

17 Impairment of Goodwill and Intangibles

Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	31 March 2019 \$M	31 March 2018 \$M
Americas	273.6	288.2
EMEA	413.0	434.2
APJ	98.7	103.6
	785.3	826.0

Impairment of goodwill and intangible assets is tested annually, or more frequently where there is indication of impairment.

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in the Consolidated Statement of Profit or Loss.

Goodwill is considered impaired if the carrying value of the cash-generating unit to which it relates is greater than the higher of fair value less costs of disposal and the value in use.

For the year-ended 31 March 2019, the Directors have reviewed the value of goodwill based on internal value in use calculations. The key assumptions for these calculations are discount rates, growth rates and expected changes to billings and direct costs during the period.

The Group prepares cash flow forecasts derived from the Directors' most recent financial forecasts for the following five years. The growth rates for the five-year period are based on Directors' expectations of the medium-term operating performance of the cash-generating unit, planned growth in market share, industry forecasts, growth in the market and specific regional considerations and are in line with past experience. Discount rates have been estimated based on rates that reflect current market assessments of the Group's weighted average cost of capital.

The key assumptions used in the assessments in the year-ended 31 March 2019 are as follows:

	Americas	EMEA	APJ
Long-term regional growth rate beyond five years	2.5%	1.5%	2.0%
Discount rate	9.0%	9.0%	10.0%

The key assumptions used in the assessments in the year-ended 31 March 2018 were as follows:

	Americas	EMEA	APJ
Long-term regional growth rate beyond five years	2.5%	1.5%	2.0%
Discount rate	9.5%	9.5%	10.5%

As at 31 March 2019, there were no indicators of impairment that suggested the carrying amounts of the Group's long-lived assets are not recoverable. In order to assess the sensitivity in the assumptions made, the Directors have flexed the discount rate upward by thirty per cent of the above rates, and noted that this still did not give any indication of impairment.