

Telepath owned a 100% subsidiary, Tilda, that is treated as a cash generating unit. On 31 March 2012, there was an industrial accident (a gas explosion) that caused damage to some of Tilda's plant. The assets of Tilda immediately before the accident were:

	\$'000
Goodwill	1,800
Patent	1,200
Factory building	4,000
Plant	3,500
Receivables and cash	1,500

	12,000

As a result of the accident, the recoverable amount of Tilda is \$6.7 million

The explosion destroyed (to the point of no further use) an item of plant that had a carrying amount of \$500,000.

Tilda has an open offer from a competitor of \$1 million for its patent. The receivables and cash are already stated at their fair values less costs to sell (net realisable values).