

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to US\$9,319,000 as at 30 June 2019 (2018: US\$6,890,000).

The ageing of the past due but not impaired receivables are as follows:

	Consolidated	
	2019 US\$000	2018 US\$000
0 to 1 month overdue	5,139	2,935
1 to 2 months overdue	1,424	1,275
Over 2 months overdue	2,756	2,680
	9,319	6,890

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables generally have 30 to 90 day terms.

AASB 9 Financial Instruments

This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model based on expected credit losses for the impairment of financial assets. The Group has applied the new standard on 1 July 2018 using a simplified approach for measuring expected credit losses relating to trade receivables using a lifetime expected loss allowance. To measure the expected credit losses, trade receivables are grouped based on region and ageing. Customers with heightened credit risk are provided for specifically based on historical default rates and forward looking information. Where there is no reasonable expectation of recovery, balances are written-off. The application of the standard did not result in any significant impact on the measurement of the allowance for doubtful debtors.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 8. Non-current assets - trade and other receivables

	Consolidated	
	2019 US\$000	2018 US\$000
Trade receivables	894	687
Other receivables	1,391	975
	2,285	1,662