

Notes to the Consolidated Financial Statements

For the year ended 30 June 2019

16. Assets and liabilities classified as held for sale

	2019 \$m	2018 \$m
Assets of disposal groups held for sale	-	74

De-designation of disposal groups previously held for sale

North Queensland gas assets

On 25 August 2017, AGL agreed to sell its North Queensland gas assets to a consortium of Shandong Order Gas Co. Limited and Orient Energy Limited. The sale remained subject to a number of conditions precedent including regulatory approval, which were not met and subsequently the sale process was ceased as announced to the market on 31 January 2019. The North Queensland gas assets have been de-designated as held for sale effective 31 January 2019, as the sale process has not identified another buyer. Despite this change in classification, the sale process for the assets is ongoing. The carrying value of non-current assets relating to the North Queensland gas assets is nil (June 2018: nil) primarily due to previous impairment losses.

Disposal groups sold

National Assets Portfolio

On 11 September 2018, AGL completed the divestment of its portfolio of small generation and compressed natural gas refuelling assets, National Assets, for consideration of \$136 million. Refer to Note 29 for further information.

ACCOUNTING POLICY

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Non-current assets and disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

17. Trade and other payables

	2019 \$m	2018 \$m
Current		
Trade payables and accrued expenses	951	942
Accrued distribution costs	400	412
Green commodity scheme obligations	189	204
Other	16	21
Total trade and other payables	1,556	1,579

Trade payables are unsecured and are generally settled within 32 days from end of month of the date of recognition.

ACCOUNTING POLICY

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to AGL prior to the end of the reporting period that are unpaid and arise when AGL becomes obliged to make future payments in respect of the purchase of these goods and services.

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For the year ended 30 June 2019

17. Trade and other payables (cont.)

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Accrued distribution costs

AGL recognises distribution costs once the gas and electricity has been delivered to the customer and is measured through a regular review of usage meters. Management estimates customer consumption between the last invoice date and the end of the reporting period when determining distribution costs for the financial period. Various assumptions and financial models are used to determine the estimated unbilled consumption.

18. Borrowings

	2019 \$m	Restated 2018 \$m ¹
Current		
Bank loans - unsecured	60	-
CPI bonds - unsecured	8	8
Other loans - unsecured	11	11
Lease liabilities	23	15
Total current borrowings	102	34
Non-current		
USD senior notes - unsecured	1,054	931
Subordinated notes - unsecured	-	650
Medium term notes - unsecured	599	598
Bank loans - unsecured	760	410
CPI bonds - unsecured	73	80
Other loans - unsecured	122	133
Lease liabilities	149	139
Deferred transaction costs	(9)	(12)
Total non-current borrowings	2,748	2,929

1. Comparatives have been restated for the adoption of AASB 16 Leases. Refer to Note 38(c).

Financing facilities

AGL has access to the following committed bank facilities:

	Total facilities		Amounts used	
	2019 \$m	2018 \$m	2019 \$m	2018 \$m
USD senior notes - unsecured (after effect of cross currency swaps)	910	910	910	910
Subordinated notes - unsecured	-	650	-	650
Medium term notes - unsecured	599	598	599	598
Bank loans - unsecured	1,261	1,256	820	410
CPI bonds - unsecured	81	88	81	88
Other loans - unsecured	133	144	133	144
Bank guarantees - unsecured	569	499	408	408
Total financing facilities	3,553	4,145	2,951	3,208