15 October 2014

AIM: CHL

CHURCHILL MINING PLC
("Churchill" or "the Company")

Full Year Results for the 12 Months ended 30 June 2014

Churchill Mining (AIM: CHL) reports its full year results for the 12 months ended 30 June 2014.

CHAIRMAN'S STATEMENT

Dear Shareholder,

I present Churchill Mining Plc's ("Churchill" or the "Company") Full Year Report for the 12 months ended 30 June 2014.

During the year the Company continued actively to seek recovery of shareholder value by progressing the international arbitration against the Republic of Indonesia at the International Centre for Settlement of Investment Disputes ("ICSID") in Washington DC (the "Churchill Arbitration"). The arbitration relates to the revocation of the mining licenses that made up the East Kutai Coal Project in East Kalimantan ("EKCP"), Indonesia, in which Churchill and its wholly owned subsidiary Planet Mining Pty Ltd's ("Planet") held a 75% interest.

Churchill and Planet are represented in the ICSID arbitration by the highly regarded international law firm Quinn Emanuel Urquhart & Sullivan ("Quinn Emanuel"). Experienced London- based partner Stephen Jagusch heads the Quinn Emanuel team for Churchill/Planet.

The Republic of Indonesia had previously filed an objection to ICSID's jurisdiction to hear Churchill/Planet's claim for damages.

On February 25, 2014 the ICSID arbitral tribunal ("Tribunal"), comprising Prof. Gabrielle Kaufmann-Kohler (President), Mr. Michael Hwang S.C (Arbitrator) and Prof. Albert Jan van den Berg (Arbitrator), rejected the Republic of Indonesia's challenges to the Tribunal's jurisdiction.

In summary, the jurisdictional challenges by the Republic of Indonesia claimed:-

(i) the Republic of Indonesia had not consented to ICSID arbitration of the dispute with Churchill and Planet under the UK-Indonesia and the Australia-Indonesia Bilateral Investment Treaties, and

(ii) even if the Tribunal found that the Republic of Indonesia had consented to ICSID arbitration as a general matter, the tribunal would still lack jurisdiction because Churchill's and Planet's investments fell outside the scope of protected investments under the respective Bilateral Investment Treaties.

In its ruling, the Tribunal dismissed the Republic of Indonesia's challenges and found that the Tribunal has jurisdiction over the claims Churchill and Planet have submitted.

In May 2014, Quinn Emanuel, filed a supplemental memorial on quantum and damages after valuation experts FTI Consulting Canada LLC ("FTI") had prepared an independent assessment of Churchill/Planet's damages.

FTI determined the damages to Churchill/Planet of US$1,149.90 million plus pre-award interest of US$165.70 million for a total of US$1,315.60 million.

FTI calculated the fair market value of Churchill/Planet's investment in the EKCP using the industry standard prime methodology Discounted Cash Flow analysis. The analysis was based on a production rate of 50Mtpa and a railway haulage scenario.

ICSID Document Inspection & Contemporaneous Police Raid on Jakarta Office

In accordance with the ICSID Tribunal's ("Tribunal") Procedural Order No 10, representatives from Churchill and the Republic of Indonesia met in Singapore on 29 August 2014 to inspect a designated bundle of original documents relating to the mining licenses. Whilst this Tribunal-ordered document inspection was in progress in Singapore, police officers from Indonesia raided the Company's Jakarta office and seized a number of documents, computers and back-up drives supposedly as part of a new police investigation into alleged license document forgery.

It is the Company's view that this police raid was strategically timed to harm and prejudice the Company's case currently being heard by the Tribunal. The Company has accordingly made an application for provisional measures pursuant to Article 47 of the ICSID Convention and Rule 39 of the ICSID Arbitration Rules that the Tribunal recommend that Indonesia (i) return forthwith all documents and other items that were seized by the Indonesian police in the raid on 29 August 2014, and (ii) refrain from engaging in any conduct that would aggravate the dispute, alter the status quo or jeopardise the procedural integrity of the ICSID proceedings.

With regard to Indonesia's resurfaced allegations of document forgery, the Company categorically denies that it ever participated in or that it was ever in any way involved in the forgery of any documents. Furthermore, prior to the revocation of the EKCP mining licenses in which the Company held an interest, agencies of Indonesia regularly (i) visited the EKCP site, (ii) sought and received payments in relation to the EKCP properties, and (iii) were provided with exploration and other technical reports relating to the EKCP properties. The Company also notes that previous investigations, carried out by both the Indonesian police and the Independent Stage Agency (BAWASDA), into these allegations of document forgery concerning the Ridlatama EKCP mining licenses concluded there was no case to answer.

Indonesia's "Application" For Dismissal of Churchill's Claims

On 26 September 2014 the Company received notification from its solicitors that Indonesia had written to the Tribunal on 25 September 2014 and submitted a so-called "Application for the Dismissal of Churchill and Planet's Claims".

This unusual "last minute" application by Indonesia has also requested an order by the Tribunal to modify the procedural timetable to schedule an immediate hearing within the next 30 days or sooner if feasible to resolve the forgery allegations as a discrete issue. The Company sees this application as part of a calculated strategic attempt to derail the arbitration proceedings and notes that Indonesia has had 18 months to consider the Company's case on merits which include Indonesia's theory of alleged license forgery.

Whilst Indonesia's disjointed application raises a number of issues including allegations of forgery, background and actions of the Ministry of Forestry that seemingly contributed to the revocation of the EKCP mining licenses, as well as the economics and feasibility of the EKCP and the damages value that has been claimed by Churchill/Planet, it does not address many of the substantive issues raised in the Company's Memorials and claim for damages.

Accordingly, the Company through its lawyers, Quinn Emanuel, has requested the Tribunal reject any attempt by Indonesia to litigate piecemeal the merits of the case and to direct Indonesia to complete its submissions on the merits by 12 November 2014 as set out in the established procedural schedule.

I can assure you the Board continues to work with diligence and enthusiasm to seek a suitable outcome for shareholders and I thank shareholders, my fellow Directors and staff for their continued support and patience.

David Quinlivan
Chairman
15 October 2014

The full report and accounts for the period ended 30 June 2014 are available on the Company's website www.churchillmining.com and will be sent to shareholders.

For further information, please contact:

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STRATEGIC REPORT

BUSINESS REVIEW / HISTORY

Churchill Mining Plc ("Churchill" or "the Company") listed on AIM in April 2005. Churchill's growth path accelerated following the discovery of a world-class thermal coal deposit (the East Kutai Coal Project "EKCP") in the East Kutai Regency of Kalimantan, Indonesia, through an intensive and targeted exploration program.

Churchill's investments and operations culminated in the completion of a feasibility study in readiness for funding and the commencement of construction of the necessary infrastructure to support the exploitation of the coal resource. The Group's operations were subsequently halted by a decision by the East Kutai Regent to revoke the mining licences held by Churchill's Indonesian partners, the Ridlatama group of companies ("Ridlatama"). The East Kutai Regent's decision was challenged before the Indonesian courts, resulting initially in a negative ruling from the Samarinda Administrative Tribunal which upheld the East Kutai Regent's decision to revoke the licences. The decision was appealed, first to the Administrative High Court in Jakarta and then to the Supreme Court of Indonesia, but both appeals were unsuccessful.

FILING OF INTERNATIONAL ARBITRATION CLAIM

In May 2012 Churchill filed a Request for Arbitration at the International Centre for Settlement of Investment Disputes ("ICSID") against the Republic of Indonesia ("ROI") alleging breaches by ROI of obligations under the UK-Indonesia Bilateral Investment Treaty. In addition, Churchill's Australian subsidiary, Planet Mining Pty Ltd ("Planet"), also filed a Request for Arbitration at ICSID against the ROI pursuant to the Australia-Indonesia Bilateral Investment Treaty. The Churchill and Planet arbitrations were subsequently consolidated into a single proceeding.

Churchill and Planet have filed their Memorials setting out their case against ROI supported by witness statements and expert and documentary evidence. Key elements within the Memorials include:-

- The ROI initially supported and encouraged Churchill/Planet to invest in the East Kutai Coal Project;
- Churchill/Planet invested in the ROI in compliance with applicable laws and regulations;
- After Churchill/Planet's discovery of substantial coal deposits, the ROI took a series of unlawful actions that resulted in the destruction of Churchill/Planet's valuable investment;
- The actions of the ROI constitute clear violations of its obligations under the Bilateral Investment Treaties with the United Kingdom and Australia; and
- Churchill/Planet presently quantify their losses and seek damages in the amount of USD 1,315 million (including interest) based on an industry-standard Discounted Cash Flow analysis.

Aside from a direct minority interest in some manganese exploration tenements in Western Australia, Churchill has no business interests or activities other than its and Planet's claims against the ROI, which remain Churchill's principal activity and focus.

Refer to the Chairman's report in relation to the progress of the international arbitration claim during the 2014 Financial Year.

STRATEGY AND OBJECTIVES

Churchill's key objective is to restore shareholder value following the revocation of the mining licenses that made up the EKCP in East Kalimantan, Indonesia, in which Churchill/Planet held a 75% interest.

FINANCIAL SUMMARY

Results of Operations (All amounts in US$)

The Group incurred a loss for the year attributable to equity shareholders of the parent of $2,450,087 compared to a loss of $11,601,978 for the previous year. The basic loss per ordinary share for the year was 1.99c compared with the loss per share of 9.45c for the previous year.
Other administrative expenses totalled $2.71 million (June 2013: $7.1 million).
Significant expenditure items during the period include:

- Legal and professional fees of $1.46 million (June 2013: $4.22 million) reflecting ongoing expenditure for the Company's arbitral claim against the Republic of Indonesia;
- Consulting, directors, staff and professional fees of $0.58 million (June 2013: $0.94 million) which reflects the planned reduction in corporate overheads.

The reduction in the net cash outflow from operating activities during the period reflects the board's efforts to reduce other administration and corporate overheads where possible to preserve the Company's cash position:

	30 June 2014 $'000 Audited	30 June 2013 $'000 Audited	30 June 2012 $'000 Audited
Net cash flows from operating activities	(2,355)	(7,017)	(8,965)

The balance of operating expenditure is in line with the Company's expectations and resources allocated to progressing the ICSID arbitration proceedings against the Republic of Indonesia.

Selected Annual Information

The Group's statement of financial position at 30 June 2014 and comparatives at 30 June 2013 and 30 June 2012 are summarised as follows:

	2014 $'000	2013 $'000	2012 $'000
Non-current assets	7	295	4,099
Current assets	5,565	8,075	15,604
Total assets	**5,572**	**8,370**	**19,703**
Current liabilities	3,222	3,967	4,341
Non-current liabilities	40	44	73
Total liabilities	**3,262**	**4,011**	**4,414**
Net assets	**2,310**	**4,359**	**15,289**

Liquidity & Capital

The Group began the year with US$4.8 million in cash and ended the year with US$3.01 million in cash asset. The Company continues to reduce other administration and corporate overheads where possible to preserve the Company's cash position. As part of this, the Directors have agreed to accept equity securities in lieu of receiving cash payments in respect of Directors' fees.

During the year the Group disposed of its minority interest in ASX-listed Spitfire Resources Limited ("Spitfire") for A$250,000. Apart from a minority direct interest in three of Spitfire's tenements in Western Australia, Churchill now has no business interests or activities other than its and Planet's arbitral claims against the Republic of Indonesia which continue to be Churchill's principal activity and focus for the group.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board regularly reviews the risks to which the Group is exposed and endeavours to minimise these risks as far as possible. The following summary, which is not exhaustive, outlines some of the risks and uncertainties facing the Group in its present position following the revocation of the mining licenses that made up the EKCP and the filing of international arbitration against the Republic of Indonesia.

Litigation risk
As detailed in the Chairman's statement and Strategic Review, the Company is engaged in legal actions including a significant damages claim in international arbitration against the Republic of Indonesia of which the outcome remains unknown. There can be no assurance that any or all of the various proceedings may be awarded in favour of the Company. The Company has engaged experienced international counsel to assist in mitigating this risk.

Sovereign risk
The Group has an administration office in Indonesia where there are a number of associated risks over which it will have no control. Potential risks in Indonesia could include economic, social or political instability, terrorism, currency instability, government participation and taxation.

Reliance on key management
The Group's future success is substantially dependant on the continued services and performance of its key personnel. The Company's aim is to ensure that key personnel are rewarded for their contribution to the Group and are motivated to enhance the return to Shareholders. There can be no assurance that the Company's current personnel, systems, procedures and controls will be adequate to support the litigation or any future operations or expansion.

Funding risk
The ability of the group to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the general performance of the Company and the progress of the International arbitration claim. There can be no assurance that additional capital or other forms of finance may be available if needed, or that, if available the terms of such financing will be favourable to the group.

Currency risk
The Company is exposed to exchange rate risk in its daily operations and mitigates this risk where possible by holding currency in GBP, USD and AUD based on budgeted expenditure

ANALYIS USING KEY PERFORMANCE INDICATORS

The International arbitration claim has in effect become Churchill's principal activity and focus. The key performance indicator is to manage the arbitration claim in an efficient and cost effective manner. The Directors regularly monitor available cash to meet on-going administration and legal costs with the aim of a recovery of value for Shareholders.

APPROVAL OF THE BOARD

This strategic report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties with a company that has a legal claim as its main business. Whilst the Directors believe that any expectation reflected herein to be reasonable in light of the information available up to the time of their approval of this report, the actual outcome may be materially different owing to factors beyond the Group's control. Accordingly no reliance may be placed on any forward-looking statements.

By order of the Board

David Quinlivan
Chairman
15 October 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2014

	Note	2014 $'000	2013 $'000
Other operating income		8	4
Impairment of other financial assets	8	-	(2,258)
Other administrative expenses		(2,711)	(7,110)
Impairment of exploration expenditure		-	(399)
Impairment of land	11	-	(1,757)
Loss on sale of financial asset	8	(46)	-
Total administrative expenses	3	**(2,757)**	**(11,524)**
Loss from operations		**(2,749)**	**(11,520)**
Finance income	2	**306**	**79**
Finance expense	3	**(7)**	**(160)**
Loss before taxation		**(2,450)**	**(11,601)**
Tax expense	5	-	-
Loss for the year attributable to equity shareholders of the parent		**(2,450)**	**(11,601)**
Other comprehensive (expense)/income:			
Transfer of Available for Sale Reserve to Income Statement		-	533
Foreign exchange differences on translating foreign operations		(5)	(49)
Other comprehensive (expense)/income for the year		**(5)**	**484**
Total comprehensive loss for the year attributable to equity shareholders of the parent		**(2,455)**	**(11,117)**
Loss for the year attributable to:			
Owners of the parent		(2,450)	(11,601)
Non-controlling interest		-	-
		(2,450)	**(11,601)**
Total comprehensive loss for the year attributable to:			
Owners of the parent		(2,455)	(11,117)
Non-controlling interest		-	-
		(2,455)	**(11,117)**
Loss per share attributable to owners of the parent:			
Basic and diluted loss per share (cents)	6	(1.99c)	(9.45c)

The accompanying notes form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
As at 30 June 2014

Company number 5275606		Consolidated		Company	
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000
ASSETS					
Current assets					
Cash and cash equivalents		3,016	4,848	2,993	4,821
Other receivables	10	2,549	3,227	56	202
Total current assets		**5,565**	**8,075**	**3,049**	**5,023**
Non-current assets					
Property, plant and equipment	11	7	21	6	10
Other financial assets	8	-	274	-	-
Investment in subsidiaries	12	-	-	-	158
Total non-current assets		**7**	**295**	**6**	**168**
TOTAL ASSETS		**5,572**	**8,370**	**3,055**	**5,191**
LIABILITIES					
Current Liabilities					
Trade and other payables	13	739	974	681	832
Loans and borrowings	14	2,483	2,993	-	-
Total current liabilities		**3,222**	**3,967**	**681**	**832**
Non-current liabilities					
Provisions	15	40	44	-	-
Total non-current liabilities		**40**	**44**	**-**	**-**
TOTAL LIABILITIES		**3,262**	**4,011**	**681**	**832**
NET ASSETS		**2,310**	**4,359**	**2,374**	**4,359**
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	17	2,237	2,230	2,237	2,230
Share premium	17	77,791	77,641	77,791	77,641
Other reserves	17	2,424	2,180	2,488	2,239
Retained deficit		(81,246)	(78,796)	(80,142)	(77,751)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**1,206**	**3,255**	**2,374**	**4,359**
Non-controlling interest		1,104	1,104	-	-
TOTAL EQUITY		**2,310**	**4,359**	**2,374**	**4,359**

The accompanying notes form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 15 October 2014 and were signed on its behalf by:

David Quinlivan
Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2014

					Other Reserves					
Consolidated	Share	Share	Merger	Retained	Foreign	Equity	Availabl	Total Equity	Non-	Total

	Capita l	premium reserve	reserve	deficit	exchang e	settled share options	e for sale	attributable to equity holders of Company	controlling Interest	Equity
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Changes in equity for year to 30 June 2013										
Balance at 1 July 2012	2,220	77,537	6,828	(75,292)	(10)	3,435	(533)	14,185	1,104	15,289
Loss for the period	-	-	-	(11,601)	-	-	-	(11,601)	-	(11,601)
Other comprehensive (expense)/income	-	-	-	-	(49)	-	533	484	-	484
Transfer of Merger Reserve to retained	-		(6,828)	6,828						
Deficit										
Expiry of share options	-	-	-	1,269	-	(1,269)	-	-	-	-
Recognition of share based payments	-	-	-	-	-	73	-	73	-	73
Issue of shares	10	104	-	-	-	-	-	114	-	114
Balance at 30 June 2013	**2,230**	**77,641**	**-**	**(78,796)**	**(59)**	**2,239**	**-**	**3,255**	**1,104**	**4,359**
Changes in equity for year to 30 June 2014										
Balance at 1 July 2013	2,230	77,641	-	(78,796)	(59)	2,239	-	3,255	1,104	4,359
Loss for the period	-	-	-	(2,450)	-	-	-	(2,450)	-	(2,450)
Other comprehensive expense	-	-	-	-	(5)	-	-	(5)	-	(5)
Recognition of share based payments	-	-	-	-	-	249	-	249	-	249
Issue of shares	7	150	-	-	-	-	-	157	-	157
Balance at 30 June 2014	**2,237**	**77,791**	**-**	**(81,246)**	**(64)**	**2,488**	**-**	**1,206**	**1,104**	**2,310**

The accompanying notes form part of these financial statements.

Company	**Share Capital**	**Share premium reserve**	**Merger reserve**	**Retained deficit**	**Equity settled share options reserve**	**Total Equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Changes in equity for						

year to 30 June 2013						
Balance at start of the year	2,220	77,537	6,828	(76,513)	3,435	13,507
Total comprehensive loss for the year	-	-	-	(9,335)	-	(9,335)
Transfer of Merger reserve to retained deficit			(6,828)	6,828		
Issue of shares	10	104	-	-	-	114
Expiry of share options	-	-	-	1,269	(1,269)	-
Recognition of share based payments	-	-	-	-	73	73
Balance at 30 June 2013	**2,230**	**77,641**	**-**	**(77,751)**	**2,239**	**4,359**
Changes in equity for year to 30 June 2014						
Balance at start of the year	2,230	77,641	-	(77,751)	2,239	4,359
Total comprehensive loss for the year	-	-	-	(2,391)	-	(2,391)
Transfer of Merger reserve to retained deficit	-	-	-	-	-	-
Issue of shares	7	150	-	-	-	157
Recognition of share based payments	-	-	-	-	249	249
Balance at 30 June 2014	**2,237**	**77,791**	**-**	**(80,142)**	**2,488**	**2,374**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 30 June 2014

		Consolidated		Company	
	Note	2014	2013	2014	2013
		$'000	$'000	$'000	$'000
Cash flows used in operating activities	19	(2,355)	(7,017)	(2,057)	(5,320)
Net cash used in operating activities		**(2,355)**	**(7,017)**	**(2,057)**	**(5,320)**
Cash flows used in investing activities					
Finance income		2	16	2	14
Payments for exploration and evaluation assets		-	(146)	-	(1)
Receipts from sale of property, plant and equipment		1	4	-	-
Receipts from sale of financial assets		240	-	-	-
Acquisition of property, plant and equipment		-	(1)	-	-
Advances to subsidiaries		-	-	(304)	(1,343)
Repayment of subsidiary loans		-	-	244	-
Cash flows generated from/(used in) investing		**243**	**(127)**	**(58)**	**(1,330)**

activities				
Cash flows from financing activities				
Proceeds from issue of share capital	-	114	-	114
Cash flows from financing activities	**-**	**114**	**-**	**114**
Net decrease in cash and cash equivalents	(2,112)	(7,030)	(2,115)	(6,536)
Cash and cash equivalents at beginning of year	4,848	12,000	4,821	11,517
Effect of foreign exchange rate differences	280	(122)	287	(160)
Cash and cash equivalents at the end of year	**3,016**	**4,848**	**2,993**	**4,821**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users; that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

BASIS OF PREPARATION

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. All amounts presented are in thousands of US dollars ($'000) unless otherwise stated.

These financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations issued by the International Accounting Standards Board (IASB) adopted by the European Union and in accordance with applicable United Kingdom Law. The adoption of all of the new and revised Standards and Interpretations issued by the IASB and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to the operations and effective for annual reporting periods beginning on 1 July 2013 are reflected in these financial statements.

As at 30 June 2014 the Group has cash funds of $3.0m. The Group is fully funded for the next 12 months. However, based on the Group's current level of operating and legal expenditure, the Director's anticipate that additional funding will be required after that. The Group remains fully committed to its ICSID litigation against the Republic of Indonesia. The Directors have a reasonable expectation that the Group has access to adequate capital resources to continue its operational existence and the pursuit of the ICSID litigation and for this reason, they continue to adopt the going concern basis in preparing these accounts.

NEW STANDARDS AND INTERPRETATIONS APPLIED

The IASB has issued the following new standards, amendments to published standards and interpretations to existing standards with effective dates on or prior to 1 July 2013 which have been adopted by the Group for the first time this year and which have not had a material effect. The new standards and amendments relevant to the Group have been disclosed below:

		Effective period commencing on or after	Impact on Group
IFRS 13	Fair Value Measurement	1 January 2013	No material impact
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013	No material impact
IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013	No material impact
IAS 19	Amendment – Employee Benefits	1 January 2013	No material impact

IAS 36	Recoverable amount disclosures for non-financial assets	1 March 2013	No material impact
	Annual improvements to IFRSs (2009–2011 Cycle)	1 January 2013	No material impact

New standards and interpretations not yet effective
Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning after 1 July 2014 or later periods and which the Group has decided not to adopt early or which are yet to be EU endorsed. These are:

		Effective period commencing on or after
IFRS 9*	Financial Instruments	1 January 2018
IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 11	Joint Arrangements	1 January 2014
IFRS 12	Disclosure of Interests in Other Entities	1 January 2014
IAS 27	Amendment – Separate Financial Statements	1 January 2014
IAS 28	Amendment – Investments in Associates and Joint Ventures	1 January 2014
IAS 32*	Offsetting Financial Assets and Financial Liabilities	1 January 2014

* Not yet adopted by the European Union.

None of the above standards are expected to have a material impact on the financial statements of the Group.

SIGNIFICANT ACCOUNTING POLICIES

Finance income
Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Basis of consolidation
Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The financial statements of subsidiaries are included in the Group's financial statements from the date that control commences until the date that control ceases.

Non-controlling interests are presented in the statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company and in respect of the statement of comprehensive income are presented on the face as an allocation of the total profit or loss and other comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Foreign currency
Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the statement of comprehensive income.

The consolidated financial information is presented in US dollars ($), which is the functional and presentation currency of the Company. On consolidation, the results of overseas operations are translated into US$ at rates approximating to those when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised directly in the statement of changes in equity (the "foreign exchange reserve"). Exchange differences recognised in the statement of comprehensive income of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to the foreign exchange reserve if the item is denominated in the functional currency of the Company or the overseas operation concerned. On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Financial instruments
Financial assets and financial liabilities are recognised when the Group and Company become party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to the cash flow expires or when all the risks and rewards of ownership are substantially transferred. Financial liabilities are derecognised when the obligations specified in the contract are either discharged or cancelled.

Financial assets
The Group and Company classify their financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's and Company's accounting policy for each category is as follows:

(i) **Available-for-sale**

Financial assets designated as available for sale are initially recognised at fair value, being the consideration given including, where appropriate, acquisition costs associated with the investment. The Group's investments in quoted shares are designated as 'available-for-sale' financial assets and are included in non-current assets. Such investments are subsequently carried at fair value, with any gains or losses arising from changes in fair value being recognised in equity. Financial assets are derecognised when the rights to receive cashflows from the investments have expired or have been transferred and the Group has substantially transferred all risks and rewards of ownership. Fair value is based on market value at the date of the Statement of Financial Position.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of a financial asset classified as available-for-sale, a significant or prolonged decline in the fair value of the financial asset below its cost is considered an indicator that the financial asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on financial assets which are equity instruments are not reversed through the income statement.

(ii) **Loans and receivables**

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They incorporate various types of contractual monetary assets, such as advances made to affiliated entities which give rise to other receivables and cash and cash equivalents includes cash in hand and deposits held at call with banks. Other receivables are carried at cost less any provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty) that the Group will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Financial liabilities
The Group's financial liabilities consist of trade payables, other short-term monetary liabilities and long term liabilities which are initially stated at fair value and subsequently at their amortised cost.

Provisions
Provisions are recognised for liabilities of uncertain timing or amount that have arisen as a result of past transactions and are discounted at a pre-tax rate reflecting current market assessments of the time value of money and the risks specific to the liability.

Share-based payments
Where share options are awarded to Directors and employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income immediately or over the vesting period if applicable. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each

reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with the fair value of goods and services received or where this is not possible at the fair value of the equity instruments granted. Fair value is measured by use of an option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. When the Company grants options over its shares to employees of subsidiaries, the fair value at grant date is recognised as an increase in the investment in subsidiaries, with a corresponding increase in equity over the vesting period of the grant.

Exploration, evaluation and development expenditure
In line with IFRS 6 'Exploration for and Evaluation of Mineral Resources', exploration and evaluation expenditure can be capitalised as an intangible asset in respect of each area of interest. This expenditure includes:

- Acquisition of rights to explore;
- Topographical, geological, geochemical and geophysical studies;
- Exploratory drilling;
- Trenching;
- Sampling; and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

Capitalisation of exploration and evaluation expenditure commences on the acquisition of a right to explore a specific area or evaluate a mineral resource, either by means of the acquisition of an exploration licence or an option to a mineral right and ceases either on the acquisition of a mining lease or mineral production right in respect of that specific area or mineral resource or the making of a decision by management of the Group as to the technical feasibility or economic viability of conducting mining operations in that specific area or extracting the mineral resource being evaluated.

Where management of the Group decides that it is not technically feasible or economically viable to conduct mining operations in a specific area or to extract the mineral resource being evaluated, then capitalised exploration and evaluation expenditure attributable to the exploration and evaluation of that specific area or mineral resource, as the case may be, capitalised up to the date of making such a decision, is written off and any further exploration and evaluation expenditure incurred in respect thereof is charged to profit or loss as and when incurred. Management reviews the levels of capitalised exploration and evaluation expenditure for each area of interest on a regular basis and where deemed appropriate either continues to carry forward costs or impair expenditure based on management estimates of recoverable values for each area of interest.

Assets used exclusively in activities in respect of the exploration for and evaluation of mineral resources are classified as property, plant and equipment. Depreciation charges reflecting the consumption of these assets in carrying out such activities are included in exploration and evaluation expenditure.

Property, plant and equipment
Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future costs of dismantling and removing items if applicable. The corresponding liability is recognised within provisions. Depreciation is provided on all items of property and equipment to write off the carrying value of items over their expected useful economic lives as follows:

Freehold land	- not depreciated
Leasehold improvements	- 5 years
Furniture and fixtures	- 3 years
Office equipment	- 3 years
Motor vehicles	- 8 years

Taxation
Tax on the profit or loss from ordinary activities includes current and deferred tax.

Current tax is based on the profit or loss adjusted for items that are non-assessable or disallowed and is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Tax is charged or credited to the statement of comprehensive income, except when the tax relates to items credited or charged directly to equity, in which case the tax is also dealt with in equity.

Deferred taxation
Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs to its tax base, except for differences arising on:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/ (assets) are settled/ (recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable Group Company; or
- Different Group entities which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Tax consolidation
The Company and its 100% Australian controlled entities have formed a tax consolidation Group. Members of the tax consolidated Group intend to enter into a tax sharing arrangement which will allow for the allocation of income tax expense to the wholly controlled entities on a pro rata basis. The arrangement will provide for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. The head entity of the tax consolidated Group is Churchill Mining Plc.

Impairment of non-financial assets
Impairment tests on intangible assets and tangible assets with indefinite useful economic lives are undertaken annually on 30 June or when a trigger for impairment is identified. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the lowest level group of assets in which the asset belongs for which there are separately identifiable cash flows).

Impairment charges are included within total administration expenses in the statement of comprehensive income, except to the extent that they reverse gains previously recognised in the statement of changes in equity.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is the Managing Director, under his delegated board authority, is responsible for allocating resources and assessing performance of the operating segments.

Investments

In its separate financial statements, the Company recognises its investments in subsidiaries at cost inclusive of share based payments less any provision for impairment.

Cash and cash equivalents
Cash comprises bank and cash deposits at variable interest rates. Any interest earned is accrued monthly and classified as interest income. Cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Employee benefits
Provision is made for the Company's liability for employee benefits arising from services rendered by employees. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits.

Key sources of estimation uncertainty
The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may deviate from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- While conducting an impairment review of its assets, the Group exercises judgement in making assumptions by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Changes in these estimates used can result in significant charges to the statement of comprehensive income ; and

- Employee, corporate advisory and consulting services received as well as the corresponding increase in equity, are measured by reference to the fair value of the equity instruments at the date of grant, excluding the impact of any non market vesting conditions. The fair value of share options is estimated by using an option pricing model, on the date of grant based on certain assumptions. Those assumptions are described in the Notes to the accounts where more details, including carrying values, are disclosed.

NOTE 2: FINANCE INCOME

	Consolidated	
	2014	**2013**
	$'000	**$'000**
Finance income – foreign exchange gains	304	63
Finance income - Bank interest	2	16
Total finance income	**306**	**79**

NOTE 3: LOSS FROM OPERATIONS

	Consolidated	
	2014	**2013**
	$'000	**$'000**
Loss before tax includes the following expense items:		
Administrative expenses		
Audit & accounting and other fees	91	178
Consulting & professional fees	252	535
Legal fees	1,462	4,221

VAT costs unrecovered	6	61
Depreciation & amortisation	13	45
Employee salaries and benefits	336	872
Operating lease expense	60	120
Travel expenses	45	114
Public relations consultancy	58	619
Other administrative costs	139	272
Impairment of land	-	1,757
Impairment of other financial assets	-	2,258
Impairment of exploration and evaluation expenditure	-	399
Equity settled share based payment expense	249	73
Loss from sale of financial assets	46	-
	2,757	**11,524**
Finance expenses		
Foreign exchange losses	7	160
Total administrative and finance expenses	**2,764**	**11,684**

During the year the following fees were paid or payable for services provided by the Auditors of the parent entity and subsidiaries:

	Consolidated	
	2014	**2013**
	$'000	**$'000**
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	31	38
Other services – interim review	10	11
Fees payable for the audit of the subsidiaries	12	22
Total	**53**	**71**

NOTE 4: SALARIES

		Consolidated	
		2014	**2013**
	Note	**$'000**	**$'000**
Staff costs (including Directors' fees) comprise:			
Employee salaries and benefits		144	704
Superannuation/pension costs		7	25
Directors' fees and benefits		186	147
Share-based payments	18	249	73
		586	**949**
		Number	
Average number of employees (including Directors)		11	17
		2014	**2013**
Directors' remuneration and Other Key Management disclosures		**$'000**	**$'000**
Directors' short term benefits			
Directors' fees and benefits		186	147

Consultancy fees/Salaries	18	415
Sub-Total	**204**	**562**
Directors' long term benefits		
Share based payments (options)	171	51
Total Director Remuneration	**375**	**613**
Other Key management short term benefits		
Consultancy fees	209	229
Key management salaries	-	116
Sub-Total	**209**	**345**
Key management long term benefits		
Share based payments (options)	39	9
Total Other Key Management Remuneration	**248**	**354**
Total Director and Key Management Remuneration	**623**	**967**
The amounts set out above include emoluments for the highest paid Director as follows:		
Short term benefits	51	333
Total	**51**	**333**

Key management consists of the Board of Directors and the Company Secretary/Chief Financial Officer.

The Company provides Directors' & Officers' liability insurance at a cost of $38,125 (2013: $38,821). This cost is not included in the above table.

NOTE 5: TAXATION ON LOSS FOR THE YEAR

	Consolidated	
	2014	**2013**
	$'000	**$'000**
Major components of income tax expense for the years ended 30 June 2014 and 2013 are:		
Current tax expense	-	-
Deferred tax expense	-	-
Total tax expense	-	-
A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the years ended 30 June 2014 and 2013 is as follows:		
Accounting loss before income tax	**(2,450)**	**(11,601)**
At the statutory income tax rate of 30%	(735)	(3,480)
Effects of:		

	Consolidated	
	2014 $'000	2013 $'000
Non-deductible expenses	566	1,549
Temporary differences and tax losses not brought to account as a deferred tax asset	158	1,775
Less:		
Tax rate differential	11	156
Income tax expense	-	-
Effective income tax rate of 0%	0%	0%

No amounts of deferred tax assets or liabilities have been charged / (credited) to the consolidated statement of comprehensive income or reserves. The deductible temporary differences and Australian domestic tax losses being $18,405,000 (2013: $18,176,000) do not expire under current tax legislation. Indonesian tax losses expire after five years. Deferred tax assets have not been recognised in respect of these items because at this point it is not probable that future taxable profits will be available against which the Group can utilise the benefits of tax losses. The Group has not offset deferred tax assets across different jurisdictions. Foreign tax losses in relation to the Indonesian subsidiary PT Indonesia Coal Development expire as follows:

Financial Year	Expire (year)	$'000
2009/2010	2015	2,798
2010/2011	2016	4,351
2011/2012	2017	3,680
2012/2013	2018	1,086
2013/2014*	2019	277

*Estimate based on the actual loss for 2013/2014

NOTE 6: LOSS PER SHARE

	Consolidated	
	2014 $'000	2013 $'000
Loss attributable to owners of the parent company	(2,450)	(11,601)
	Number	
Weighted average number of shares used in the calculation of basic and diluted loss per share	123,383,315	122,822,049
	Cents	
Loss per share		
Basic and diluted loss per share	(1.99c)	(9.45c)

The effect of all potential ordinary shares arising from the exercise of options going forward is considered to be anti-dilutive. 13,318,493 (2013: 7,205,068) potential ordinary shares have been excluded from the above calculation as they are not dilutive.

NOTE 7: PARENT COMPANY LOSS FOR THE FINANCIAL YEAR

The Company has taken advantage of the exemption as allowed by Section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The Company loss for the year was $2,390,597 (2013: Loss $9,335,223).

NOTE 8: OTHER FINANCIAL ASSETS

Name	Country of incorporation	Reporting Date	Proportion of voting rights held at 30 June 2014	Proportion of voting rights held at 30 June 2013
Spitfire Resources Limited	Australia	30 June 2014	0%	9.8%

	$'000
2013	
Balance at 1 July 2012	2,006
Impairment of available for sale asset	(2,558)
Reversal of available for sale reserve to income statement	533
Effect of movement in exchange rates	(7)
Balance at 30 June 2013	**274**
2014	
Balance at 1 July 2013	274
Sale of financial asset	(240)
Loss on sale of financial asset	(46)
Effect of movement in exchange rates	12
Balance at 30 June 2014	-

NOTE 9: SEGMENT INFORMATION

The Group's reportable segments are set out below and include the Indonesian and Australian corporate offices which are administrative cost centres.

Operating segments are reported in a manner consistent with the reporting provided to the board.

Consolidated 2014	Australia – Corporate office $'000	Indonesia – Administration Office $'000	Total $'000
Finance income	5	5	10
Administration expenses	(2,479)	(232)	(2,711)
Loss on sale of financial assets	(46)	-	(46)
Exchange differences	304	(7)	297
Loss for the year after taxation	**(2,216)**	**(234)**	**(2,450)**

Non current assets	6	1	7
Other receivables	57	2,492	2,549
Cash and cash equivalents	2,993	23	3,016
Segment assets	**3,056**	**2,516**	**5,572**
Trade and other payables	681	58	739
Loans and Borrowings	-	2,483	2,483
Provisions	-	40	40
Segment liabilities	**681**	**2,581**	**3,262**
Segment net assets	**2,375**	**(65)**	**2,310**

Consolidated 2013	**Australia – Corporate office**	**Indonesia – Administration Office**	**Total**
	$'000	**$'000**	**$'000**
Finance income	15	1	16
Administration expenses	(5,846)	(1,264)	(7,110)
Impairment of Land	-	(1,757)	(1,757)
Impairment of other financial assets	(2,258)	-	(2,258)
Impairment of exploration and evaluation assets	(253)	(146)	(399)
Exchange differences	(160)	67	(93)
Loss for the year after taxation	**(8,502)**	**(3,099)**	**(11,601)**
Non current assets	284	11	295
Other receivables	202	3,025	3,227
Cash and cash equivalents	4,825	23	4,848
Segment assets	**5,311**	**3,059**	**8,370**
Trade and other payables	832	3,135	3,967
Provisions	-	44	44
Segment liabilities	**832**	**3,179**	**4,011**
Segment net assets	**4,479**	**(120)**	**4,359**

NOTE 10: OTHER RECEIVABLES

	Consolidated		**Company**	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Current				

Related party receivables	3,342	4,029	-	-
Impairment for non-recovery	(859)	(1,036)	-	-
Prepayments and other receivables	66	234	56	202
	2,549	**3,227**	**56**	**202**

The Group's exposure to credit and currency risk related to other receivables is disclosed in Note 20. Contingencies in relation to the recovery of related party receivables are detailed in Note 22.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	Consolidated		**Company**	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Plant & Equipment				
Cost				
Balance at start of year	255	409	111	110
Disposals	(12)	(156)	-	-
Additions	-	1	-	1
Effects of movements in exchange rates	-	1	-	-
Balance at end of year	**243**	**255**	**111**	**111**
Accumulated Depreciation				
Balance at start of year	234	324	101	66
Depreciation expense for the year	13	45	4	35
Reversal of accumulated depreciation - disposal	(11)	(134)	-	-
Effects of movements in exchange rates	-	(1)	-	-
Balance at end of year	**236**	**234**	**105**	**101**
Net book value at end of the year	**7**	**21**	**6**	**10**
Freehold land				
Cost				
Balance at start and end of year	-	1,757	-	-
Impairment	-	(1,757)	-	-
Balance at the end of year	**-**	**-**	**-**	**-**
Net book value at end of year	**-**	**-**	**-**	**-**
Total				
Cost				
Balance at start of year	255	2,166	111	110
Impairment	-	(1,757)	-	-
Disposals	(12)	(156)	-	-
Additions		1	-	1
Effects of movements in exchange rates		1	-	-
Balance at end of year	**243**	**255**	**111**	**111**
Accumulated Depreciation				
Balance at start of year	234	324	101	66
Depreciation expense for the year	13	45	4	35
Reversal of accumulated depreciation - disposal	(11)	(134)	-	-
Effect of movements in exchange rates		(1)	-	-
Balance at end of year	**236**	**234**	**105**	**101**
Net book value at end of year	**7**	**21**	**6**	**10**
Net book value at start of year	**21**	**1,842**	**10**	**44**

NOTE 12: INVESTMENT IN SUBSIDIARIES

The principal subsidiaries of Churchill Mining Plc, all of which have been included in these consolidated financial statements, are as follows:

Name	Country of Incorporation	Proportion of ownership interest
Planet Mining Pty Ltd	Australia	100%
PT Indonesia Coal Development	Indonesia	100%
PT Techno Coal Utama Prima*	Indonesia	100%
PT Ridlatama Tambang Mineral*	Indonesia	75%
PT Ridlatama Trade Powerindo*	Indonesia	75%
PT Ridlatama Steel*	Indonesia	75%
PT Ridlatama Power*	Indonesia	75%

*Undertaking held indirectly by the Company.

Churchill Mining Plc owns 95% of the shares in PT Indonesia Coal Development with the balance (5%) held by Planet Mining Pty Ltd.

Movements of investments in subsidiaries during the period are:

	Company	
	2014 $'000	2013 $'000
Loans to subsidiaries – Non-current assets		
- Opening Balance	-	-
- Loans to subsidiaries	60	1,343
- Impairment of subsidiary carrying value	(60)	(1,343)
Total loans to subsidiaries – non-current assets	**-**	**-**
Equity investment in subsidiaries		
- Opening Balance	158	2,205
- Impairment of subsidiary carrying value	(158)	(2,047)
Total equity investment in subsidiaries	**-**	**158**
Total investment in subsidiaries	**-**	**158**

The total of subsidiary loans at 30 June 2014 is $49,039,912 (2013: $48,979,805), the recovery of which has been impaired in full. The intercompany loans are unsecured, non-interest bearing and repayable on demand. Following impairment of the underlying assets held within the relevant subsidiaries, Churchill Mining Plc has accordingly reduced the carrying value of investments held at a parent company level.

NOTE 13: TRADE AND OTHER PAYABLES

	Consolidated		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Current				

Trade payables	67	847	67	721
Accruals and other payables	672	127	614	111
	739	**974**	**681**	**832**

The Group's exposure to credit and currency risk related to trade and other payables is disclosed in Note 20.

NOTE 14: LOANS AND BORROWINGS

	Consolidated		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Current				
Related party payables	2,483	2,993	-	-
	2,483	**2,993**	**-**	**-**

Included in the loans and borrowings are amounts potentially payable of $2,482,664 due to the non-controlling shareholders of the IUP Companies PT Ridlatama Tambang Mineral, PT Ridlatama Trade Powerindo, PT Ridlatama Steel and PT Ridlatama Power. Contingencies in relation to the payment of related party loans are detailed in Note 22.

NOTE 15: PROVISIONS

	Consolidated		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Non-current				
Employee benefits	40	44	-	-
	40	**44**	**-**	**-**

The provision relates to the estimated liability for post-employment benefits at year end for staff engaged by PT Indonesia Coal Development.

NOTE 16: COMMITMENTS

	Consolidated		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Operating lease commitments				
The total future aggregate minimum lease payments under non-cancellable operating leases:				
Within one year	20	18	20	16
Within two to five years	18	-	18	-
	38	**18**	**38**	**16**

The above amount relates to a property sub-lease for 41 York Street, Subiaco Western Australia with the term expiring on 31 May 2016 with rent payable monthly in advance.

Consultant and Key Management compensation commitments

Commitments under consulting contracts not provided for in the financial statements and payable:				
Within one year	204	249	204	249
	204	**249**	**204**	**249**

Other commitments

In February 2013 the Company entered into an engagement letter with Quinn Emanuel Urquhart & Sullivan ("Quinn Emanuel")"in connection with the ICSID international arbitration proceedings against the Republic of Indonesia. As part of this engagement the Group is committed to pay Quinn Emanuel a success fee of 3% of the value of the first $50 million recovered and 5% of all recovered amounts greater than $50 million.

NOTE 17: SHARE CAPITAL, SHARE PREMIUM AND RESERVES

	Company		Company	
	2014 Number	**2013 Number**	**2014 $'000**	**2013 $'000**
Allotted, called up and fully paid				
At start of year	123,168,095	122,520,368	2,230	2,220
Additions	451,467	647,727	7	10
At end of year	**123,619,562**	**123,168,095**	**2,237**	**2,230**

		Allotted, called up and fully paid		Share premium
Date	**Details**	**Number**	**$'000**	**$'000**
30/6/2012	**Closing balance at 30 June 2012**	**122,520,368**	**2,220**	**77,537**
11/1/2013	Issue of shares to directors @ 11p per share	647,727	10	104
30/6/2013	**Closing balance at 30 June 2013**	**123,168,095**	**2,230**	**77,641**
7/1/2014	Issue of shares to directors @ 22.23p per share	451,467	7	150
		123,619,562	**2,237**	**77,791**

Share premium

The share premium reserve amount arises from subscriptions for or issue of shares in excess of nominal value.

Other Reserves

Other Reserves include

(i) Merger reserve

During the 2013 year, the merger reserve which arose previously from the availability of merger relief in connection with the acquisition of PT Indonesia Coal Development by a share for share exchange that represented the difference between the fair value of consideration given for the shares and the nominal value of those instruments, was transferred to retained deficit due to the impairment of the investments in the subsidiary companies.

(ii) Foreign exchange reserve

The amount represents gains/losses arising from the translation of the financial statements of foreign operations, the functional currency of which is different from the presentation currency of the Group. The reserve is dealt with in accordance with the accounting policy set out in note 1 to these financial statements.

(iii) Equity settled share options reserve

The amount relates to the fair value of the share options that have been expensed through the statement of comprehensive income less amounts, if any, that have been transferred to the retained earnings/deficit upon exercise.

Retained deficit

Retained deficit represents the cumulative net gains and losses recognised in the statement of comprehensive income less any amounts reflected directly in other reserves.

NOTE 18: SHARE BASED PAYMENTS

Share options

The Company has issued share options, some of which have vested immediately on grant and others with vesting periods. The options are not listed. Share options are exercisable for ordinary shares which when exercised rank equally with existing ordinary shares.

Exercise price	Grant date	Outstanding at start of year	(Exercised)/ Granted during the year	(Lapsed/ Expired) during the year	Outstanding at end of year	Final exercise date
2013						
60p	17/12/2007	250,000	-	(250,000)	-	17/12/2012
70p	17/12/2007	250,000	-	(250,000)	-	17/12/2012
80p	17/12/2007	250,000	-	(250,000)	-	17/12/2012
75p	09/05/2008	3,100,000	-	(3,100,000)	-	09/05/2013
50p	19/08/2011	5,000,000	-	(300,000)	4,700,000	19/08/2016
50p	29/10/2012	-	1,500,000	-	1,500,000	29/10/2017
28p	21/03/2013	-	5,400,000	-	5,400,000	21/03/2018
48p	03/05/2013	-	50,000	-	50,000	03/05/2018
Total		**8,850,000**	**6,950,000**	**(4,150,000)**	**11,650,000**	
2014						
50p	19/08/2011	4,700,000	-	-	4,700,000	19/08/2016
50p	29/10/2012	1,500,000	-	-	1,500,000	29/10/2017
28p	21/03/2013	5,400,000	-	-	5,400,000	21/03/2018
48p	03/05/2013	50,000	-	-	50,000	03/05/2018
50p	09/12/2013	-	3,000,000	-	3,000,000	09/12/2018
Total		**11,650,000**	**3,000,000**	**-**	**14,650,000**	

	Weighted average exercise price 2014	Number 2014	Weighted average exercise price 2013	Number 2013
Outstanding at beginning of the year	40p	11,650,000	60p	8,850,000
Expired during the year	72p	-	72p	(4,150,000)

Issued during the year	33p	3,000,000	33p	6,950,000
Outstanding at end of the year	**42p**	**14,650,000**	**40p**	**11,650,000**
Exercisable at the end of the year	**40p**	**11,650,000**	**40p**	**11,650,000**

The weighted average share price during the year was 20.31p (2013: 19.89p).

Fair value

The fair value of the share options granted has been derived using the Black-Scholes model that takes into account factors such as the option life, the volatility of share price and expected early exercise of share options. Volatility has been based on an estimate of comparable listed companies to Churchill.

2014	
Grant date	**9/12/2013**
Granted to	**Key Management Personnel**
Number granted	3,000,000
Fair value at grant date	**7.47c**
Assumptions used	
Share price	34.32c
Exercise price	81.72c
Expected volatility	70%
Average Option life	2.65
Risk free interest rate	2%

2013			
Grant date	**29/10/2012**	**21/3/2013**	**3/5/2013**
Granted to	**Key Management Personnel**	**Key Management Personnel**	**Key Management Personnel**
Number granted	1,500,000	5,400,000	50,000
Fair value at grant date	**1.80c**	**3.07c**	**11.26c**
Assumptions used			
Share price	18.00c	15.86c	40.43c
Exercise price	80.51c	42.30c	74.64c
Expected volatility	70%	70%	70%
Average Option life	2.65	2.65	2.65
Risk free interest rate	2%	2%	2%

Equity settled share based payment expense

The share based payment for the year ended 30 June 2014 was US$249,297 (2013: $73,759).

NOTE 19: NOTES TO THE CASH FLOW STATEMENT

	Consolidated		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Reconciliation of (loss) after tax to cash from operating activities				
(Loss) after tax	**(2,450)**	**(11,601)**	**(2,391)**	**(9,335)**
Share option expense	249	73	249	73
Shares issue expense	157	-	157	-
Depreciation expense	13	45	5	35
Impairment expense	-	399	218	3,175
Impairment of land	-	1,757	-	-
Impairment of other financial assets	-	2,258	-	-
(Gain)/ Loss on exchange rates	(297)	96	(287)	160
Loss on subsidiary loans & investment	46	-	-	216
Net gain on disposal of property, plant and equipment	-	(4)	-	-
Finance income	(2)	(16)	(2)	(14)
Decrease / (Increase) in receivables	167	237	138	(42)
(Decrease) / Increase in payables	(238)	(261)	(144)	412
Cash flow from operating activities	**(2,355)**	**(7,017)**	**(2,057)**	**(5,320)**

NOTE 20: FINANCIAL INSTRUMENTS

Significant accounting policies
Details of the significant accounting policies in respect of financial instruments are disclosed in Note 1 of the financial statements.

Financial risk management
The Board seeks to minimise its exposure to financial risk by reviewing and agreeing policies for managing each financial risk and monitoring them on a regular basis. No formal policies have been put in place in order to hedge exposure of the Group's and Company's activities to the exposure to currency risk or interest risk. No derivatives or hedges were entered into during the year.

General objectives, policies and processes
The Board has overall responsibility for the determination of the Group and Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The Group is exposed through its operations to the following financial risks:

- Liquidity risk;
- Credit risk;
- Cashflow interest rate risk;
- Foreign exchange risk.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group and Company's competitiveness and flexibility. There have been no substantive changes in the Group and Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. Further details regarding these policies are set out below:

Principal financial instruments
The principal financial instruments used by the Group and Company, from which financial instrument risk arises are as follows:

- Loans and receivables;
- Other receivables;
- Cash and cash equivalents;
- Trade and other payables; and
- Loans and borrowings.

Categories of financial assets

	Consolidated		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Current financial assets classified as loans and receivables				
Other receivables	2,543	3,024	51	2
Cash and cash equivalents	3,016	4,848	2,993	4,821
Total current financial assets	**5,559**	**7,872**	**3,044**	**4,823**
Non-current financial assets classified as loans and receivables				
Intergroup receivables	-	-	49,040	48,980
Impairment for non-recovery	-	-	(49,040)	(48,980)
Non-current financial assets classified as available for sale				
Other financial assets	-	274	-	-
Total non-current financial assets	**-**	**274**	**-**	**-**
Total financial assets	**5,559**	**8,146**	**3,044**	**4,823**

Categories of financial liabilities

	Consolidated		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Current financial liabilities measured at amortised cost				
Trade and other payables	739	974	681	832
Loans and borrowings	2,483	2,993	-	-
Total current financial liabilities	**3,222**	**3,967**	**681**	**832**
Total financial liabilities	**3,222**	**3,967**	**681**	**832**

At the year end, the Group had a cash balance of US$3,015,620 (2013: US$4,848,872) which was made up as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Great British Pound	1,355	3,942	1,355	3,942
United States Dollar	1,429	844	1,407	831
Australian Dollar	231	52	231	48
Indonesian Rupiah	1	10	-	-
	3,016	**4,848**	**2,993**	**4,821**

There is no material difference between the book value and fair value of the Group's financial instruments.

The Group and Company received interest for the year as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Interest from bank deposits	2	16	2	15
Total interest from bank deposits	**2**	**16**	**2**	**15**

LIQUIDITY RISK

The Group's and Company's policy is to ensure that it has sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain readily available cash balances to meet expected requirements for a period of at least 60 days.

Cash forecasts identifying the liquidity requirements of the Group and Company are produced frequently. These are reviewed regularly by management and the Board to ensure that sufficient financial headroom exists for at least a 12 month period.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Consolidated	Carrying amount	Contractual cash flows	6 months or less	Greater than 6 months
2014	$'000	$'000	$'000	$'000
Current financial liabilities				
Trade and other payables	739	739	739	-
Loans and borrowings	2,483	2,483	-	2,483
	3,222	**3,222**	**739**	**2,483**

Company	Carrying amount	Contractual cash flows	6 months or less	Greater than 6 months
2014	$'000	$'000	$'000	$'000
Current financial liabilities				

Trade and other payables	681	681	681	-
	681	**681**	**681**	**-**

Consolidated **2013**	**Carrying amount** **$'000**	**Contractual cash flows** **$'000**	**6 months or less** **$'000**	**Greater than 6 months** **$'000**
Current financial liabilities				
Trade and other payables	974	974	974	-
Loans and borrowings	2,993	2,993	-	2,993
	3,967	**3,967**	**974**	**2,993**

Company **2013**	**Carrying amount** **$'000**	**Contractual cash flows** **$'000**	**6 months or less** **$'000**	**Greater than 6 months** **$'000**
Current financial liabilities				
Trade and other payables	832	832	832	-
	832	**832**	**832**	**-**

CREDIT RISK

Credit risk arises principally from the Group's other receivables and investments in cash deposits. It is the risk that the counterparty fails to discharge its obligations in respect of the instrument.

As detailed in Note 22, the group is awaiting a decision on the appeal in relation to a dispute with the Ridlatama Group. Should PT ICD and PT TCUP be unsuccessful in all avenues of appeal then the receivables in the Statement of Financial Position before impairment would be reduced by $1.67 million due to these companies no longer being consolidated in the Group accounts. In addition the payables in the Statement of Financial Position would be reduced by $1.24 million.

The Group holds its cash balances across several bank accounts. The Groups seeks to deposit its cash with reputable financial institutions with strong credit ratings.

The Group and Company's maximum exposure to credit risk by class of individual financial instrument is shown in the table below:

Consolidated	**2014**		**2013**	
	Carrying value **$'000**	**Maximum exposure** **$'000**	**Carrying value** **$'000**	**Maximum exposure** **$'000**
Current assets				
Cash and cash equivalents	3,016	3,016	4,848	4,848
Other receivables	2,543	2,543	3,024	3,024
	5,559	**5,559**	**7,872**	**7,872**

Company	**2014**		**2013**	
	Carrying value	**Maximum exposure**	**Carrying value**	**Maximum exposure**

	$'000	$'000	$'000	$'000
Current assets				
Cash and cash equivalents	2,933	2,933	4,821	4,821
Non – current assets				
Loans to subsidiaries	49,040	49,040	48,980	48,980
Impairment for non-recovery	(49,040)	(49,040)	(48,980)	(48,980)
	2,933	**2,933**	**4,821**	**4,821**

CASH FLOW INTEREST RATE RISK

The Group and Company is exposed to cash flow interest rate risk from its deposits of cash and cash equivalents with banks. The cash balances maintained by the Group and Company are managed in order to ensure that the maximum level of interest is received for the available funds without affecting the working capital flexibility the Group and Company require.

The Group and Company is not at present exposed to cash flow interest rate risk on borrowings as they are not interest bearing. No subsidiary company of the Group is permitted to enter into any borrowing facility or lease agreement without prior consent of the Company.

Interest rates on financial assets and liabilities

The Group and Company's financial assets consist of cash and cash equivalents and other receivables. The interest rate profile at 30 June 2014 of these assets was as follows:

Consolidated 2014	**Floating interest rate $'000**	**Fixed interest maturing in 1 year or less $'000**	**Fixed interest maturing over 1 to 5 years $'000**	**Non-interest bearing $'000**	**Total $'000**
Financial assets					
Great British Pound	844	510	-	-	1,355
Australian Dollar	46	185	-	-	231
United States Dollar	-	1,430	-	60	1,490
Indonesian Rupiah	1	-	-	2,483	2,483
	891	**2,125**	**-**	**2,543**	**5,559**
Weighted average interest rate	0%	0.17%			
Financial liabilities					
Great British Pound	-	-	-	31	31
Australian Dollar	-	-	-	26	26
United States Dollar	-	-	-	682	682
Indonesian Rupiah	-	-	-	2,483	2,483
	-	**-**	**-**	**3,222**	**3,222**

Company	**Floating interest rate**	**Fixed interest maturing in 1 year or**	**Fixed interest maturing over 1 to 5**	**Non-interest bearing loan**	**Total**

2014	$'000	less $'000	years $'000	$'000	$'000
Financial assets					
Great British Pound	844	511	-	-	1,355
Australian Dollar	46	185	-	51	282
United States Dollar	-	1,407	-	48,980	50,387
Impairment for non-recovery	-	-	-	(48,980)	(48,980)
	890	**2,103**	**-**	**51**	**3,044**
Weighted average interest rate	0%	0.17%			
Financial liabilities					
Great British Pound	-	-	-	31	31
Australian Dollar	-	-	-	26	26
United States Dollar	-	-	-	624	624
	-	**-**	**-**	**681**	**681**

Consolidated 2013	Floating interest rate $'000	Fixed interest maturing in 1 year or less $'000	Fixed interest maturing over 1 to 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets					
Great British Pound	493	3,449	-	-	3,942
Australian Dollar	36	15	-	-	51
United States Dollar	89	759	-	32	880
Indonesian Rupiah	6	-	-	2,993	2,999
	624	**4,223**	**-**	**3,025**	**7,872**
Weighted average interest rate	0%	0.22%			
Financial liabilities					
Great British Pound	-	-	-	149	149
Australian Dollar	-	-	-	32	32
United States Dollar	-	-	-	777	777
Indonesian Rupiah	-	-	-	3,009	3,009
	-	**-**	**-**	**3,967**	**3,967**

Company 2013	Floating interest rate $'000	Fixed interest maturing in 1 year or less $'000	Fixed interest maturing over 1 to 5 years $'000	Non-interest bearing loan $'000	Total $'000
Financial assets					

Great British Pound	493	3,449	-	-	3,942
Australian Dollar	32	15	-	-	47
United States Dollar	73	759	-	48,980	49,812
Impairment for non-recovery	-	-	-	(48,980)	(48,980)
	598	**4,223**	**-**	**-**	**4,821**
Weighted average interest rate	0%	0.22%			
Financial liabilities					
Great British Pound	-	-	-	149	149
Australian Dollar	-	-	-	32	32
United States Dollar	-	-	-	651	651
	-	**-**	**-**	**832**	**832**

Sensitivity Analysis

Interest Rate Risk

The Group and Company have performed sensitivity analysis relating to its exposure to their interest rate risk at reporting date. The sensitivity analysis demonstrates the effect on the current financial year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2014, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Change in profit				
- Increase in interest rate by 1%	13	72	13	65
- Decrease in interest rate by 1%	(2)	(16)	(2)	(14)
Change in equity				
- Increase in interest rate by 1%	13	72	13	65
- Decrease in interest rate by 1%	(2)	(16)	(2)	(14)

FOREIGN EXCHANGE RISK

The Group has overseas subsidiaries, in Australia and Indonesia, whose expenses are mainly denominated in US dollars with some expenses in Australian Dollars and Indonesian Rupiah. In addition, the Parent Company incurs some expenses in British Pounds. Foreign exchange risk is inherent in the Group's activities and is accepted as such. The Group mitigates foreign exchange risk by transferring appropriate amounts to match the budgeted spend in each currency. Although its geographical spread reduces the Group's operational risk, the Group's net assets arising from such overseas operations are exposed to currency risk resulting in gains and losses on retranslation into US dollars. No formal arrangements have been put in place in order to hedge the Group and Company's activities to the exposure to currency risk or interest risk. It is the Group's policy to ensure that individual Group entities enter into local transactions in their functional currency wherever possible. The Group considers that this policy minimises any unnecessary foreign exchange exposure.

In order to monitor the continuing effectiveness of this policy, the Board, through its approval of both corporate and capital expenditure budgets, and review of the currency profile of cash balances and management accounts, considers the effectiveness of the policy on an on-going basis.

The following table discloses the exchange rates of the major currencies utilised by the Group:

	Pounds Sterling	Australian Dollar	Indonesian Rupiah
Foreign currency units to US $1			
Average for 2013/2014	0.6156	1.0895	11,374
At 30 June 2014	0.5866	1.0594	11,990
Average for 2012/2013	0.6378	0.9747	9,679
At 30 June 2013	0.6572	1.0934	9,901

Currency exposures & Sensitivity analysis

The monetary assets and liabilities of the Group that are not denominated in US dollars and therefore exposed to currency fluctuations are shown below. The amounts shown represent the US dollar's equivalent of local currency balances.

	Australian Dollar $'000	Pound Sterling $'000	Indonesian Rupiah $'000	Total $'000
US Dollar equivalent of exposed net monetary assets and liabilities				
At 30 June 2014	204	1,374	11	1,589
At 30 June 2013	302	4,208	27	4,537

A 10% strengthening of the US dollar against the Australian dollar at 30 June would have reduced loss by $2,921 (2013: reduced loss by $2,655) and reduced equity by $34,690 (2013: $17,687). This analysis assumed that all other variables, in particular interest rates, remain constant.

A 10% weakening of the US dollar against the above currency at 30 June would have had approximately the equivalent but opposite effects on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

A 10% strengthening of the US dollar against the Great British Pound at 30 June would have increased loss by $123,184 (2013: $394,180) and decrease equity by $123,184 (2013: $394,180). This analysis assumed that all other variables, in particular interest rates, remain constant

A 10% weakening of the US dollar against the above currency at 30 June would have had approximately the equivalent but opposite effects on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Capital

The objective of the Directors is to maximise Shareholder returns and minimise risks with the Group being mainly equity financed. In managing their capital, the Group and Company's primary objective is to ensure their ability to provide a sufficient return for their equity Shareholders, principally though the ICSID damages claim. In order to achieve and maximise this return objective, the Group and Company will, in future, seek to maintain a gearing ratio that balances risks and returns at an acceptable level while also maintaining a sufficient funding base to enable the

Group and Company to meet their working capital and strategic investment needs. In making decisions to adjust their capital structure to achieve these aims, either through new share issues, increases or reductions in debt, or altering a dividend or share buyback policies, the Group considers not only its short term position but also its medium and longer term operational and strategic objectives.

NOTE 21: RELATED PARTY TRANSACTIONS

The Group had the following material transactions (excluding Directors' salaries and fees) with related parties during the year ended 30 June 2014.

a) As at 30 June 2014 US$1,670,983 (2013: US$2,014,301) was receivable from and US$1,312,975 (2012: US$ 1,582,737) was payable to Ms Florita who is the partner of Mr Anang Mudjiantoro. Both Ms Florita and Mr Mudjiantoro are related parties of Churchill by way of their Directorships in Indonesian subsidiary companies. The amount of the receivable has been impaired to equal the amount of the payable US$1,312,975. These amounts remain outstanding at 30 June 2014.

b) As at 30 June 2014 US$1,670,983 (2013: US$2,104,301) was receivable from and US$1,169,688 (2013: US$ 1,410,011) was payable to Ms Ani Setiawan who is the partner of Mr Andreas Rinaldi. Ms Ani Setiawan is a related party of Churchill as she holds the position of Commissioner with some of the Indonesian subsidiary companies. The amount of the receivable has been impaired to equal the amount of the payable US$1,169,688.These amounts remain outstanding at 30 June 2014.

The Key Management personnel disclosures are included in Note 4 to the financial statements.

NOTE 22: CONTINGENCIES

On 28th November 2012 the South Jakarta District Court held that the deeds of grant by which members of the Ridlatama Group transferred 75% of the issued share capital in two of the four licence companies that made up the East Kutai Coal Project (PT Ridlatama Tambang Mineral and PT Ridlatama Trade Powerindo) to PT TCUP are null and void on the basis that the requirements for a valid grant under Indonesian laws had not been satisfied. On 6th Dec 2012 PT ICD and PT TCUP filed a notice of appeal with the High Court in respect of the South Jakarta District Court's decision. In May/June 2014 the High Court ruled in favour of Ridlatama. In June/July 2014 PT ICD and PT TCUP filed a memoranda of appeal with the Supreme Court of Indonesia. The decision of the South Jakarta District Court is therefore not final and binding. Should PT ICD and PT TCUP be unsuccessful in all avenues of appeal then the receivables in the Statement of Financial Position before impairment would be reduced by $1.67 million due to these companies no longer being consolidated in the Group accounts. In addition the payables in the Statement of Financial Position would be reduced by $1.24 million. It remains the Group's position that the receivable and payable in the Statement of Financial Position are able to be offset. In the event that the balances cannot be offset the payable owing by the Group would not be settled until members of the Ridlatama group settled the receivable.

The Group is involved in litigation as detailed in the Chairman's Statement and Strategic Report. As at the date of this report the disclosure of any further information about the above matters would be prejudicial to the interests of the Group.

NOTE 23: EVENTS AFTER THE REPORTING PERIOD

On the 1st October 2014 Mr Rachmat Gobel resigned as a Director and on the same day Mr Nikita Rossinsky was appointed a Director.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year, that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.