



New accounting standards and interpretations

30 December 2011

Introduction

This document is a supplement to *Endeavour (International) Limited* (December 2011 edition) and contains disclosure information on changes in accounting policy on adoption of new and amended Accounting Standards and Interpretations and Accounting Standards and Interpretations issued but not yet effective. This publication lists all applicable Accounting Standards and Interpretations issued as of 30 November 2011 and are applicable for 31 December 2011 year ends.

This document has two parts:

Part A - Changes in accounting policy

This table lists all the applicable accounting standards which would have been adopted for the first time for entities with a 31 December 2011 year end.

Paragraph 28 of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (AASB 108) states that when an initial application of a standard has an effect on the current period, or any prior period, an entity shall disclose:

- a) The title of the Australian Accounting Standard
- b) When applicable, that the change in accounting policy is made in accordance with the transitional provisions
- c) The nature of the change in accounting policy
- d) When applicable, a description of the transitional provisions
- e) When applicable, the transitional provisions that might have an effect on future periods
- f) For the current period and each prior period presented, to the extent practicable, the amount of the adjustment:
 - i. For each financial statement line item affected
 - ii. If AASB 133 Earnings per Share applies to the entity, for basic and diluted earnings per share
- g) The amount of the adjustment relating to periods before those present, to the extent practicable
- h) If retrospective application is impracticable for a particular prior period, or for the periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied

The table is designed to be used for the disclosure in note 2(b)(i) of *Endeavour (International) Limited*.

Part B - Accounting standards issued but not yet effective

This table lists all applicable standards/interpretations issued but not yet effective for **31 December 2011** year ends and assumes that the entity has elected not to "early adopt" any of these standards/interpretations.

Paragraph 30 of AASB 108 requires disclosure of the possible impact of new and revised Australian Accounting Standards that have been issued but are not yet effective. This includes pronouncements issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) for entities that are required to make a statement of compliance with IFRS under AASB 101.14.

Introduction

For those entities that will be applying the reduced disclosure regime, disclosure of standards issued but not effective is not required. Accordingly, apart from the standard that introduces the reduced disclosure regime, further amendments introduced to disclosures have not been included in the table as they would not need to be disclosed.

The table is designed to be for the disclosure in Note 2(b)(ii) of *Endeavour (International) Limited*. The table is complete as at **30 November 2011** and any further standards/interpretations issued after this date will also need to be disclosed up until the date of authorisation of the financial report. If the effect of a particular standard/interpretation has not yet been determined, those details should be disclosed.

Part A - Changes in accounting policy

The following standards and interpretations would have been applied for the first time for entities with years ending 31 December 2011 (unless early adopted):

Reference	Title	Application date of standard*	Application date for Group*
AASB 2009-10	Amendments to Australian Accounting Standards - Classification of Rights Issues [AASB 132]	1 February 2010	1 January 2011
AASB 2010-3	<p>Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]</p> <p>Limits the scope of the measurement choices of non-controlling interest to instruments that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other components of NCI are measured at fair value.</p> <p>Requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), in a consistent manner i.e., allocate between consideration and post combination expenses.</p> <p>Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated.</p> <p>Clarifies that the revised accounting for loss of significant influence or joint control (from the issue of IFRS 3 Revised) is only applicable prospectively.</p>	1 July 2010	1 January 2011
Interpretation 19	<p>Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i></p> <p>This interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability.</p> <p>The interpretation states that equity instruments issued as payment of a debt should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment.</p>	1 July 2010	1 January 2011

Part A - Changes in accounting policy

Reference	Title	Application date of standard*	Application date for Group*
AASB 124 (Revised)	<p>The revised AASB 124 <i>Related Party Disclosures</i> (December 2009) simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:</p> <ul style="list-style-type: none"> (a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other (b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other (c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other <p>A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.</p>	1 January 2011	1 January 2011
AASB 2009-12	<p>Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]</p> <p>Makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. In particular, it amends AASB 8 <i>Operating Segments</i> to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.</p>	1 January 2011	1 January 2011
AASB 2009-14	<p>Amendments to Australian Interpretation - <i>Prepayments of a Minimum Funding Requirement</i> Arise from the issuance of <i>Prepayments of a Minimum Funding Requirement</i> (Amendments to IFRIC 14). The requirements of IFRIC 14 meant that some entities that were subject to minimum funding requirements could not treat any surplus in a defined benefit pension plan as an economic benefit. The amendment requires entities to treat the benefit of such an early payment as a pension asset. Subsequently, the remaining surplus in the plan, if any, is subject to the same analysis as if no prepayment had been made.</p>	1 January 2011	1 January 2011

Part A - Changes in accounting policy

Reference	Title	Application date of standard*	Application date for Group*
AASB 2010-4	<p>Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]</p> <p>Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.</p> <p>Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.</p> <p>Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions.</p> <p>Clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.</p>	1 January 2011	1 January 2011
AASB 2010-5	<p>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]</p> <p>This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.</p> <p>These amendments have no major impact on the requirements of the amended pronouncements.</p>	1 January 2011	1 January 2011

Part B - Accounting standards issued but not yet effective

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 31 December 2011

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 1054	Australian Additional Disclosures	<p>This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB.</p> <p>This standard, with AASB 2011-1 relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas:</p> <ul style="list-style-type: none"> (a) Compliance with Australian Accounting Standards (b) The statutory basis or reporting framework for financial statements (c) Whether the financial statements are general purpose or special purpose (d) Audit fees (e) Imputation credits 	1 July 2011		1 January 2012
AASB 2010-6	Amendments to Australian Accounting Standards - <i>Disclosures on Transfers of Financial Assets</i> [AASB 1 & AASB 7]	The amendments increase the disclosure requirements for transactions involving transfers of financial assets. Disclosures require enhancements to the existing disclosures in IFRS 7 where an asset is transferred but is not derecognised and introduce new disclosures for assets that are derecognised but the entity continues to have a continuing exposure to the asset after the sale.	1 July 2011		1 January 2012
AASB 2011-5**	Amendments to Australian Accounting Standards - <i>Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation</i> [AASB 127, AASB 128 & AASB 131]	<p>This standard makes amendments to:</p> <ul style="list-style-type: none"> ▶ AASB 127 <i>Consolidated and Separate Financial Statements</i> ▶ AASB 128 <i>Investments in Associates</i> ▶ AASB 131 <i>Interests in Joint Ventures</i> <p>To extend the circumstances in which an entity can obtain relief from consolidation, the equity method or proportionate consolidation, and relates primarily to those applying the reduced disclosure regime or not-for-profit entities.</p>	1 July 2011		1 January 2012

Part B - Accounting standards issued but not yet effective

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2010-8	Amendments to Australian Accounting Standards - <i>Deferred Tax: Recovery of Underlying Assets</i> [AASB 112]	These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate <i>SIC-21 Income Taxes - Recovery of Revalued Non-Depreciable Assets</i> into AASB 112.	1 January 2012		1 January 2012
AASB 2011-3**	Amendments to Australian Accounting Standards - <i>Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments</i> [AASB 1049]	This standard makes amendments including clarifying the definition of the <i>ABS GFS Manual</i> , facilitating the orderly adoption of changes to the <i>ABS GFS Manual</i> and related disclosures to AASB 1049.	1 July 2012		1 January 2013
AASB 2011-9	Amendments to Australian Accounting Standards - <i>Presentation of Other Comprehensive Income</i> [AASB 101]	This standard requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).	1 July 2012		1 January 2013
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This standard makes amendments to remove individual key management personnel disclosure requirements from AASB 124.	1 July 2013		1 January 2014

Part B - Accounting standards issued but not yet effective

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 1053	Application of tiers of Australian Accounting Standards	<p>This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:</p> <p>(a) Tier 1: Australian Accounting Standards</p> <p>(b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements</p> <p>Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.</p> <p>The following entities apply Tier 1 requirements in preparing general purpose financial statements:</p> <p>(a) For-profit entities in the private sector that have public accountability (as defined in this Standard)</p> <p>(b) The Australian Government and State, Territory and Local Governments</p> <p>The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:</p> <p>(a) For-profit private sector entities that do not have public accountability</p> <p>(b) All not-for-profit private sector entities</p> <p>(c) Public sector entities other than the Australian Government and State, Territory and Local Governments.</p> <p>Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2.</p>	1 July 2013		1 January 2014

Part B - Accounting standards issued but not yet effective

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 9	Financial instruments	<p>AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.</p> <p>(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▶ The remaining change is presented in profit or loss <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11</p>	1 January 2013***		1 January 2013

Part B - Accounting standards issued but not yet effective

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 10	Consolidated Financial Statements	<p>AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 <i>Consolidated and Separate Financial Statements</i> dealing with the accounting for consolidated financial statements and UIG-112 <i>Consolidation - Special Purpose Entities</i>.</p> <p>The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. This is likely to lead to more entities being consolidated into the group.</p> <p>Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 127.</p>	1 January 2013		1 January 2013
AASB 11	Joint Arrangements	<p>AASB 11 replaces AASB 131 <i>Interests in Joint Ventures</i> and UIG-113 <i>Jointly-controlled Entities - Non-monetary Contributions by Ventures</i>. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. This may result in a change in the accounting for the joint arrangements held by the group.</p> <p>Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB128.</p>	1 January 2013		1 January 2013

Part B - Accounting standards issued but not yet effective

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013		1 January 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance under AASB for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013		1 January 2013
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognized in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets. The definition of short-term benefits has been revised, meaning some annual leave entitlements may become long-term in nature with a revised measurement. Similarly the timing for recognising a provision for termination benefits has been revised, such that provisions can only be recognised when the offer cannot be withdrawn. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013		1 January 2013

Part B - Accounting standards issued but not yet effective

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	<p>This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the "stripping activity asset".</p> <p>The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate.</p>	1 January 2013		1 January 2013

* Designates the beginning of the applicable annual reporting period unless otherwise stated

** Only applicable to not-for-profit/public sector entities

*** AASB ED 215 *Mandatory effective date of IFRS 9* proposes to defer the mandatory effective date of AASB 9 to annual periods beginning on or after 1 January 2015, with early application permitted

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