMENTS

Except as noted in note E1, there are no other material contractual commitments of the parent entity.

H UNRECOGNISED ITEMS

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

H1 COMMITMENTS

TP CONNECTS

FLT has entered into a call option and a put option with TP Connects. The call option can be exercised after 1 July 2027 and the put option can only be exercised by TP Connects if the call option is not exercised by FLT. Refer to note A7 for further details.

AIRTREE

FLT has an agreement with AirTree Ventures 2 Partnership LP to invest $5,000,000 into the venture capital fund. To date FLT has received capital calls to the value of $4,748,868 which have been recognised as Equity instruments – Fair value through profit or loss (refer note B2), leaving $251,132 to be called in the future. The amount to be called has not been recognised as a liability at period end as FLT does not have a present obligation. The obligation only arises upon receipt of the capital call notices.

FLT has no control or managerial involvement in the running of the venture capital fund and the total contribution of $5,000,000 is less than 4% of the total capital in the fund.

CONTRACTUAL COMMITMENTS

Neither the parent entity, nor the group, have any material contractual obligations to purchase plant and equipment or intangible assets at balance date (2023: $nil).

H2 CONTINGENCIES

GENERAL CONTINGENCIES

FLT is a global business and from time to time in the ordinary course of business it receives enquiries from various regulators and government bodies. FLT cooperates fully with all enquiries and these enquiries do not require disclosure in their initial state, however should the company become aware that an enquiry is developing further or if any regulatory or government action is taken against the group, appropriate disclosure is made in accordance with the relevant accounting standards.

As a global business, from time to time FLT is also subject to various claims and litigation from third parties during the ordinary course of its business. The directors of FLT have given consideration to such matters which are or may be subject to claims or litigation at year end and, unless specific provisions have been made, are of the opinion that no material contingent liability for such claims of litigation exists.

The group had no other material contingent assets or liabilities.

H3 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

DIVIDENDS

On 28 August 2024, FLT's directors declared a final dividend for the year ended 30 June 2024. Refer to note B7 for details.

No other material matters have arisen since 30 June 2024.

I SUMMARY OF MATERIAL ACCOUNTING POLICIES

This section details FLT's accounting policies. Material accounting policy information are contained with the financial statement notes to which they relate and are not detailed in this section.

I SUMMARY OF MATERIAL ACCOUNTING POLICIES

FLT's remaining principal accounting policies adopted in the consolidated financial report's preparation are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report is for the consolidated entity consisting of FLT and its subsidiaries.

(A) BASIS OF PREPARATION

This general purpose financial report has been prepared on a going concern basis and in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standard Board and the *Corporations Act 2001*. FLT is a for-profit entity for the purpose of preparing the financial statements.

COMPLIANCE WITH IFRS

The group's consolidated financial statements also comply with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

EARLY ADOPTIONS OF STANDARDS

The group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2023.

HISTORICAL COST CONVENTION

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of FVOCI financial assets, revaluation of FVTPL financial assets, derivative financial instruments and contingent consideration.

ROUNDING OF AMOUNTS

Amounts in the financial statements have been rounded off to the nearest thousand dollars or, in certain cases, the nearest dollar, in accordance with the Australian Securities and Investments Commission's Instrument 2016/191.

(B) CHANGES IN ACCOUNTING POLICY

In July 2024 the IFRS IC published an agenda decision which discusses how an entity applies the requirements in paragraph 23 of IFRS 8 Operating Segments. The group is currently analysing potential impacts of this agenda decision to its segment reporting.

The AASB has endorsed the adoption of AASB 112 Income Taxes amendments relating to the global minimum top-up tax (Pillar Two Global anti-Base Erosion Rules) previously released by the IASB and has issued AASB 2023-2 Amendments to AASB 112 - International Tax Reform Pillar Two Model Rules.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation will be effective for the Group's financial year beginning 1 July 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, we expect the majority of jurisdictions will be able to apply the transitional safe harbour relief and therefore no Pillar Two top up taxes. For a limited number of jurisdictions where the transitional safe harbour relief may not apply, the Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

(C) PRINCIPLES OF CONSOLIDATION

(I) SUBSIDIARIES

The consolidated financial statements incorporate the assets and liabilities of all FLT subsidiaries at 30 June 2024 and the subsidiaries' results for the year then ended. FLT and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the group has control. FLT controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the entity's activities. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date control ceases.

The acquisition method of accounting is used to account for business combinations by the group (refer to note I (h) Business Combinations).

I SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(C) PRINCIPLES OF CONSOLIDATION (CONTINUED)

(I) SUBSIDIARIES (CONTINUED)

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the transferred asset's impairment.

Subsidiaries' accounting policies have been changed, where necessary, to ensure consistency with the group's policies. Investments in subsidiaries are accounted for at cost in FLT's individual financial statements.

(II) JOINT ARRANGEMENTS & ASSOCIATES

Investments in joint arrangements are classified as either joint operations or joint ventures (JVs). The classification depends on each investor's contractual rights and obligations, rather than the legal structure of the joint arrangement. FLT only has JVs, which are accounted for in the consolidated financial statements using the equity method. Under the equity method, they are initially recognised at cost by the parent entity and subsequently the share of the JV entity's profit or loss is recognised in the statement of profit or loss. The share of post-acquisition movements in reserves is recognised in the statement of other comprehensive income. JV details are set out in note E1.

FLT reassesses its interests in joint arrangements and associates for changes in control at least annually or where there has been changes in circumstances including but not limited to changes to shareholdings and shareholder agreements.

Upon gaining control, FLT re-measures its existing investment to fair value with any difference between the carrying amount and its fair value recognised in the profit or loss. The transaction is then accounted for in accordance with the acquisition method of accounting, refer note I (h) Business Combinations.

Upon loss of joint control, FLT measures and recognises its remaining investment at its fair value. The difference between the investment's carrying amount upon loss of joint control and the remaining investment's fair value and proceeds from disposal is recognised in profit or loss.

When the remaining investment constitutes significant influence, it is accounted for as an investment in associate. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in Associates are also accounted for using the equity method.

(III) CHANGES IN OWNERSHIP INTERESTS

The Group recognises any non-controlling interest, in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share of the acquired entity's net identifiable assets. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with group equity owners. An ownership change will result in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to FLT owners.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group has directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a JV or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(IV) SHARE TRUSTS

FLT has set up a share trust to administer the various employee share schemes it initiates to incentivise and reward employees. The trust holds shares which have been purchased by employees or are fully vested, and from time-to-time treasury shares. The trust is consolidated.

I SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(D) 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 FLT's functional and presentation currency.

(II) TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency at the prevailing exchange rates 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 profit or loss. Exceptions arise if the gains and losses are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated at the exchange rates when the fair value is determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(III) GROUP COMPANIES

For foreign operations with different functional currencies to the presentation currency, results and financial position are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate of that balance sheet's date
- Income and expenses for each statement of profit or loss and statement of other comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and of borrowings and other financial instruments designated as hedges of such investments are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

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

(E) REVENUE

For accounting policies on revenue, refer to note A2.

(F) OTHER INCOME

Specific accounting policies for other income are set out below:

(I) LEASE INCOME

Lease income from operating leases is recognised as income on a straight-line basis over the lease term.

(II) INTEREST INCOME

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the instrument's original effective interest rate, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(III) DIVIDENDS

Dividends are recognised when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

(IV) ROYALTIES

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement.

I SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(F) OTHER INCOME (CONTINUED)

(V) INTERCOMPANY SERVICE FEES

Remuneration for services provided between FLT group entities. The revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. These fees are eliminated on consolidation.

(G) IMPAIRMENT OF ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation but are impairment tested annually or more frequently if events or changes in circumstances indicate 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, or value-in-use. To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are independent of the cash inflows from other assets or asset groups (cash-generating units).

Impaired non-financial assets, other than goodwill, are reviewed for indicators for possible reversal of impairment at each reporting date.

(H) BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for a subsidiary's acquisition comprises the transferred assets' fair values, the liabilities incurred and the equity interest issued by the group. The consideration transferred also includes any contingent consideration arrangement's fair value and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at acquisition date. Where equity instruments are issued in an acquisition, the instruments' fair values are their published market prices at the exchange date. Transaction costs arising on equity instruments' issue are recognised directly in equity.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the acquired subsidiary's net identifiable assets and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, future amounts payable are discounted to their present value at the exchange date. 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.

Where there are NCIs, these are measured at either the acquisition date fair value or the proportionate share of the net identifiable assets acquired.

For some acquisitions, Put and Call options over NCIs are entered into simultaneously when business combinations are initially recorded. For these acquisitions, it has been determined that the option does not provide the parent with a present ownership interest in the shares subject to the Put. The NCI is treated as having been acquired when the Put option is granted (i.e. it is de-recognised) and a financial liability at the present value of the redemption amount under the arrangement is recorded for the NCI Put. The difference between the liability recorded and the NCI de-recognised is recorded in the acquisition reserve in equity in accordance with AASB 10. After the initial recognition of the acquisition reserve it is not subsequently re-measured. The financial liability relating to the put options over NCI is subsequently accounted for under AASB 9 with all changes in the carrying amount recognised in profit or loss until exercise.

(I) INTANGIBLE ASSETS

(I) GOODWILL

Goodwill represents the excess of the acquisition's cost over the fair value of the group's interest in the fair value of the acquired subsidiary or associate's net identifiable assets at the acquisition date.

Goodwill on subsidiaries' acquisitions is included in intangible assets. Goodwill is not amortised but is impairment tested annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the entity's disposal include the sold entity's carrying amount of goodwill.

Goodwill is allocated to CGUs for impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

I SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) INTANGIBLE ASSETS (CONTINUED)

(II) BRAND NAMES, LICENCES, AND CUSTOMER RELATIONSHIPS

Other intangible assets, such as brand names, licences and customer relationships, are acquired as part of business combinations and are recognised initially at fair value. Where they have an indefinite useful life, such as brand names, they are not subject to amortisation but are tested annually for impairment or more frequently if events or changes in circumstances indicate they may be impaired. Key factors taken into account in assessing the useful life of brands are:

- The brands are well established and protected by trademarks across the globe. The trademarks are generally subject to an indefinite number of renewals upon appropriate application; and
- There are currently no legal, technical or commercial obsolescence factors applying to the brands which indicate that the life should be considered limited

(III) OTHER INTANGIBLE ASSETS - SOFTWARE

Research costs associated with software development are expensed as incurred. Development expenditure incurred on an individual project is capitalised if the project is technically and commercially feasible and adequate resources are available to complete development. The expenditure capitalised includes all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads.

(J) CASH AND CASH EQUIVALENTS

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Amounts outstanding from EFT, credit card and debit card point of sale transactions are classified as cash and cash equivalents.

(K) FINANCIAL ASSETS

(I) CLASSIFICATION

Financial assets are classified in the following categories: financial assets at amortised cost, FVTPL and FVOCI. The classification depends on the purpose for which the assets were acquired.

- Amortised cost - Applies to instruments which are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest
- Fair value through profit and loss (FVTPL) - Applies to instruments which are within a business model where the objective is neither to hold to collect contractual cash flows nor hold to sell
- Fair value through other comprehensive income (FVOCI) - Applies to instruments which satisfy the requirements of the business model test and contractual cashflow test.

Management classifies its investments at initial recognition and re-evaluates this classification each reporting date, except for FVOCI where the classification is irrevocable.

(II) RECOGNITION AND DERECOGNITION

Regular purchases and sales of financial assets are recognised on trade-date (the date on which the group commits to purchase or sell the asset). Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at FVTPL. Financial assets carried at FVTPL are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from them have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(III) SUBSEQUENT MEASUREMENT

Financial assets at amortised cost are carried at amortised cost using the effective interest method.

Financial assets at FVTPL are subsequently carried at fair value. Gains or losses arising from changes in the fair value are presented in the statement of profit or loss within other income or other expenses in the period in which they arise. Income such as interest and dividends from financial assets at FVTPL is recognised separately to gains or losses in the statement of profit or loss as part of other income when the group's right to receive payments is established.

Financial assets classified as FVOCI are subsequently carried at fair value. Gains or losses arising from changes in the fair value are presented in other comprehensive income with the exception of impairment which is recognised in the statement of profit or loss immediately. When debt securities classified as FVOCI are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified in the statement of profit or loss as gains and losses from investment securities.

I SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(K) FINANCIAL ASSETS (CONTINUED)

(IV) IMPAIRMENT - EXPECTED CREDIT LOSSES

FLT applies the simplified approach to the measurement of expected credit losses (ECLs).

FLT assesses the credit risk and probability of default of financial assets by reference to external rating agencies where available on an asset by asset basis. FLT has determined a financial asset has low credit risk when it is equivalent to an investment grade quality.

For trade receivables, contract assets and lease receivables which do not contain a significant financing component, AASB 9 offers a policy choice between the application of the general model or a simplified approach. Under the simplified approach, the tracking of changes in credit risk is not required, but instead requires the recognition of lifetime ECLs at all times and allows the use of a provision matrix, incorporating the probability of default, as a practical expedient. FLT has elected the simplified approach for trade receivables and contract assets.

(L) FAIR VALUE MEASUREMENT

FLT measures certain financial instruments at fair value at each reporting date.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group.

An asset or liability's fair value is measured using the assumptions that market participants use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as described in notes A7, B2 and C2.

(M) TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment in accordance with the simplified approach see note I (k) iv above.

The impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The impairment amount is recognised in the statement of profit or loss in other expenses. When a trade receivable for which an impairment allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss.

(N) PROPERTY, PLANT AND EQUIPMENT

Buildings and other property, plant and equipment are stated at historical cost less depreciation. Land is held at historical cost. Historical cost includes expenditure directly attributable to the item's acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the group and the item's cost can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

An asset's carrying amount is impaired immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note I (g)). A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

(O) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost primarily represents average costs.

Where inventories relate to cruise cabins that are pre-purchased as part of our principal business, with sail dates greater than 12 months, they are classified as non-current.

(P) TRADE AND OTHER PAYABLES

These amounts are liabilities for goods and services provided to the group prior to the financial year's end, but not yet paid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months of the reporting date. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

I SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(Q) PROVISIONS

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow relating to any item included in the same class of obligations is small.

To measure provisions at present value at the reporting period's end, management estimates the expenditure required to settle the present obligation. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. Provision increases brought about by the passage of time are recognised as interest expenses.

(I) MAKE GOOD PROVISION

The group is required to restore 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 and restore the leased premises. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the lease term or the asset's useful life.

(R) EMPLOYEE BENEFITS

(I) WAGES AND SALARIES, ANNUAL LEAVE AND SICK LEAVE

Liabilities for employees' wages and salaries, including non-monetary benefits and annual leave are classified as current and recognised in trade and other payables up to the reporting period's end and represent the amounts expected to be paid when the liabilities are settled. Sick leave is recognised as an expense when the leave is taken and measured at the rates paid or payable. All other short-term employee benefit obligations are presented as trade and other payables.

(II) INCENTIVES AND BONUS PLANS

A liability for employee benefits in the form of incentives and bonus plans is recognised as payable when there is a contractual obligation or valid expectation that payment will be made.

(III) LONG SERVICE LEAVE

The liability for long service leave which is expected to be settled within 12 months and the portion that is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in provisions. The liability represents the present value of expected future payments to be made for the services employees provided up to the reporting period's end. The company considers expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments at the reporting period's end are discounted using market yields on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(IV) RETIREMENT BENEFIT OBLIGATIONS

The group provides retirement benefits to employees through a defined contribution superannuation fund. Contributions are recognised as expenses as they become payable.

(V) TERMINATION BENEFITS

Termination benefits may be payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it commits to either terminating a current employee's employment according to a detailed formal plan without the possibility of withdrawal or providing termination benefits following an offer made to encourage voluntary redundancy.

(S) BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on loan facilities' establishment are recognised as loan transaction costs to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. If there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs are recognised as expenses in the period in which they are incurred and include:

- Interest on bank overdrafts and short and long-term borrowings; and
- Unwinding of discount on deferred payables

I SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(S) BORROWINGS (CONTINUED)

Borrowings are classified as current liabilities unless the group has an unconditional right to defer the liability's settlement for at least 12 months after the reporting period's end.

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

(T) TAX

(I) INCOME TAX

The income tax expense or benefit for the period is the tax payable or receivable on the current period's taxable income based on each jurisdiction's applicable income tax rate. Adjustments are made for changes in deferred tax assets and liabilities attributable to temporary differences and for unused tax losses.

The current income tax charge is based on tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the assets' and liabilities' tax bases and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from an asset or liability's initial recognition in a transaction other than a business combination that at the time of the transaction does not affect accounting or taxable profit or loss except for transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences such as recognition of a right of use asset and lease liability. Deferred income tax is determined using rates (and laws) that have been enacted or substantively 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 to the extent that 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 controls the timing of the temporary differences' reversals 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 tax authority. Current tax assets and tax liabilities are offset when the entity has a legally enforceable right to offset and intends to either 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 when it relates to items recognised in other comprehensive income or directly in equity. In these cases, the tax is also recognised in other comprehensive income or directly in equity.

Companies within the group may be entitled to claim tax incentives (eg. the Research and Development Tax Incentive regime in Australia). The effect of this is a reduction to the income tax payable and current tax expense.

(II) TAX CONSOLIDATION LEGISLATION

FLT and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2003.

The head entity, FLT, and the tax consolidated group's controlled entities continue to account for their current and deferred tax amounts. These tax amounts are measured as if each entity continues to be a standalone taxpayer.

In addition to its current and deferred tax amounts, FLT also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the tax consolidated group's controlled entities.

(III) NATURE OF THE TAX SHARING ARRANGEMENT

Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

I SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(T) TAX (CONTINUED)

(IV) NATURE OF THE TAX FUNDING AGREEMENT

Members of the tax consolidated group have entered into a tax funding agreement. Under the tax funding agreement, the wholly-owned entities fully compensate FLT for any current tax payable assumed and are compensated by FLT for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to FLT under the tax consolidation legislation.

The funding amounts are the amounts recognised in the wholly-owned entities' financial statements. Amounts receivable or payable under the tax funding agreement are due when the head entity's funding advice is received. This advice is issued as soon as practicable after each financial year's end. The head entity may also require payment of interim funding amounts to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables. Any differences between the amounts assumed and amounts receivable or payable under the tax funding agreements are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(U) EARNINGS PER SHARE

(I) BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the company's equity holders, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(II) DILUTED EARNINGS PER SHARE

Diluted earnings per share adjusts basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(V) CONTRIBUTED EQUITY

Ordinary shares are classified as equity (note D4) and entitle the holder to participate in dividends and the proceeds of the company's wind up in proportion to the number of and amount paid on the shares held.

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

Ordinary shares have no par value and there are no partly paid shares currently on issue.

Incremental costs directly attributable to new share or option issues are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to shares or options issued for a business acquisition are not included in the acquisition's cost as part of the purchase consideration.

If the entity reacquires its own equity instruments, as the result of a share buy-back for example, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid, including any directly attributable incremental costs (net of income taxes), is recognised directly in equity.

(W) DIVIDENDS

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

(X) GST / CONSUMPTION TAX

Revenues, expenses, assets and liabilities are recognised net of the amount of associated consumption tax, unless the consumption tax incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the asset acquisition's cost or as part of the expense.

Receivables and payables include consumption taxes receivable or payable. The net amount of consumption tax recoverable from, or payable to, the taxation authority is included with other assets or payables in the balance sheet.

Cash flows are presented on a gross basis. The consumption tax components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

(Y) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. FLT is in the process of determining the impact of these new standards and amendments.

AASB 2023-2 AMENDMENTS TO AASB 112- INTERNATIONAL TAX REFORM PILLAR TWO MODEL RULES

The AASB has endorsed the adoption of AASB 112 Income Taxes amendments relating to the global minimum top-up tax (Pillar Two Global anti-Base Erosion Rules) previously released by the IASB and has issued AASB 2023-2 Amendments to AASB 112 - International Tax Reform Pillar Two Model Rules.

I SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

AASB 2023-2 AMENDMENTS TO AASB 112- INTERNATIONAL TAX REFORM PILLAR TWO MODEL RULES (CONTINUED)

For the period ended 30 June 2024, we have applied the IASB amendment to IAS1 12, Income Taxes, which provides mandatory temporary exception from recognising or disclosing deferred taxes related to Pillar Two.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation will be effective for the Group's financial year beginning 1 July 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, we expect the majority of jurisdictions will be able to apply the transitional safe harbour relief and therefore no Pillar Two top up taxes. For a limited number of jurisdictions where the transitional safe harbour relief may not apply, the Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

We are continuing to follow Pillar Two legislative developments to evaluate the potential future impact on our consolidated results of operations, financial position and cash flows beginning in 1 July 2024.

AASB 2020-1 AMENDMENTS TO AASs- CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT AND AASB 2022-6 AMENDMENTS TO AASs - NON-CURRENT LIABILITIES WITH COVENANTS

In January 2020, the AASB issued amendments to paragraphs 69 to 76 of AASB 101 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement
- that a right to defer settlement must exist at the end of the reporting period
- that classification is unaffected by the likelihood that an entity will exercise its deferral right
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments were originally effective for annual reporting periods beginning on or after 1 January 2023, however the AASB has now issued AASB 2022-6 *Amendments to AASs - Non-Current Liabilities with Covenants* which has changed the effective date of AASB 2020-1 to annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. This means that it will be applied in the reporting period ending 30 June 2025. FLT does not intend to adopt the standard before its operative date.

The amendments in AASB 2022-6 clarify:

- that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current
- specific situations in which an entity does not have a right to defer settlement for at least 12 months after the reporting date

The amendments in AASB 2022-6 also add presentation and disclosure requirements for non-current liabilities subject to compliance with future covenants within the next 12 months.

The group does not expect the application of the standard to have a material financial impact on its consolidated financial statements.

AASB 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

AASB 18 has been issued to improve how entities communicate in their financial statements, with particular focus on information about financial performance in the statement of profit or loss. The key presentation and disclosure requirements established by AASB 18 are:

- The presentation of newly defined subtotals in the statement of profit or loss
- The disclosure of management defined performance measures (MPM)
- Enhanced requirements for grouping information (ie aggregation and disaggregation)

AASB 18 is accompanied with limited consequential amendments to the requirements in other accounting standards, including AASB 107 *Statement of Cash Flows.*

AASB 18 introduces three new categories for classification of all income and expenses in the statement of profit or loss: operating, investing and financing. Additionally, entities will be required to present subtotals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

For the purpose of classifying income and expenses into one of the three new categories, entities will need to assess their main business activity, which will require judgement. There may be more than one main business activity.

AASB 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS (CONTINUED)

AASB 18 also requires several disclosures in relation to MPMs, such as how the measure is calculated, how it provides useful information and a reconciliation to the most comparable subtotal specified by AASB 18 or another standard.

AASB 18 will replace AASB 101 *Presentation of Financial Statements.*

The group is still to consider the impacts of the new disclosure requirements.

There are no other standards that have been issued but are not yet effective and that are expected to have a material financial impact on the entity in the current or future reporting periods and on foreseeable future transactions.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the *Corporations Act 2001* (s.295(3A)(a)).

KEY ASSUMPTIONS AND JUDGEMENTS

Determination of Tax Residency

Subsection 295(3A) of the Corporations Act 2001 requires that the tax residency of each entity which is included in the 'Consolidated entity disclosure statement' be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining 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 Commissioner of Taxation's public guidance in Taxation Ruling TR 2018/5.

- Foreign tax residency

The consolidated entity has applied current legislation and, where available, judicial precedent in the determination of foreign tax residency.

Trusts

Australian tax law does not contain specific residency tests for trusts. Generally, trusts are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

ENTITY NAME	ENTITY TYPE	COUNTRY OF INCORPORATION	EQUITY % OF SHARE CAPITAL HELD BY FLT	COUNTRY OF TAX RESIDENCE
Flight Centre Travel Group Limited	Body Corporate	Australia	—%	Australia
Australian Opco Pty Ltd	Body Corporate	Australia	100%	Australia
Avmin Pty Ltd	Body Corporate	Australia	51%	Australia
Buffalo Tours Australia Pty Ltd	Body Corporate	Australia	100%	Australia
CHEAPHOTELS.COM.AU PTY. LTD.	Body Corporate	Australia	100%	Australia
Corprewards Pty Ltd	Body Corporate	Australia	100%	Australia
Disruptive Opportunities No.1 Pty Ltd	Body Corporate	Australia	100%	Australia
Escape Lounge Pty Ltd	Body Corporate	Australia	100%	Australia
FCTG Franchising Pty Ltd	Body Corporate	Australia	100%	Australia
Flight Centre (China) Pty Ltd	Body Corporate	Australia	100%	Australia
Flight Centre Foundation Pty Ltd	Body Corporate	Australia	100%	Australia
Flight Centre Property Pty Ltd	Body Corporate - Trustee of Trust	Australia	100%	Australia
Flight Centre Technology Pty Ltd	Body Corporate	Australia	100%	Australia
Flight Centre Travel Group (Payments) Pty Ltd	Body Corporate	Australia	100%	Australia
Holiday Exclusives Pty Ltd	Body Corporate	Australia	100%	Australia
Ignite Holidays Pty Ltd	Body Corporate	Australia	100%	Australia
Ignite Travel Group Pty Ltd	Body Corporate	Australia	100%	Australia
Ignite Travel Pty Ltd	Body Corporate	Australia	100%	Australia

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

ENTITY NAME	ENTITY TYPE	COUNTRY OF INCORPORATION	EQUITY % OF SHARE CAPITAL HELD BY FLT	COUNTRY OF TAX RESIDENCE
Jati Travel Pty Ltd	Body Corporate	Australia	100%	Australia
Jetescape Travel Pty Ltd	Body Corporate	Australia	100%	Australia
Jetmax International Pty Ltd	Body Corporate	Australia	100%	Australia
Link Travel Group Pty Ltd	Body Corporate	Australia	60%	Australia
Loyaltycorp Pty Ltd	Body Corporate	Australia	100%	Australia
Moneywise Global Home Loans Pty. Ltd.	Body Corporate	Australia	100%	Australia
Moneywise Global Pty Ltd	Body Corporate	Australia	100%	Australia
Moneywise Global Tax Services Pty Ltd	Body Corporate	Australia	100%	Australia
My Adventure Store Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
P4 Finance Pty Ltd	Body Corporate	Australia	100%	Australia
Professional Performance Systems Pty. Ltd.	Body Corporate	Australia	100%	Australia
Resortrewards Pty Ltd	Body Corporate	Australia	100%	Australia
Rewardscorp Pty Ltd	Body Corporate	Australia	100%	Australia
Satellite Travel Pty Ltd	Body Corporate	Australia	100%	Australia
Shanghai Journey Pty Ltd	Body Corporate	Australia	100%	Australia
The Holiday Centre Pty Ltd	Body Corporate	Australia	100%	Australia
Tibbar Global Pty Ltd	Body Corporate	Australia	100%	Australia
Top Deck Tours Pty Ltd	Body Corporate	Australia	100%	Australia
Travel Money Currency Exchange Pty Ltd	Body Corporate	Australia	100%	Australia
Travel Money Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
Travel Partners Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
Travel Services Corporation Pty Ltd	Body Corporate	Australia	100%	Australia
My Adventure Store Pty Ltd	Body Corporate	Australia	100%	Australia
Buffalo Tours (Cambodia) Limited	Body Corporate	Cambodia	100%	Cambodia
BLC Ventures Ltd	Body Corporate	Canada	100%	Canada
BYOJet Incorporated	Body Corporate	Canada	100%	Canada
Flight Centre Travel Group (Canada) Inc	Body Corporate	Canada	100%	Canada
Les Voyages Laurier du Vallon Inc	Body Corporate	Canada	100%	Canada
StudentUniverse Inc	Body Corporate	Canada	100%	Canada
Umapped Inc	Body Corporate	Canada	100%	Canada
Flight Centre China International Tourism Co. Ltd	Body Corporate	China	100%	China
Flight Centre Comfort Business Travel Services Co. Ltd	Body Corporate	China	99%	China
Shenzhen FCM Travel Solutions International Tourism Co. Ltd	Body Corporate	China	—%	China
Olympus Tours Costa Rica SA	Body Corporate	Costa Rica	100%	Costa Rica
FCM Travel Standards for Japan Co., Ltd.	Body Corporate	Japan	66%	Japan
DR Tours SRL	Body Corporate	Dominican Republic	100%	Dominican Republic
Flight Centre Travel Group (France) SAS	Body Corporate	France	100%	France

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

ENTITY NAME	ENTITY TYPE	COUNTRY OF INCORPORATION	EQUITY % OF SHARE CAPITAL HELD BY FLT	COUNTRY OF TAX RESIDENCE
Flight Centre Travel Group (Germany) GmbH	Body Corporate	Germany	100%	Germany
Scott Dunn Greece Hellas Single Member Private Company	Body Corporate	Greece	100%	Greece
Buffalo Tours (Hong Kong) DMC Ltd	Body Corporate	Hong Kong	100%	Hong Kong
Flight Centre (Hong Kong) Limited	Body Corporate	Hong Kong	100%	Hong Kong
FCm Travel Solutions (India) Private Limited	Body Corporate	India	100%	India
TP Connects Software Solutions Pvt Ltd	Body Corporate	India	70%	India
PT Bespoke Hospitality Management Indonesia	Body Corporate	Indonesia	100%	Indonesia
PT. Buffalo Tours Indonesia	Body Corporate	Indonesia	100%	Indonesia
Flight Centre Travel Group (Ireland) Limited	Body Corporate	Ireland	100%	Ireland
Kabushiki Kaisha Buffalo Tours Japan	Body Corporate	Japan	100%	Japan
Discova (Lao) Co. Ltd	Body Corporate	Lao People's Democratic Republic	70%	Lao People's Democratic Republic
Discova DMC (Malaysia) Sdn. Bhd.	Body Corporate	Malaysia	40%	Malaysia
FCTG Malaysia Holdings Sdn. Bhd.	Body Corporate	Malaysia	40%	Malaysia
Flight Centre Travel Group (Malaysia) Sdn. Bhd.	Body Corporate	Malaysia	40%	Malaysia
Flight Centre (Mauritius) Limited	Body Corporate	Mauritius	100%	Mauritius
Flight Centre Travel Group Mexico, S.A. de C.V.	Body Corporate	Mexico	100%	Mexico
In and Out S.A. de C.V.	Body Corporate	Mexico	—%	Mexico
Olympus Tours SA de CV	Body Corporate	Mexico	100%	Mexico
BT Travel Myanmar Limited	Body Corporate	Myanmar	35%	Myanmar
Flight Centre Travel Group (Netherlands) B.V.	Body Corporate	Netherlands	100%	Netherlands
BYOJet Travel NZ Limited	Body Corporate	New Zealand	100%	Australia
Flight Centre (NZ) Foundation Limited	Body Corporate - Trustee of Trust	New Zealand	100%	New Zealand
Flight Centre (NZ) Limited	Body Corporate	New Zealand	100%	New Zealand
Top Deck Tours Limited	Body Corporate	New Zealand	100%	New Zealand

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

ENTITY NAME	ENTITY TYPE	COUNTRY OF INCORPORATION	EQUITY % OF SHARE CAPITAL HELD BY FLT	COUNTRY OF TAX RESIDENCE
Top Deck Travel Limited	Body Corporate	New Zealand	100%	New Zealand
Travel Managers Group Limited	Body Corporate	New Zealand	100%	New Zealand
Travel Money (NZ) Limited	Body Corporate	New Zealand	100%	New Zealand
FCTG South East Asia (Philippines), Inc.	Body Corporate	Philippines	100%	Philippines
Flight Center Middle East Travel and Tourism	Body Corporate	Saudi Arabia	100%	Saudi Arabia
Buffalo Tours (Singapore) Holding Pte. Ltd.	Body Corporate	Singapore	100%	Singapore
Buffalo Tours (Singapore) Pte Ltd	Body Corporate	Singapore	100%	Singapore
FCm Singapore Pte. Ltd.	Body Corporate	Singapore	100%	Singapore
FCTG Hotel Holdings (Singapore) Pte. Ltd.	Body Corporate	Singapore	100%	Singapore
FCTG Singapore Holdings Pte. Ltd.	Body Corporate	Singapore	100%	Singapore
Motivity Business Systems Pte. Limited	Body Corporate	Singapore	100%	Singapore
OSIN Holdings Pte Ltd	Body Corporate	Singapore	100%	Singapore
Scott Dunn Asia (Holdco) Pte. Ltd.	Body Corporate	Singapore	100%	Singapore
Scott Dunn Singapore Pte Limited	Body Corporate	Singapore	100%	Singapore
FCm Travel Solutions (Pty) Ltd	Body Corporate	South Africa	100%	South Africa
FCTG Corporate (Pty) Ltd	Body Corporate	South Africa	100%	South Africa
Flight Centre Foundation South Africa NPC	Body Corporate - Trustee of Trust	South Africa	100%	South Africa
Flight Centre Property (South Africa) (Proprietary) Limited	Body Corporate	South Africa	100%	South Africa
Flight Centre Travel Group (Pty) Ltd	Body Corporate	South Africa	100%	South Africa
Pendoring Contracting Pty Ltd	Body Corporate	South Africa	100%	South Africa
Top Deck Tours (Pty) Ltd	Body Corporate	South Africa	100%	South Africa
Flight Centre Travel Group (Spain), S.L.	Body Corporate	Spain	100%	Spain
European Travel Service Center, S.L.	Body Corporate	Spain	100%	Spain
Flight Centre Travel Group (Europe) AB	Body Corporate	Sweden	100%	Sweden

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

ENTITY NAME	ENTITY TYPE	COUNTRY OF INCORPORATION	EQUITY % OF SHARE CAPITAL HELD BY FLT	COUNTRY OF TAX RESIDENCE
Buffalo Tours (Thailand) Ltd.	Body Corporate	Thailand	49%	Thailand
Buffalo Transport (Thailand) Limited	Body Corporate	Thailand	49%	Thailand
Cross Hotels and Resorts Ltd	Body Corporate	Thailand	74%	Thailand
FCTG Hotel Holdings (Thailand) Limited	Body Corporate	Thailand	49%	Thailand
FCm Travel Solutions (L.L.C)	Body Corporate	United Arab Emirates	100%	United Arab Emirates
Flight Centre (ME) Limited	Body Corporate	United Arab Emirates	100%	United Arab Emirates
TP Connects Technologies LLC	Body Corporate	United Arab Emirates	70%	United Arab Emirates
Travel Technology FZ LLC	Body Corporate	United Arab Emirates	70%	United Arab Emirates
Back Roads Touring Co. Limited	Body Corporate	United Kingdom	100%	United Kingdom
Buffalo Tours UK Limited	Body Corporate	United Kingdom	100%	United Kingdom
Flight Centre (UK) Limited	Body Corporate	United Kingdom	100%	United Kingdom
Flight Centre (UK) Wholesale Limited	Body Corporate	United Kingdom	100%	United Kingdom
Flight Centre Robin Limited	Body Corporate	United Kingdom	100%	United Kingdom
Flight Centre Travel Group (European Finance) Limited	Body Corporate	United Kingdom	100%	United Kingdom
Flight Centre Travel Group (European Holdings) Ltd	Body Corporate	United Kingdom	100%	United Kingdom
Flight Centre Travel Group (UAE Holdings) Limited	Body Corporate	United Kingdom	100%	United Kingdom
IMAGINE TRAVEL LIMITED	Body Corporate	United Kingdom	100%	United Kingdom
Luxury Travel Acquisitions Limited	Body Corporate	United Kingdom	100%	United Kingdom
Luxury Travel Financing Limited	Body Corporate	United Kingdom	100%	United Kingdom
Luxury Travel Holdings Limited	Body Corporate	United Kingdom	100%	United Kingdom
Scott Dunn Transport Limited	Body Corporate	United Kingdom	100%	United Kingdom
The Luxury Travel Group Limited	Body Corporate	United Kingdom	100%	United Kingdom
Top Deck Tours Limited	Body Corporate	United Kingdom	100%	United Kingdom
Scott Dunn Limited	Body Corporate	United Kingdom	100%	United Kingdom

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

ENTITY NAME	ENTITY TYPE	COUNTRY OF INCORPORATION	EQUITY % OF SHARE CAPITAL HELD BY FLT	COUNTRY OF TAX RESIDENCE
Casto Travel US LLC	Body Corporate	United States	100%	United States
Compl.Ai, Inc.	Body Corporate	United States	100%	United States
DMC Operations USA Inc	Body Corporate	United States	100%	United States
FCTG Global LLC	Body Corporate	United States	100%	United States
Flight Centre Travel Group (USA) Inc	Body Corporate	United States	100%	United States
Flight Centre USA Holding Corp	Body Corporate	United States	100%	United States
Scott Dunn USA Inc	Body Corporate	United States	100%	United States
StudentUniverse.com Inc	Body Corporate	United States	100%	United States
WHERETO, INC.	Body Corporate	United States	100%	United States
Buffalo Tours USA Limited Liability Company	Body Corporate	United States	100%	United States
Binh Minh Ngan Ha Co. Ltd	Body Corporate	Vietnam	100%	Vietnam
Buffalo Tours Vietnam Company Limited	Body Corporate	Vietnam	100%	Vietnam
Cho Lon Tours Company Limited	Body Corporate	Vietnam	80%	Vietnam
Flight Centre Share Plan Trust	Trust	Australia	N/A	Australia
The FCM Travel Solutions Black Women Employee Share Trust	Trust	South Africa	N/A	South Africa
FCTG Corporate Black Women Employee Trust	Trust	South Africa	N/A	South Africa
Flight Centre Office Trust	Trust	Australia	N/A	Australia

DIRECTORS' DECLARATION

The board declared the following in accordance with a resolution of the directors of Flight Centre Travel Group Limited:

1. In the opinion of the directors:
   (a) the financial statements and notes of Flight Centre Travel Group Limited for the financial year ended 30 June 2024 are in accordance with the *Corporations Act 2001*, including:
      i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
      ii. complying with Accounting Standards and the Corporations Regulations 2001;
   (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable
   (c) the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act* is true and correct;
2. Note I (a) to the financial statements contains a statement of compliance with International Financial Reporting Standards
3. At the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note G2 will be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed of cross guarantee described in note G2.
4. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and the chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.

On behalf of the board

G.F. Turner
Director
BRISBANE
28 August 2024

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

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Independent auditor's report to the members of Flight Centre Travel Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Flight Centre Travel Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the balance sheet as at 30 June 2024, the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Key audit matters

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

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

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Recognition and measurement of volume incentive contract assets and revenue

Why significant	How our audit addressed the key audit matter
The Group generates volume incentive revenue from travel providers for achieving annual targets The volume incentive revenue process is inherently judgemental and includes various assumptions including: ► Contract periods do not correspond to the Group's financial year end. Judgement is required to determine expected future volumes and the tiered commission rates to be applied in the circumstances. ► Contracts are renegotiated periodically. Updates to terms and contractual agreements may result in variations being received which may relate to past performance. Given the judgement and estimation involved in the Group's accounting for volume incentives, this was a key audit matter.	We evaluated the Group's judgements in determining the volume incentive revenue recognised. In performing our audit procedures, we: ► Evaluated the Group's accounting for volume incentives was in accordance with AASB 15 *Revenues from Contracts with Customers*. ► Obtained a sample of the volume incentive agreements and reconciled the agreed rates to incentive volume revenue calculations. ► Agreed the underlying travel data used in the volume incentive calculations to independent third-party booking information and supplier confirmed data (where available). ► Evaluated renegotiations are supported by adequate documentation. ► Agreed volume incentive revenue to cash receipts on a sample basis. ► Assessed the adequacy of the loss allowance recognised to support the recoverability of the contract asset balance. ► Assessed the adequacy of the disclosures included in Notes A2 and F4 to the financial statements.

Impairment Testing of Intangible Assets

Why significant	How our audit addressed the key audit matter

As at 30 June 2024 goodwill and other indefinite life intangible assets of $803.8m as disclosed in Note A5, are allocated to each of the Group's individually significant cash generating units (CGUs) or group of CGUs. Note A5 also discloses the impairment recorded in relation to the Student Universe CGU during the year.
The Group performs an annual impairment assessment, or more frequently if there is an indicator that goodwill or indefinite life intangibles may be impaired. This assessment involves a comparison of the carrying value of each CGU with its recoverable amount.
The annual impairment assessment of the CGUs, including associated intangible assets, performed by the Group was a key audit matter due to the value of intangible assets relative to total assets and the degree of estimation and assumptions involved in the assessment, specifically concerning forecast cash flows.
	Our audit assessed the requirements of Australian Accounting Standard AASB136 *Impairment of Assets*.
	Our procedures included the following:
	► Assessed the Group's definition of its CGUs for consistency with Australian Accounting Standards, assessing any changes in CGUs, and considering impairment for each of the Group's individually significant CGUs or groups of CGUs.
	► Assessed whether the allocation of assets, including goodwill, to CGUs, was consistent with our knowledge of the Group's operations.
	► Developed an understanding of the process undertaken by the Group in the preparation of its discounted cash flow models used to assess the recoverable amount of the Group's CGUs, including how key assumptions used in the cash flow forecasts (summarised in Note A5 to the financial statements), are determined by management.
	► Evaluated the reasonableness of the Group's cashflow forecast used to estimate recoverable amount by:
	  ► Testing the mathematical accuracy of the cash flow models
	  ► Assessing the historical accuracy of the Group's cashflow forecasts
	  ► Evaluating key assumptions used in the cashflow model

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Why significant	How our audit addressed the key audit matter
	► Assessing whether the CGUs included a reasonable allocation of corporate overheads ► Assessed whether the forecasts were consistent with our knowledge of the business including Board approved budgets, corroborating our work with external information where possible. ► Involved our valuation specialists to evaluate the reasonability of the discount rates and terminal growth rates assumptions used by the Group. ► Assessed the sensitivities of the impairment model to reasonably possible changes in assumptions relating to cash flow forecasts, growth rates and discount rates applied. ► Assessed the adequacy of impairment and related disclosure in Note A5 to the financial statements.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 33 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Flight Centre Travel Group Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Ernst & Young

Ernst & Young

Alison de Groot
Partner
Brisbane
28 August 2024

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable at 30 July 2024.

(A) DISTRIBUTION OF EQUITY SECURITIES

NUMBER OF SHARES	NUMBER OF SHAREHOLDERS
1-1,000	66,805
1,001-5,000	10,851
5,001-10,000	1,203
10,001-100,000	590
100,001 and over	42
	79,491

There were 1,715 holders of less than a marketable parcel of ordinary shares.

(B) EQUITY SECURITY HOLDERS

TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

NAME	NUMBER HELD	PERCENTAGE OF ISSUED SHARES
Gainsdale Pty. Ltd.	16,590,943	7.5 %
Bennelong Australian Equity Partners Pty. Ltd.	13,165,563	6.0 %
Gehar Pty Ltd	12,763,848	5.8 %
James Management Services Pty Ltd	11,386,249	5.2 %
Ubique Asset Management Pty Ltd	8,314,708	3.8 %
State Street Global Advisors Australia Ltd.	7,770,139	3.5 %
The Vanguard Group, Inc.	7,206,266	3.3 %
Fidelity Institutional Asset Management	6,363,220	2.9 %
Paradice Investment Management Pty. Ltd.	5,905,260	2.7 %
L1 Capital Pty Ltd.	5,738,644	2.6 %
Firetrail Investments Pty Limited	4,603,803	2.1 %
Martin Currie Australia	4,477,948	2.0 %
FLT Share Plan	4,315,343	2.0 %
Milford Asset Management Ltd.	3,883,728	1.8 %
Yarra Funds Management Limited	3,681,325	1.7 %
BlackRock Institutional Trust Company, N.A.	3,603,380	1.6 %
Vanguard Investments Australia Ltd.	3,298,355	1.5 %
Macquarie Investment Management Global Ltd.	3,007,325	1.4 %
DFA Australia Ltd.	2,909,664	1.3 %
BlackRock Investment Management (Australia) Ltd.	2,686,241	1.2 %
	131,671,952	**59.9 %**

1 Substantial holder (including associate holdings) in the company.

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. Options and performance rights have no voting rights.

ON-MARKET BUY-BACKS

FLT does not currently have an on-market buy-back scheme in operation.

TAX TRANSPARENCY REPORT (UNAUDITED)

As one of the world's largest travel agency groups FLT is committed to being a responsible corporate taxpayer. The Board has therefore chosen to provide additional disclosure of tax information as recommended by the Board of Taxation's Voluntary Tax Transparency Code. FLT is classified as a 'large business' for the purposes of the Tax Transparency Code and has therefore chosen to disclose the following information in this annual report:

- Tax policy, strategy and governance summary
- Reconciliation of accounting profit to tax expense
- Reconciliation of income tax expense and income tax payable
- Identification of material temporary and non-temporary differences
- Accounting effective company tax rates for Australian and global operations
- Tax contribution summary for corporate taxes paid
- Information about international related party dealings

TAX POLICY, STRATEGY AND GOVERNANCE STATEMENT

APPROACH TO RISK MANAGEMENT AND GOVERNANCE ARRANGEMENTS

FLT operates under a Tax Risk Management and Governance Policy, which is approved by the Board Audit committee and sets out FLT's commitment to managing its global tax obligations. It is consistent with the Australian Taxation Office (ATO) and the Organisation for Economic Co-operation and Development (OECD)'s recommendations for tax risk management and governance, as well as being consistent with FLT's overarching Risk Management Policy.

FLT's Tax Risk Management and Governance Policy includes formal tax policies and procedures that are reviewed and updated at least annually. FLT has appropriate systems, processes and controls in place to identify, evaluate, mitigate, monitor and report on tax risks.

ATTITUDE TOWARDS TAX PLANNING AND ACCEPTED LEVEL OF RISK IN RELATION TO TAXATION

FLT takes a conservative approach to tax risk, and the management of tax risk will be balanced with FLT's objective to create and safeguard shareholder value. Where there is a choice between an aggressive tax position and a more conservative position, FLT will take the more conservative approach. That is, FLT aims for certainty on tax positions it adopts but where tax law is unclear or subject to interpretation, written advice or confirmation will be sought as appropriate.

As a global travel business, FLT has entities in many jurisdictions around the world, including some considered low, or no tax according to the OECD. These businesses are purely established to support the ordinary business operations of FLT in those countries.

APPROACH TO ENGAGEMENT WITH THE ATO AND OTHER REVENUE AUTHORITIES

FLT's tax philosophy is based on an open, co-operative and transparent relationship with the Revenue Authorities. FLT maintains good relationships with the ATO and other revenue authorities. Openness, honesty and transparency are paramount in all dealings with the tax authorities and other relevant bodies, with the aim of minimising the risk of challenge, dispute or damage to FLT's credibility.

FLT is aware of and, where appropriate, effectively uses the services and compliance products offered by the revenue authorities to reduce its tax risks and compliance costs (e.g. private ruling process, electronic lodgement, tax portal etc).

INCOME TAX EXPENSE

(I) INCOME TAX (CREDIT) / EXPENSE

	2024 $'000	2023 $'000
Current tax	36,659	10,781
Deferred tax	50,178	10,979
Adjustments for current tax of prior periods	(6,284)	1,287
Income tax expense	**80,553**	**23,047**
Deferred income tax (benefit) / expense included in income tax comprises:		
Decrease / (Increase) in deferred tax assets	17,681	(2,945)
Increase in deferred tax liabilities	20,116	10,081
Prior period adjustments	12,381	3,843
	50,178	**10,979**

Numerical reconciliation of income tax to prima facie tax (receivable) /		
Profit before Income tax expense	219,708	70,459
Tax at the Australian tax rate of 30% (2023 - 30%)	**65,912**	**21,138**
Tax effect of amounts in calculating taxable income:		
Non-deductible amounts	2,571	1,977
Deductible amounts	(626)	(12)
Interest denial	873	5,829
Legal costs	246	1,093
Intangibles	(804)	(243)
Investments	6,060	(479)
Share based payments	2,292	4,532
Property, plant and equipment	(96)	(1,418)
Changes in tax rate	—	—
Other amounts	(2,804)	(4,449)
	73,624	**27,968**
Tax losses not recognised	17,800	1,340
Tax losses recognised	(4,383)	(7,258)
Effect of different tax rates on overseas income	(204)	(290)
(Over) / Under provision of prior year's income tax	(6,284)	1,287
	6,929	**(4,921)**
Income tax expense	**80,553**	**23,047**

(II) AMOUNTS RECOGNISED DIRECTLY IN EQUITY

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss and other comprehensive income is directly debited or credited to equity.

Net deferred tax - (credited) / debited directly to equity	NOTES	2024 $'000	2023 $'000
Share-based payments reserve	F11	4,292	2,663
Equity component of convertible note	F11	(7,007)	—
Equity raising	D4	—	(1,542)

INCOME TAX PAID AND INCOME TAX PAYABLE

(III) TAX EXPENSE / (INCOME) RELATING TO ITEMS OF OTHER COMPREHENSIVE INCOME

Cash flow hedges	F11	(671)	234
Net investment hedge	F11	214	(1,489)
Total tax credit relating to items of other comprehensive income		**(457)**	**(1,255)**

INCOME TAX PAID AND INCOME TAX PAYABLE (CONTINUED)

(IV) UNRECOGNISED POTENTIAL DEFERRED TAX ASSETS

	2024 $'000	2023 $'000
Unused tax losses for which no deferred tax asset has been recognised (non-capital)	112,583	60,112
Temporary differences relating to brand name impairment (capital) and other intangibles	53,453	52,178
Investments	13,512	4,875
Lease & decommissioning	3,327	2,367
Other	8,476	6,738
	191,351	**126,270**
Potential tax benefit	**47,444**	**31,401**

KEY ESTIMATES & JUDGEMENTS - UTILISATION OF TAX LOSSES

In most cases the unused tax losses have no expiry date. Therefore, while there is uncertainty in the market, assumptions have been made to support carrying the tax losses. Where the tax losses could not be supported by future operating profits in the near term or losses were incurred in jurisdictions with restrictions on their use, FLT have not recognised the tax losses.

Unrecognised unused tax losses in 2024 were incurred by the group across numerous jurisdictions. These losses have various expiry dates from 2025 through to indefinite carry forward.

(V) CALCULATION OF CURRENT TAX EXPENSE

	NOTES	2024 $'000	2023 $'000
Current income tax expense of current period	F12	36,659	10,781
Prior period adjustments to current tax receivable		1,442	2,497
Effect of currency translation		(18)	(562)
Current income tax expense		**38,083**	**12,716**

(VI) RECONCILIATION OF INCOME TAX EXPENSE TO INCOME TAX PAID AND PAYABLE

Net current tax receivable at the beginning of the period		(12,307)	(30,392)
Less income tax (paid) / received		(39,137)	5,369
Current income tax expense	(i)	38,083	12,716
Net current tax receivable at the end of the period		**(13,361)**	**(12,307)**

EFFECTIVE COMPANY TAX RATES

Effective company tax rate	2024 %	2023 %
Effective tax rate - Global	36.66 %	32.71 %

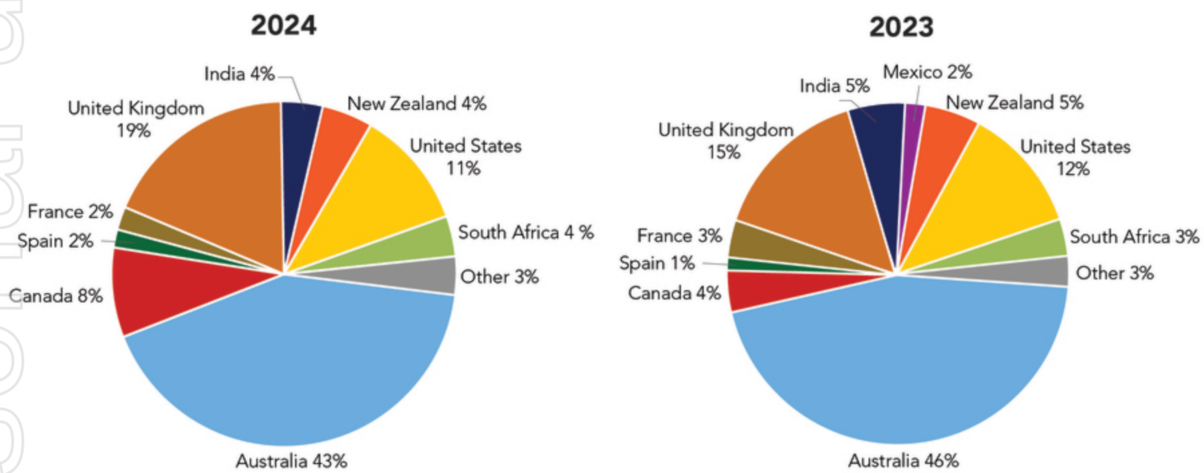
Primarily, the difference between the Australian corporate tax rate of 30% and FLT's effective tax rate is being driven by the effect of global tax rate differences, tax losses not recognised and goodwill impairment.

TAX TRANSPARENCY REPORT (UNAUDITED) CONTINUED

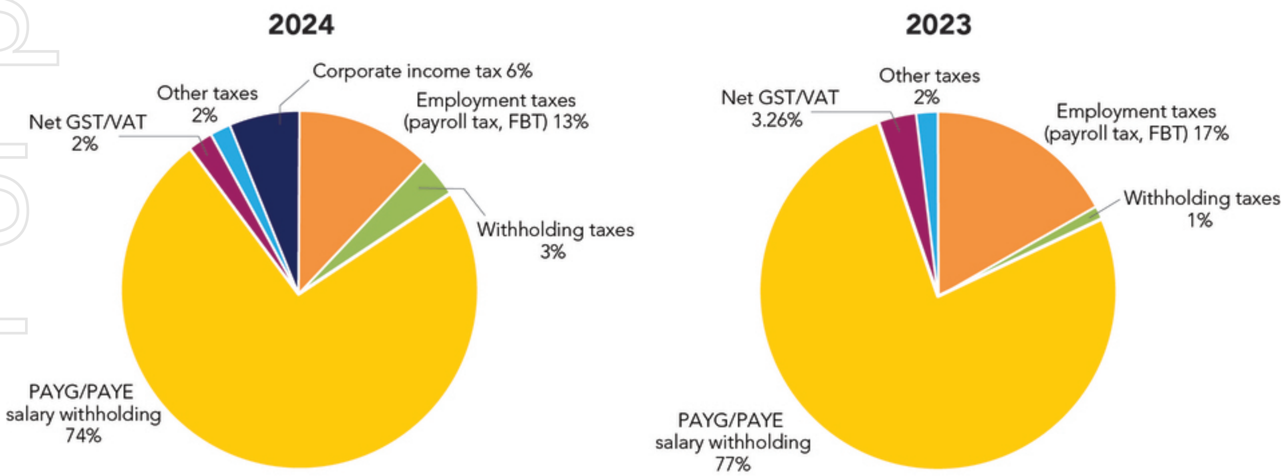
TAX CONTRIBUTION SUMMARY

	2024			2023		
	AUSTRALIA	OTHER COUNTRIES	TOTAL	AUSTRALIA	OTHER COUNTRIES	TOTAL
Taxes paid by/on behalf of FLT	$'000	$'000	$'000	$'000	$'000	$'000
Corporate income tax	1,271	24,486	25,757	2,251	(11,016)	(8,765)
Employment taxes (payroll tax, FBT)	29,258	21,096	50,354	27,901	33,838	61,739
Withholding taxes	7,978	5,402	13,380	866	2,530	3,396
Other taxes	—	8,063	8,063	—	6,156	6,156
Taxes collected on behalf of others						
GST/VAT (collected and remitted)	45,867	65,144	111,011	33,380	69,585	102,965
GST/VAT (paid but reclaimed)	(45,602)	(57,329)	(102,931)	(41,751)	(49,618)	(91,369)
PAYG/PAYE/salary withholding	137,452	165,857	303,309	136,323	136,161	272,484
Total Tax Contribution	**176,224**	**232,719**	**408,943**	**158,970**	**187,636**	**346,606**

TOTAL TAX CONTRIBUTION BY COUNTRY



TOTAL TAX CONTRIBUTION BY TAX TYPE



TAX TRANSPARENCY REPORT (UNAUDITED) CONTINUED

RELATED PARTY TRANSACTIONS

FLT has international related party dealings with its subsidiaries when it is in the best interests of FLT to do so, these dealings are conducted following the arm's length principle as required by Australian taxation law and international taxation norms. FLT maintains contemporaneous transfer pricing documentation supporting the pricing of related party dealings in accordance with Australian tax legislation and the OECD Transfer Pricing Guidelines.

The key international related party dealings which have a material impact on FLT's Australian taxable income are listed below.

KEY INTERNATIONAL RELATED PARTY DEALINGS	DESCRIPTION
Royalties	FLT licences its brand names, trademarks and other intellectual property to its overseas subsidiaries. FLT subsidiaries may own other brand names, trademarks and intellectual property.
Services	FLT's head office is located in Brisbane, Australia as the company was founded in Australia and its largest operations are in Australia. Accordingly, there are a number of specialist teams located at the FLT headquarters which provide services to the overseas subsidiaries. In addition overseas subsidiaries also provide services to FLT.
Loans	FLT has loans to and from its overseas subsidiaries.
Dividends	FLT receives dividends from overseas subsidiaries.
Group Cost and Income Allocations	FLT and its overseas subsidiaries may enter into global contracts with suppliers and / or customers for which income and / or expenses may be allocated amongst the group.