
Note 15

Intangible assets continued

The recoverable amount of goodwill is determined using the higher of value-in-use and fair value less costs to sell.

Value-in-use calculations are based upon discounting estimated post-tax cashflows at a risk-adjusted interest rate appropriate to the cash generating unit to which the goodwill applies. The determination of both cashflows and discount rates require the exercise of judgement. The calculations use cash flow estimations based on financial budgets and forecasts reviewed by management. These cashflows are discounted at rates that have been determined by reference to historical company and industry experience and publicly available data.

Fair value less costs to sell calculations are determined using an earnings multiple approach applicable to that type of business. These have been determined by reference to historical company and industry experience and publicly available data.

Note 16

Life investment contracts and other unitholder investment assets

	Consolidated 2011 \$m	Consolidated 2010 \$m	Company 2011 \$m	Company 2010 \$m
Cash and due from financial institutions	144	103	-	-
Debt securities	514	617	-	-
Units in unit trusts	4,251	3,960	-	-
Equity securities	150	166	-	-
Total life investment contracts and other unitholder investment assets	5,059	4,846	-	-

Investment assets are held to satisfy policy and unitholder liabilities, which are predominantly investment linked.

The majority of the above assets are recoverable within 12 months of the balance date.

Income from life investment contracts and other unitholder investment assets

Premium income, investment revenue and management fees	329	663	-	-
Life investment contract claims, reinsurance and changes in policy liabilities	(199)	(585)	-	-
Direct fees	(47)	(34)	-	-
Total income from life investment contracts and other unitholder investment assets (note 2)	83	44	-	-

Solvency requirements for the life investment contracts business have been met at all times during the financial year.

As at 31 March 2011, the life investment contracts business had investment assets in excess of policy holder liabilities of \$10 million (2010: \$13 million).