

(ii) Performance obligations

The transaction price allocated to remaining performance obligations represents contracted revenue that has not yet been recognised. They include amounts recognised as unearned revenue and amounts that are contracted but not yet billed or performed.

The transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as at 30 June 2019, is \$121,449,000. This amount mostly comprises obligations in our long-term contracts to provide software or 'software-as-a-service' (SaaS) support and maintenance, open long-term professional services contracts as well as licences contracted but not yet earned as the licence has not yet been deployed. Most of this amount is expected to be recognised as revenue beyond the next 12 months following the respective balance sheet date. This estimation is judgemental, as it needs to consider estimates of possible future contract modifications. The amount of transaction price allocated to the remaining performance obligations, and changes in this amount over time, are impacted by, among others, currency fluctuations and the remaining contract period of our billing solution agreements (which, in some cases, are contracted until 5 years after balance sheet date).

Revenue recognised in the current reporting period aligned to performance obligations satisfied in earlier periods was \$14,059,000, mainly resulting from the increased usage of software licences already delivered during the reporting period.

(iii) Contract balances

	2019 \$'000	2018 \$'000
Accrued revenue	27,817	5,824
Unearned revenue	27,069	22,914

Increases in the balance of accrued and unearned revenue during the year relate to the acquisition of Sigma Systems (refer to Note 24). Additionally, the increase in accrued revenue was a result of software licences deployed on contract inception but have yet to be billed to the customer.

Revenues recognised in the current reporting period that was included in deferred revenue at the beginning of the reporting period was \$22,251,000, representing support and maintenance performed during the period.

b. Government grants

Included in other income during the financial year is \$309,000 (2018: \$593,000) related to government grants receivable to compensate for eligible employee expenditure related to research activities performed in Norway. There are no unfulfilled conditions or contingencies attached to these grants.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

The Group derives revenues from customer contracts associated with the provision of billing solutions. A typical contract may include various deliverables in consideration for fees. Such deliverables in our contracts include, but are not limited to, the provision of a software licence, support and maintenance services, as well as professional implementation and customisation services.

The nature of fee structures within the contracts varies by customer. The timing and frequency of invoicing depends on the terms and conditions of each contract. Invoices are billed to the customer either in advance or in arrears on normal commercial terms. Where the contract requires invoicing in advance, revenue is initially deferred as unearned revenue until the Group fulfils its performance obligations. Where the contract requires invoicing in arrears, revenue recognised on fulfilment of a performance obligation is brought to account as accrued revenue, until the Group's right to consideration becomes unconditional and the accrued revenue is then presented as a receivable.

The Group's accounting policies with respect to each of the individual deliverables in the Group's customer contracts are outlined in sub-sections (i) onwards.

(i) Licence, support and maintenance revenue

The Group's contracts for billing solutions regularly include software licences associated with the relevant billing solution provided to the customer. The nature of the licence varies by customer and billing solution. As part of the licence agreement, various support and maintenance services are available to support the customer's use of the billing solution. This includes the provision of various bug fixes, updates and helpdesk support.