### (l) Goodwill
Goodwill represents the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired on the acquisition of a controlled entity.

For associates the consolidated financial statements include the carrying amount of goodwill in the equity accounted investment carrying amount.

Goodwill is amortised on a straight-line basis over the period during which benefits are expected to arise. This period of amortisation is 20 years.

### (m) Recoverable amount
Non-current assets measured using the cost basis are not carried at an amount above their recoverable amount, and where a carrying value exceeds the recoverable amount, the asset is written down. In determining recoverable amount, the relevant cash flows have been discounted to their present value.

### (n) Payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the company or consolidated entity. Trade accounts payable are settled on normal commercial terms.

### (o) Employee benefits
*Wages, salaries, annual leave, sick leave and non-monetary benefits*
Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of the year-end represent present obligations resulting from employees' services provided up to reporting date. The provisions have been calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs.

*Long service leave*
The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' cumulative services provided to the reporting date. Refer note 1(s) for further details.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms to maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

*Employee and executive share plans*
The value of equity based compensation schemes as described in note 21(b) and 21(c) are not recognised as an employee benefits expense. It is anticipated this policy will change with the introduction of International Financial Reporting Standards.

### (p) Superannuation fund
ASX employees are members of the ASX Superannuation Plan (the plan), which is part of an externally managed multi-employer trust. The plan exists to provide benefits for employees and their dependents on retirement, disability or death. The consolidated entity contributes to the plan in addition to contributions made by employees. Employer contributions are recognised as an expense as they are made.

A provision exists that was created by continuing company contributions when the former internally managed fund was in surplus. The provision is being amortised against future company committed contributions. Details of the utilisation of the provision are contained in note 16.

### (q) Financial Industry Development Account (FIDA) and Securities Industry Development Account (SIDA)
SEGC holds the assets of the National Guarantee Fund (the Fund) in trust for the purposes set out in the provisions of Part 7.5 Division 4 of the Corporations Act 2001 and administers the Fund in accordance with those provisions. SEGC is able to determine that, without limiting its guarantee capacity, funds in excess of the Fund's 'minimum amount' may be transferred to ASXL to be paid into a separate account designated as FIDA (previously SIDA). Money held by ASXL in the SIDA/FIDA account may only be used for a purpose that has been approved by the Federal Treasurer. In relation to FIDA funding, the Minister may approve purposes relating to programs for the development of the financial industry that are conducted primarily for a public benefit. Previously, in relation to SIDA funding, the Minister could approve purposes relating to programs for the development of the securities industry. SIDA and FIDA receipts are recognised on an accruals basis.

### (r) Foreign currency
Foreign currency transactions are translated to Australian currency at the rates of exchange prevailing at the dates of the transactions. At 30 June 2003 there were no significant foreign currency exposures (2002: $nil).

### (s) Provisions
A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

If the effect is material, a provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, being risk free rates of government bonds most closely matching the expected future payments. The unwinding of the discount is treated as part of the expense related to the particular provision.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

*Surplus lease space*
Provision is made for surplus leased premises when it is determined that no substantive future benefit will be obtained by the consolidated entity from its occupancy. This arises where premises are currently leased under non-cancellable operating leases and the consolidated entity either:

- currently does not occupy the premises and does not expect to occupy it in the future;
- sublets the premises for lower rentals than it is presently obliged to pay under the original lease;
- currently occupies the premises, but the premises have been assessed to be of no substantive benefit beyond a known future date.

The provision has been calculated on the basis of discounted estimated net future cash flows.