

Santos Limited

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THANK YOU FOR WATCHING

Associates

- An associate is an entity that the group has significant influence over (generally 20 to 50% of the voting rights), but is neither a subsidiary nor a joint venture.
- The Group's investment in an associate is accounted for using the equity method. Using this method, the investment in the associate is presented in the consolidated statement of financial position at cost plus post-acquisition changes to the net assets.
- Goodwill relating to the investment is included in the carrying amount and is not amortised.

Jointly controlled Entities and Interests

- Prior to the year ended 31 December 2011, jointly controlled entities were recognised using proportionate consolidation. Here, each interest contains its share of assets, liabilities, income and expenses of the joint venture in the consolidated financial statements.
- Due to the recent amendments to the Australian Accounting Standards (specifically AASB 11 - Joint Arrangements), Santos has adopted the 'equity method' to account for jointly controlled entities that are considered joint ventures, as the previously accepted 'proportionate consolidation method' has become obsolete.

Summarise the accounting methods used by Santos, including any relevant standards. How has it accounted for these items in the parent entity accounts?

- The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The method recognises separately from goodwill, the identifiable intangible assets acquired, the liabilities assumed and any non-controlling interests at acquisition date.
- A change in ownership interest of a subsidiary is recognised as an equity transaction.
- Pre-acquisition transactions and liabilities are eliminated upon consolidation.
- Non-controlling interests are allocated their share of net profits after tax in the income statement, and are disclosed separately from the group's equity.

Diagram demonstrating Santos' subsidiaries, associates and joint ventures as at 31 December 2011



Has the entity made a segment disclosure? What is the basis for the segments disclosed?

The segments are defined on the basis of separate business and entities of assets with their regions. The business units are energy services units, Gas, Energy Services, Downstream, and Petrochemicals. The segments are defined on the basis of separate business and entities of assets with their regions. The business units are energy services units, Gas, Energy Services, Downstream, and Petrochemicals. The segments are defined on the basis of separate business and entities of assets with their regions. The business units are energy services units, Gas, Energy Services, Downstream, and Petrochemicals.

Has the entity formed a tax-consolidation group?

The company and all of its wholly owned taxable resident entities are part of a tax consolidated group which enables the group to file a consolidated tax return for the year ending 31 December 2011. The company and all of its wholly owned taxable resident entities are part of a tax consolidated group which enables the group to file a consolidated tax return for the year ending 31 December 2011.

Identify the entity's principal activities

- Santos Limited is one of Australia's leading natural gas producers.
- Santos provides gas to all major Australian states and territories, offshore to Malaysia and oil and liquids to domestic and international customers, including China.
- Santos' principal activities include exploration of energy development projects, production and processing end-use, reserves and liquids marketing.



How much is consolidated profit after tax attributable to the shareholders of the parent entity for the 2011 financial year?

The after tax profit attributable to owners of Santos Limited is \$763 million for the year ended 31 December 2011 (Consolidated Income Statement for the year ended 31 December 2011, pg 80).

Who is the CEO? How much was CEO total remuneration in the 2011 financial year?

The CEO of Santos since July 2010 is David Gray (aged 57). The total remuneration amount awarded to David was \$5,100,000 (Remuneration Report for the year ended 31 December 2011, pg 14).



Who are the auditors? How much were audit fees for the 2011 financial year?

The auditor is PricewaterhouseCoopers (PwC) for the year ended 31 December 2011. The audit fees for the year ended 31 December 2011 were \$1,100,000 (Remuneration Report for the year ended 31 December 2011, pg 14).

How many subsidiaries does the entity control? How many are 100% owned? How many are less than 50% owned? Are there any foreign subsidiaries?

Santos Limited controls 100% of 100 subsidiaries and 100% of 100 subsidiaries. There are 100 subsidiaries that are less than 50% owned. There are 100 foreign subsidiaries.

How many associates or investments in jointly controlled entities does the entity have?

Santos Limited has 100 associates or investments in jointly controlled entities.

Does the entity have any interests in jointly controlled operations or assets? If so, how many?

- Santos Limited has 100 interests in jointly controlled operations or assets.
- Interest of 100% in 100 and 100 Assets - Products Assets.
- 100% in 100 and 100 Assets - Assets in Development.
- 100% in Exploration and Solution Assets.





Santos Limited

Annual Report 2011

Presentation by:

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Question 1

Question 2

Question 3

Question 4

Question 5

Question 6

Question 7

Question 8

Question 9

Question 10

Question 11

Question 12

Question 1

Identify the entity's principal activities.

- Santos Ltd is one of Australia's leading natural gas producers.
- Santos provides gas to all mainland Australian states and territories, ethane to Sydney, and oil and liquids to domestic and international customers, including China.
- Santos' principal activities include exploration of acreage, development projects, production and processing endeavours, reserves, and liquids marketing



How much is consolidated profit after tax