

Notes to the financial statements

for the financial year ended 31 March 2012

continued

	Consolidated 2012 \$m	Consolidated 2011 \$m	Company 2012 \$m	Company 2011 \$m
Note 20				
Deferred tax assets/(liabilities)				
The balance comprises temporary differences attributable to:				
Other assets and liabilities	342	280	(2)	9
Tax losses	491	387	100	174
Investments in subsidiaries, associates and joint ventures	392	538	–	–
Fixed assets	126	86	–	–
Set-off of deferred tax liabilities	(72)	(46)	211	–
Total deferred tax assets	1,279	1,245	309	183
Intangible assets	(103)	(140)	–	–
Other liabilities	(106)	(54)	–	–
Financial instruments	(298)	(28)	211	–
Tax effect of reserves	(1)	(111)	–	–
Set-off of deferred tax assets	72	46	(211)	–
Total deferred tax liabilities	(436)	(287)	–	–
Net deferred tax assets	843	958	309	183

The majority of the above amounts are expected to be recovered after 12 months of the balance date by the Consolidated Entity and the Company.

Potential tax assets of approximately \$74 million (2011: \$79 million) attributable to tax losses carried forward by subsidiaries have not been brought to account in the subsidiaries and in the Consolidated Entity as the Directors do not believe the realisation of the tax assets is probable.

The principles of the balance sheet method of tax effect accounting have been adopted whereby the income tax expense for the financial year is the tax payable on the current year's taxable income adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and unused tax losses. Deductible temporary differences and tax losses give rise to deferred tax assets. Deferred tax assets are not recognised unless the benefit is probable of realisation.

The deferred tax assets have been applied against deferred tax liabilities to the extent that they are expected to be realised in the same period within the same tax paying entity.