Appendix 4E

Flight Centre Limited
ABN 25 003 377 188

Preliminary Final Report
30 June 2005

	2005 $ '000	2004 $ '000	Amount of change $ '000	% change
Revenue from ordinary activities	**898,514**	799,011	99,503	12.5%
Profit/(loss) from ordinary activities before income tax expense	**106,954**	121,326	(14,372)	-11.8%
Profit/(loss) from ordinary activities after tax attributable to members of Flight Centre Limited	**67,908**	81,927	(14,019)	-17.1%
Net profit/(loss) for the period attributable to members of Flight Centre Limited	**67,908**	81,927	(14,019)	-17.1%

	2005		2004	
Dividends	Amount Per Security Cents	Franked Amount Cents	Amount Per Security Cents	Franked Amount Cents
Final dividend	**28.0**	**28.0**	40.5	40.5
Interim dividend	**22.5**	**22.5**	20.5	20.5
Special dividend	**-**	**-**	40.0	40.0

The record date for determining entitlements to the final dividend is 23 September 2005.
(payment date: 14 October 2005)

Discussion and Analysis

- Flight Centre has recorded a profit before tax of $107.0 million for the year to 30 June 2005, a decrease of 11.8% from the prior year. Net profit after tax decreased 17.1% to $67.9 million for the same period.

This result was achieved on a record total transaction value of $6.9 billion, up 16.8% from the prior year. Revenue reached a record of $898.5 million for the year, compared to $799.0 million in the prior year, an increase of 12.5%. This was achieved through our expanding global network of retail and corporate shops, online businesses and by increasing selling staff.

The pre tax profit is in line with revised forecasts, with increased overhead costs and a decrease in income margin impacting on the result.

Significant developments and investments for the group during 2004/05 included:

- The launch, development and expansion of the first Asia-Pacific based global travel management network, FCm Travel Solutions. The company's flagship business travel brand is now in 30 countries, including 20 licencees
- The introduction of retail online businesses in Australia, Canada and the United States, which helped the company increase online sales significantly;
- The RewardPass customer loyalty program's Australian launch and
- Structural improvement and streamlining roles in Australia and New Zealand support areas to decrease costs and improve efficiency.

The group's rapid growth over recent years has seen an increase in support costs. Administration and support expenses increased 41.9% for the year to $83.9 million. This relates mainly to increased advertising costs to generate enquiry for new shops and to increase exposure of our premier on-line booking site, flightcentre.com. This site was judged Australia's most popular travel agency website for 2004 (Source: Hitwise).

Staff costs and staff numbers have increased since June 2004. Our organisational structure was reviewed during the second half and the company has now returned to a leaner support structure. This has resulted in a decrease in support staff of 6.0% for the six months to 30 June 2005.

Basic earnings per share of 71.9 cents represents a 17.7% decrease compared to the prior year. Diluted earnings per share was also 71.9 cents, compared to 87.2 cents last year. The main reason for the reduction is the 17% decrease in operating profit after tax.

In view of the company's result, the directors have declared a fully franked final dividend of 28 cents per share, payable on 14 October 2005 to shareholders registered on 23 September 2005.

The company's net asset position has decreased $36.8m from $424.2m last year to $387.4m. This has mainly been due to a reduction in cash investments during the year to fund the payment of a special dividend of $37.6m on 24 March 2005 and pay for the first progress payment of $17.6m for the Britannic acquisition.

Flight Centre Limited
ABN 25 003 377 188
Consolidated statement of financial performance
for the year ended 30 June 2005

	Note	2005 $ '000	2004 $ '000	% change
Revenue from ordinary activities	1(a), 2	**898,514**	799,011	12.5%
Less				
Selling expenses		**(691,613)**	(599,918)	15.3%
Administration/support expenses		**(83,985)**	(59,191)	41.9%
Borrowing cost expenses		**(15,648)**	(18,576)	-15.8%
Share of net loss of joint venture accounted for using the equity method		**(314)**	-	
Profit from ordinary activities before income tax expense		**106,954**	121,326	-11.8%
Income tax expense		**39,046**	39,399	
Net profit attributable to members of Flight Centre		**67,908**	81,927	-17.1%
Net increase/(decrease) in foreign currency translation reserve		**(11,430)**	5,824	
Total changes in equity other than those resulting from transactions with owners as owners		**56,478**	87,751	

Earnings per share	**Cents**	Cents	
Basic earnings per share	**71.9**	87.4	-17.7%
Diluted earnings per share	**71.9**	87.2	-17.5%

Flight Centre Limited
ABN 25 003 377 188
Consolidated statement of financial position
as at 30 June 2005

	2005 $ '000	2004 $ '000
Current assets		
Cash assets	**257,444**	258,139
Receivables	**202,872**	171,749
Other financial assets	**174,892**	224,029
Other	**8,535**	13,830
Total Current Assets	**643,743**	667,747
Non-current assets		
Property, plant and equipment	**121,727**	106,659
Intangible assets	**149,227**	168,634
Deferred tax assets	**15,462**	15,034
Investments accounted for using the equity method	**2,750**	3,064
Total Non-Current Assets	**289,166**	293,391
Total assets	**932,909**	961,138
Current liabilities		
Payables	**455,695**	444,021
Interest bearing liabilities	**37,790**	41,494
Current tax liabilities	**3,144**	4,648
Provisions	**3,116**	2,505
Other	**921**	1,914
Total Current Liabilities	**500,666**	494,582
Non-current liabilities		
Payables	**17,230**	16,464
Interest bearing liabilities	**15,000**	15,000
Deferred tax liabilities	**8,301**	7,654
Provisions	**3,689**	2,014
Other	**614**	1,189
Total Non-Current Liabilities	**44,834**	42,321
Total liabilities	**545,500**	536,903
Net assets	**387,409**	424,235
Equity		
Contributed equity	**260,558**	256,598
Reserves	**4,340**	15,770
Retained profits	**122,511**	151,867
Total equity	**387,409**	424,235

Flight Centre Limited
ABN 25 003 377 188
Consolidated statement of cash flows
for the year ended 30 June 2005

	2005 $'000	2004 $'000
Cash flow from operating activities		
Net receipts	**885,005**	849,345
Payments to suppliers and employees	**(736,025)**	(626,255)
Interest received	**24,891**	23,496
Borrowing costs	**(16,059)**	(17,206)
Income taxes paid	**(40,216)**	(45,843)
Net cash inflow from operating activities	**117,596**	183,537
Cash flows from investment activities		
Payment for purchase of controlled entities net of cash acquired	**(22,727)**	(1,525)
Payments for intangibles	**(651)**	(1,199)
Payments for property, plant & equipment	**(50,614)**	(58,512)
Payment for investments	**(44,941)**	(49,135)
Payment for investment in joint venture	**-**	(3,064)
Proceeds from sale of property, plant & equipment	**1,536**	635
Proceeds from sale of investments	**94,427**	1,680
Net cash outflow from investment activities	**(22,970)**	(111,120)
Cash flows from financing activities		
Proceeds from issues of shares	**3,846**	6,254
Proceeds from borrowings	**53,558**	33,549
Repayment of borrowings	**(57,552)**	(12,708)
Repayment of lease liabilities	**(21)**	(40)
Dividends paid	**(97,264)**	(42,621)
Net cash inflow/(outflow) from financing activities	**(97,433)**	(15,566)
Net increase in cash held	**(2,807)**	56,851
Cash at the beginning of the financial year	**258,139**	194,579
Effects of exchange rates changes on cash	**1,236**	6,709
Cash at the end of the financial year	**256,568**	258,139

1. Summary of significant accounting policies

The accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. The significant accounting policies used during the year are described below.

(a) Receivable and revenue recognition

Total Transaction Value
Total Transaction Value (TTV) does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the group's various operations as agent for various airlines and other service providers, plus revenue from other sources. Flight Centre's revenue is, therefore, derived from TTV. TTV is stated net of GST payable.

2	Revenue from ordinary activities	2005 $'000	2004 $'000	% change
	Total transaction value (TTV) *	**6,872,619**	5,884,811	16.8%
	Revenue from Operating Activities			
	Commissions and fees from the provision of travel services	**638,213**	567,239	12.5%
	Other revenue from the provision of travel services	**211,399**	192,987	9.5%
	Other revenue	**20,638**	14,069	46.7%
	Revenue from outside the operating activities			
	Interest	**24,891**	22,120	12.5%
	Sale of non-current assets	**1,537**	635	
	Foreign exchange gains	**1,836**	1,961	
		898,514	799,011	12.5%
	Income margin (Revenue as % of TTV)	**13.1%**	**13.6%**	

* Total transaction value (TTV) does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the group's various operations, as agent for various airlines and other service providers plus revenue from other sources. Flight Centre's revenue is therefore derived from TTV.

3 Dividends

	2005 $'000	2004 $'000
Final dividend paid		
Fully franked - 40.5 cents per share paid 15 October 2004 (2003: 25 cents)	**38,085**	23,381
Special dividend paid		
Fully franked - 40.0 cents per share paid 26 November 2004 (2003: nil)	**37,614**	-
Interim dividend paid		
Fully franked - 22.5 cents per share paid 24 March 2005 (2004: 20.5 cents)	**21,565**	19,240
Total dividends provided for or paid	**97,264**	42,621

Dividends not recognised at year end
In addition to the above dividends, since year end the directors have declared the payment of a final dividend of 28 cents per fully paid ordinary share, fully franked to be paid on 14 October 2005.

	2005 $'000	2004 $'000
The aggregate amount of the proposed final dividend expected to be paid out of retained profits at 30 June 2005, but not recognised as a liability at year end is	**26,452**	75,999

4 Movement in retained profits

	2005 $ '000	2004 $ '000
Opening balance	**151,867**	112,561
Net profit attributable to members of Flight Centre Limited	**67,908**	81,927
Dividends provided for or paid	**(97,264)**	(42,621)
	122,511	151,867

5 Net tangible assets

	2005	2004
Net tangible asset backing per ordinary security	**$ 2.52**	$ 2.73

6 Earnings per share

	cents	cents
Basic earnings per share	**71.9**	87.4
Diluted earnings per share	**71.9**	87.2
	shares	shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**94,402,177**	93,685,610
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share.	**94,402,177**	93,938,920
	$ '000	$ '000
Earnings used in calculating earnings per share	**67,908**	81,927

Options granted to directors and employees under the Flight Centre Limited Employee Option Plan that are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The options have not been included in the determination of basic earnings per share.

7 Interests in joint ventures

Joint venture

Flight Centre (China) Pty Ltd previously entered into a 50% joint venture with China Comfort Travel Co Ltd to form Flight Centre - Comfort Travel Business Co Ltd in Beijing as part of the strategic expansion of the Flight Centre corporate business into the Asian region. The investment in the joint venture is expected to compliment the company's presence in Asia and the global expansion of its corporate network.

Under the equity method of accounting the share of losses attributable to the Flight Centre group is $313,702.

8 Events occurring after balance date

At the date of this report there is no matter or circumstance which has arisen since 30 June 2005 that has significantly affected or may significantly affect:

a) the consolidated entity's operations in future years; or

b) the results of those operations in future years; or

c) the consolidated entity's state of affairs, in future financial years.

9 Segment information

Business Segments

Flight Centre Limited and its controlled entities operate predominately in one business segment being the sale of travel and travel-related services and products.

Geographic Segments June 2005	**Australia $ ' 000**	**New Zealand $ ' 000**	**United Kingdom $ ' 000**	**Other $ ' 000**	**Eliminations $ ' 000**	**Consolidated $ ' 000**
Total Transaction Value	4,428,160	638,515	909,222	889,837	6,885	6,872,619
Sales to customers outside the economic entity	551,012	90,297	122,174	106,767	-	870,250
Inter-segment sales	4,369	402	669	323	(5,763)	-
Total sales revenue	555,381	90,699	122,843	107,090	(5,763)	870,250
Unallocated revenue						28,264
Total segment revenue						898,514
Segment result pre royalties	92,152	11,408	16,039	(499)	(23,842)	95,258
Royalties	8,660	(5,716)	-	(2,664)	(280)	-
Segment result	100,812	5,692	16,039	(3,163)	(24,122)	95,258
Unallocated revenue less unallocated expenses						11,696
						106,954
Less Income Tax						(39,046)
Net Profit						67,908
Segment Assets	376,989	87,887	204,821	73,127	171,991	914,815
Unallocated Assets						18,094
Total assets						932,909
Segment Liabilities	196,315	60,030	103,496	34,739	82,702	477,282
Unallocated Liabilities						68,218
Total liabilities						545,500
Acquisitions of property, plant equipment, intangibles and other non-current assets	37,867	4,575	2,929	5,660	-	51,031
Depreciation	16,106	3,264	3,222	5,549	4,682	32,823
Amortisation	5,913	982	4,788	6	1,689	13,378
Other non cash expenses	3,493	825	754	966	(771)	5,267

9 Segment information (continued)

June 2004	Australia $ ' 000	New Zealand $ ' 000	United Kingdom $ ' 000	Other $ ' 000	Eliminations $ ' 000	Consolidated $ ' 000
Total Transaction Value	3,784,704	561,435	792,131	732,545	13,996	5,884,811
Sales to customers outside the economic entity	488,454	85,243	108,711	91,887	-	774,295
Inter-segment sales	5,699	635	66	213	(6,613)	-
Revenue	494,153	85,878	108,777	92,100	(6,613)	774,295
Unallocated revenue						24,716
Total revenue						799,011
Segment result pre royalties	88,968	11,137	9,044	(888)	4,926	113,187
Royalties	8,686	(7,014)	-	(2,420)	748	-
Segment result	97,654	4,123	9,044	(3,308)	5,674	113,187
Unallocated revenue less unallocated expenses						8,139
						121,326
Less Income Tax						(39,399)
Net Profit						81,927
Segment Assets	346,008	80,359	203,836	64,904	248,893	944,000
Unallocated Assets						17,138
Total assets						961,138
Segment Liabilities	240,266	57,153	117,866	31,862	32,092	479,239
Unallocated Liabilities						57,664
Total liabilities						536,903
Acquisitions of property, plant equipment, intangibles and other non-current assets	49,187	5,793	3,095	6,411	-	64,486
Depreciation	12,609	2,591	3,037	5,037	2,576	25,850
Amortisation	4,910	845	4,741	2	2,888	13,386
Other non cash expenses	2,463	742	(134)	1,251	686	5,008

(a) Accounting policies
Segment information is prepared in conformity with the accounting policies of the entity.
Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, property, plant and equipment and goodwill and other intangible assets, net of related provisions. Segment assets and liabilities do not include income taxes.

(b) Unallocated Revenue and Expenses
Unallocated revenue and expenses include such items as interest and foreign exchange gains.

(c) Changes in disclosure
Comparatives for segment disclosures in relation to assets and liabilities have been amended to conform with current year disclosures.

10 Review of operations

The global total transaction value reported has increased 16.8% to $6.9 billion with a 12.5% growth in revenue to $898.5 million. Operating profit before tax decreased 11.8% on the corresponding period last year. Australia remains the major contributor to the group's profit.

Australia

Flight Centre brand continued to improve its profit in 2004/05, while Student Flights and Escape Travel also recorded annual profits for the first time. The Australian leisure travel business's profit improved by 15.3% in 2004/05. The company will continue to focus on cost reduction in its support areas and on growing its retail and online businesses during 2005/06.

The rebranding of the corporate travel operation saw the global launch of FCm Travel Solutions during the year. In Australia, the corporate business experienced profit growth of 17.7% on last year. In 2005/06, there will be a focus on client acquisition and retention.

Flight Centre's presence on the internet continues to grow through the increasing popularity of its online businesses, particularly flightcentre.com.au.

Overseas

The United Kingdom retail operation recorded reasonable profit growth with profit increasing more than $1m, while Britannic, which recently became a key link in the FCm Travel Solutions network, performed in line with expectations. The retail business will continue to grow as new shops are expected to open in 2005/06.

New Zealand's profit result was slightly below the prior year. Retail performance improved but profit was affected by a loss of sales related override earnings.

South Africa has undergone a year of expansion in the retail business, increasing both shop and staff numbers. The business achieved 11% profit growth and is geared for further expansion during 2005/06.

The Canadian and USA operations showed continued growth in total transaction value. Losses in the USA were marginally greater than during 2003/04, while losses in Canada were in line with the previous year. In Canada, the retail performance was relatively disappointing but profit growth in the corporate business was strong. To drive future growth and to bolster the FCm Travel Solutions network, management continues to pursue a United States acquisition.

Outlook

Challenges for the year ahead include:
· Pressure on air margins in most regions
· Recruitment of people to meet growth needs in full labour markets
· Growth in the online market and reduction in GDS income as web sales increase

To improve returns in 2005/06, the company will focus on:
· Continued business expansion and better retail and online capabilities
· Margin improvement through land and preferred supplier strategies
· Cost improvements by reducing overheads, structure and having a more effective procurement area
· Acquisitions – the company is still targeting a medium sized corporate business in the USA

The Full Throttle program will move into business as usual.

While the current volatility in the global travel market and pressure on air margins mean it is difficult to predict likely results for 2005/06, the company will target 15% TTV growth.

Strategies for 2005/06 are geared towards improving income margin by growing modestly, reducing costs and increasing productivity. The company will also minimise sales for air and land suppliers that do not adequately reward it for its sales volumes.

With these strategies in place and the steps taken in 2004/05 to build a stronger overall business, the company will be disappointed if it cannot achieve profit growth in line with TTV growth.

Growth will continue in the retail, corporate and retail online businesses, with shorter term profit growth primarily coming from continued improvement in the retail shop network and corporate travel businesses.

11 Compliance statement

The preliminary final report is based on accounts that are in the process of being audited. The audit report will be made available with the company's financial report.

12 Impacts of adopting Australian equivaltents to IFRS

Flight Centre Limited is continuing in the transition of accounting policies and financial reporting from current Australian standards (AGAAP) to Australian equivalents of International Financial Reporting Standards (AIFRS), which will be applicable for the financial year ended 30 June 2006. The company has allocated internal resources to perform diagnostics and conduct impact analysis to isolate key areas that will be impacted by the transition to AIFRS.

As part of the transition to AIFRS, priority has been given to the preparation of an opening balance sheet in accordance with the standards as at 30 June 2004 and documentation of the impacts to 30 June 2005.

Below are the known or reliably estimable impacts on the financial report for the year ended 30 June 2005 had it been prepared using AIFRS including descriptions of the expected financial effects of adopting AIFRS for the statement of financial performance and statement of financial position. No material impacts are expected in relation to the statements of cash flows.

The figures disclosed are the best estimates of the quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates below due to (a) emerging accepted practice in the interpretation and application of AIFRS and interpretations; (b) potential amendments to AIFRS and interpretations thereof; and (c) ongoing work being undertaken by the project team.

(a) Income tax

Flight Centre Limited and its controlled entities previously elected to apply AASB1020 (1999 version) in accounting for income taxes. There are no material differences between the existing application and AASB112 'Income Taxes'.

The application of UIG1052 'Tax consolidated accounting' shall see the transfer of some deferred tax balances from the parent to its subsidiaries in the tax consolidated group. The effect of this change would be to reduce deferred tax balances in the parent by $4,529,168. A corresponding reduction in the inter-company loan receivable is also required in accordance with the tax funding agreement. There is no change to the consolidated group.

(b) Intangible assets

AASB138 'Intangible assets' prohibits the recognition of internally generated intangible assets such as software licences. As such a subsidiary in the consolidated group is required to derecognise software licences.

The effect of this change on the consolidated group will see the derecognition of intangible assets of $14,137,076 and a reduction in the asset revaluation reserve of $20,431,538. An increase in retained earnings of the consolidated group of $6,294,462 is also required as at 30 June 2005.

This change will also increase the statement of financial performance for the year to 30 June 2005 by $2,043,154. There is no effect for the parent entity.

Under AASB138 'Intangible assets' costs incurred in the research phase of an internally generated intangible asset must be expensed.

The effect of this change would see the derecognition of intangible assets and decrease in retained profits of $4,943,845 for the consolidated group and $1,642,374 for the parent entity as at 1 July 2004. This change would also decrease in profit before tax in the statement of financial performance by $5,550,544 for the consolidated group and $2,205,124 for the parent entity for the year to 30 June 2005.

(c) Impairment of assets

Under AASB136 'Impairment of assets' all assets are required to be reviewed and tested for impairment and revalued to recoverable amount. The recoverable amount is determined as either the fair value less cost to sell or the discounted cash flows of its value in use. This differs to AGAAP where a net cash flow approach is used.

The effect of this change would see the reduction of intangible assets and retained profits as at 1 July 2004 of $3,577,456 for the consolidated group.

As at 30 June 2005 the effect would see the reduction of intangible assets and change to the statement of financial performance of $6,922,403 for the consolidated group. Under AIFRS an additional write-down of $1,927,908 would be required in the statement of the financial performance for the consolidated entity for the year to 30 June 2005.

(d) Amortisation of goodwill

Under AASB3 'Business combinations' goodwill will no longer be able to be amortised but instead will be subject to annual impairment testing. The effects of impairment of assets under AASB136 ‘Impairment of assets’ are disclosed above.

The change in accounting policy in regard to the amortisation of goodwill will result in an increase in intangible assets and an increase in the statement of financial performance of $10,241,603 for the consolidated entity and $802,270 for the parent entity for the year to 30 June 2005.

(e) Financial instruments

The group will be taking advantage of the exemption available under AASB 1 to apply AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement only from 1 July 2005. This allows the group to apply previous AGAAP to the comparative information of financial instruments within the scope of AASB 132 and AASB 139 for the 30 June 2006 financial report.

Under AASB139 'Financial instruments: recognition and measurement' all financial assets are required to be classified into one of five categories which in turn determines the accounting treatment of the item.

Items classified as 'other financial assets - current' have been determined as 'available for sale' assets. Therefore available for sale assets shall be measured at fair value with changes in value to be recognised directly in equity. The effect of this change would increase assets and reserves of the consolidated group by $1,087,816 and the parent entity by $982,648. There would be no effect on the statement of financial performance.

(f) Property, plant and equipment

Under AASB116 'Property, plant and equipment' the cost of an item of property, plant and equipment includes an initial estimate of dismantling and removing the item. This would therefore require an initial estimate of dismantling and 'make good' costs on leased premises. The effect of this policy would see an increase in property, plant and equipment and a corresponding increase in provision liabilities. Reliable estimation of the financial effects of this change is not currently available.

AASB138 'Intangible assets' considers software to be an intangible asset. Flight Centre Limited and its controlled entities disclose software assets as a component of property, plant and equipment in the statement of financial position. The effect of this change in accounting treatment would be to decrease property, plant and equipment and increase intangible assets by $16,913,163 for the consolidated group and by $5,367,949 for the parent entity.

(g) Hedging

At times, Flight Centre Limited and its controlled entities become parties to derivatives to hedge anticipated transactions. These derivatives shall be considered cash flow hedges subject to meeting the continuing requirements of effectiveness with the change in fair value recognised in equity until the underlying transaction is recognised in the statement of financial performance.

This change would not effect the statement of financial performance for the year to 30 June 2005. The effect on the statement of financial position would be to reduce liabilities and increase reserves of the consolidated group and the parent entity by $648,257.

(h) Foreign currency translation reserve: cumulative translation differences

On the initial application of AIFRS, the group has elected to apply the exemption in AASB 1 ‘First time Adoption of Australian Equivalents to International Financial Reporting Standards’ relating to the balance of the foreign currency translation reserve. The cumulative translation differences for all foreign operations represented in the foreign currency translation reserve will be deemed to be zero at the date of transition to AIFRS.

As a result of this exemption, the balance of the foreign currency translation reserve of the group at 30 June 2005 will decrease by $4,708,329. Retained earnings will increase by this amount. There is no effect on the parent entity.

(i) Revenue disclosures in relation to the sale of non-current assets

Under AIFRS, the revenue recognised in relation to the sale of non-current assets is the net gain on the sale. This is in contrast to the current AGAAP treatment under which the gross proceeds from the sale are recognised as revenue and the carrying amount of the assets sold is recognised as an expense. The net impact on the profit or loss of this difference is nil.