

Note 4. Expenses

	Consolidated	
	2019 US\$000	2018 US\$000
Profit before income tax includes the following specific expenses:		
<i>Included in professional advice expense</i>		
Costs associated with acquisitions	244	572
<i>Finance costs</i>		
Interest and finance charges paid/payable	1	2
Unwinding of the discount on provisions	199	60
Finance costs expensed	200	62
<i>Operating leases included in income statement</i>		
Office rent	4,339	3,538
Equipment	12	16
Motor vehicle	51	96
Total expense relating to operating leases	4,402	3,650
<i>Post-employment benefits</i>		
Post-employment benefits: defined contribution	2,169	1,870
<i>Research and development costs expensed</i>		
Research and development costs incurred	18,478	17,793

Accounting policy for expenses

Operating lease costs

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Finance costs

All finance costs are expensed in the period in which they are incurred.

Research and development costs

Expenditure on research activities, undertaken with the prospect of obtaining new technical knowledge and understanding, is recognised in the statement of profit or loss and other comprehensive income as an expense when it is incurred.

Expenditure on development activities is charged as incurred, or deferred where these costs are directly associated with either integration of acquired technology or the development of new technology and it is determined that the technology has reached technological feasibility. Costs are deferred to future periods to the extent that they are expected beyond any reasonable doubt to be recoverable. The costs capitalised comprises directly attributable costs, including costs of materials, services and direct labour. Deferred costs are amortised from the date of commercial release on a straight-line basis over the period of the expected benefit, which varies from 2 to 10 years.