all future cash flows, discounted at prevailing market curves of the different currencies at reporting date. Only observable market data is used (no estimates) when constructing the curves and basis swap adjustments are added to provide for liquidity in the market. Black-Scholes principles are used for valuing options.

Other non-derivative assets and liabilities
The fair values of other non-derivative financial assets and liabilities are calculated by determining the net present value of all future cash flows, discounted at prevailing market curves of the different currencies at reporting date.

Other financial instruments
The carrying amounts of financial assets and liabilities with a maturity of less than six months are assumed to approximate their fair value.

2.8 ONEROUS CONTRACTS
A provision for onerous contracts is recognised when the unavoidable costs of meeting the group’s obligations under a contract exceed the economic benefits expected to be received under the contract.

3. IMPACT OF NEWLY ISSUED STANDARDS AND INTERPRETATIONS
3.1 NEWLY ISSUED STANDARDS
There were no standards or interpretations that were early adopted in the current year.

The group has adopted the following Revisions and Amendments which have become applicable in the current financial year, which doesn’t have any material impact to the group:

» IAS 1: Presentation of Other Comprehensive Income

3.2 NEWLY ISSUED STANDARDS AND INTERPRETATIONS – NOT ADOPTED IN THE CURRENT YEAR
The following new or revised IFRS standards and interpretations have been issued with effective dates applicable to future financial statements of the group. Other than new disclosure requirements, these are not expected to have a significant impact on the group’s results, unless otherwise stated.

IFRS 9: Financial Instruments
This is a new standard that forms the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement.

The new standard first becomes applicable to the group for the financial year ending 30 June 2016.

IFRS 10: Consolidated Financial Statements
This is the new standard that replaces the consolidation requirements in SIC-12 Consolidation – Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent and provides additional guidance to assist in the determination of control where this is difficult to assess.

The new standard first becomes applicable to the group for the financial year ending 30 June 2014.

IFRS 11: Joint Arrangements
The new standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement, rather than its legal form. The standard requires a single method for accounting for interests in jointly controlled entities.

The new standard first becomes applicable to the group for the financial year ending 30 June 2014.

IFRS 12: Disclosure of Interests in Other Entities
The new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

The new standard first becomes applicable to the group for the financial year ending 30 June 2014.

IFRS 13: Fair value measurement
The new guidance on fair value measurement and disclosure requirements. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

IFRS 13 Fair Value Measurement will improve consistency and reduce complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.

The new guidance first becomes applicable to the group for the financial year ending 30 June 2014.
NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2013

3. IMPACT OF NEWLY ISSUED STANDARDS AND INTERPRETATIONS (CONTINUED)

3.2 NEWLY ISSUED STANDARDS AND INTERPRETATIONS – NOT ADOPTED IN THE CURRENT YEAR (continued)

IAS 19: Employee Benefits
The amendments make important improvements by eliminating an option to defer the recognition of gains and losses, known as the ‘corridor method’, improving comparability and faithfulness of presentation. It also streamline the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income, thereby separating those changes from changes that many perceive to be the result of an entity’s day-to-day operations.

The amendments enhance the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

The amendment first becomes applicable to the group for the financial year ending 30 June 2014.

IAS 27: Separate Financial Statements
The Standard also deals with the recognition of dividends, certain group re-organisations and includes a number of disclosure requirements.

The amendment first becomes applicable to the group for the financial year ending 30 June 2014.

IAS 28: Investments in Associates and Joint Ventures
This Standard supersedes IAS 28 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The Standard defines ‘significant influence’ and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment.

The amendment first becomes applicable to the group for the financial year ending 30 June 2014.

IAS 32: Financial Instruments – Presentation
Amends IAS 32 Financial Instruments: Presentation to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

» the meaning of ‘currently’ has a legally enforceable right of set-off;
» the application of simultaneous realisation and settlement;
» the offsetting of collateral amounts; and
» the unit of account for applying the offsetting requirements.

The amendment first becomes applicable to the group for the financial year ending 30 June 2015.

IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine
Clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement.

The Interpretation requires stripping activity costs, which provide improved access to ore are recognised as a non-current ‘stripping activity asset’ when certain criteria are met. The stripping activity asset is depre-ciated 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, using the units of production method unless another method is more appropriate.

The amendment first becomes applicable to the group for the financial year ending 30 June 2014.