tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Parent Entity (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Parent Entity and each member of the group in relation to the tax contribution amounts paid or payable between the Parent Entity and the other members of the tax-consolidated group in accordance with the arrangement. Further information about the tax funding arrangement is detailed in Note 9 to the financial statements.

(ah) Earnings per share

Basic earnings per share is determined by dividing the profit for the year attributable to owners of AGL Energy Limited, by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by dividing the profit for the year attributable to owners of AGL Energy Limited, by the weighted average number of ordinary shares outstanding during the period and dilutive potential ordinary shares.

(ai) Standards and Interpretations in issue not yet adopted

A number of Australian Accounting Standards and International Financial Reporting Standards have been issued by the AASB and the IASB but are not effective for the year ended 30 June 2011, but will be applicable to the consolidated entity in future reporting periods.

- AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* are effective for annual reporting periods beginning on or after 1 January 2013.

  AASB 9 *Financial Instruments* and its associated amending Standards introduce new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

  AASB 9 requires all recognised financial assets that are within the scope of AASB 139 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value.

  The most significant effect of AASB 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. For financial liabilities designated at fair value, the portion of the change in fair value due to changes in own credit risk now generally must be presented in other comprehensive income, rather than through profit or loss.

  AASB 9 will be mandatory for the consolidated entity's 30 June 2014 financial statements. The potential impact on the consolidated entity's financial statements has not yet been determined.

- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* is effective for annual reporting periods beginning on or after 1 July 2011.

  AASB 2010-6 makes amendments to AASB 7 *Financial Instruments: Disclosures* resulting from the IASB's comprehensive review of off balance sheet activities. The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

  The amendments, which will be mandatory for the consolidated entity's 30 June 2012 financial statements, are not expected to have any significant impact on the financial statements.

- IFRS 10 *Consolidated Financial Statements* is effective for annual reporting periods beginning on or after 1 January 2013.

  IFRS 10 requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities.*

  IFRS 10 identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.

  The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities').

  IFRS 10 will be mandatory for the consolidated entity's 30 June 2014 financial statements. The potential impact on the consolidated entity's financial statements has not yet been determined.

- IFRS 11 *Joint Arrangements* is effective for annual reporting periods beginning on or after 1 January 2013.

  IFRS 11 replaces IAS 31 *Interests in Joint Ventures*. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. Joint arrangements are either joint operations or joint ventures.

  If the parties have rights to and obligations for underlying assets and liabilities, the joint arrangement is considered a joint operation and partial consolidation is applied. Otherwise the joint arrangement is considered a joint venture and they must use the equity method to account for their interest.

  IFRS 11 will be mandatory for the consolidated entity's 30 June 2014 financial statements. The potential impact on the consolidated entity's financial statements has not yet been determined.

- IFRS 12 *Disclosure of Interests in Other Entities* is effective for annual reporting periods beginning on or after 1 January 2013.

  IFRS 12 requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

  This new Standard contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

  IFRS 12 will be mandatory for the consolidated entity's 30 June 2014 financial statements. The potential impact on the consolidated entity's financial statements has not yet been determined.