

Department of Foreign Affairs and Trade
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2017	2016
	\$'000	\$'000
<u>Note 1.1C: Write-down and Impairment of Assets</u>		
Write-down of leasehold improvements	924	2,312
Write-down of plant and equipment	3,754	3,717
Write-down of intangibles	212	566
Write-down of assets under construction	7,462	4,844
Write-down of financial assets	89	29
Movement in impairment allowance	(33)	(10)
Total write-down and impairment of assets	12,408	11,458

Accounting policy

Accounting policies for financial assets are included at Note 3.1: Financial Assets. Accounting policies for non-financial assets are included at Note 3.2: Non-Financial Assets.

1.2 Income

<u>Note 1.2A: Sale of Goods and Rendering of Services</u>		
Sale of goods	665	688
Rendering of services	134,451	123,168
Total sale of goods and rendering of services	135,116	123,856

Accounting policy

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer, and
- DFAT retains no managerial involvement or effective control over the goods.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date, determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured, and
- it is probable that the economic benefits of the transaction will flow to DFAT.

<u>Note 1.2B: Other Revenue</u>		
Foreign tax refunds	5,219	4,571
Sponsorship revenue	1,710	3,596
Resources received free of charge	665	637
Other revenue	6,919	652
Total other revenue	14,513	9,456

Accounting policy

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Sponsorship revenue is recognised as revenue at the fair value of the sponsorship received or receivable when the probable economic benefits of the transaction will flow to DFAT.

Foreign tax refunds are recognised as revenue at the fair value of the foreign tax refund when the probable economic benefits of the transaction will flow to DFAT.

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	2017 \$'000	2016 \$'000
<u>Note 1.2C: Gains on Sale of Assets</u>		
Plant and equipment:		
Proceeds from sale	1,222	925
Carrying value of assets sold	(761)	(199)
Non-financial assets held for sale		
Proceeds for sale	-	691
Carrying value of assets sold	-	(671)
Selling expenses	(94)	(398)
Net gain from sale of assets	<u>367</u>	<u>348</u>

Accounting policy

Accounting policies for non-financial assets are included at Note 3.2: Non-Financial Assets.

<u>Note 1.2D: Other Gains</u>		
Gain on restoration obligation	1,014	2,439
Assets previously expensed	846	16
Non-financial assets received free of charge	-	37
Total other gains	<u>1,860</u>	<u>2,492</u>

Accounting policy

Accounting policies for gain on restoration obligation are included at Note 3.4: Other Provisions.

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the goods would have been purchased if they had not been donated.