APPENDIX 4E

PRELIMINARY FINAL REPORT

GIVEN TO THE ASX UNDER LISTING RULE 4.3A

CI RESOURCES LIMITED

ABN – 70 006 788 754
ACN – 006 788 754

FOR THE YEAR ENDED 30 JUNE 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET

This Preliminary Final Report is provided to the Australian Securities Exchange (ASX) under Listing Rule 4.3A

Current reporting period: 30 June 2021

Previous corresponding period: 30 June 2020

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue and net profit		**2021 $'000's**	**2020 $'000's**	**% Change**
Revenue from ordinary activities		146,424	125,516	Up 16.7%
Net Profit from ordinary activities after tax attributable to members		6,796	32	Up 21,137.5%
Total Comprehensive Income for the period attributable to members		4,558	(3,362)	Up 235.6%
Dividends	Amount per security 2021	Franked Amount per security 2021	Amount per security 2020	Franked Amount per security 2020
Interim Dividend	2.0c	2.0c	-	-
Final Dividend	1.0c	1.0c	-	-

Dividends

Dividends totaling 2.0 cents per share have been paid during the year ended 30 June 2021. The Directors recommend that a final dividend of 1.0 cents be paid in respect of the year ended 30 June 2021.

Date the final dividend is payable	29 October 2021
Record date to determine entitlements to the dividend	1 October 2021
Date final dividend was declared	30 August 2021

Results

The reported Net Profit attributable to members of the Company is $6,796k (2020: $32k). This equates to an Earnings Per Share of 5.88 cents (2020: 0.03 cents).

Below is information on the Consolidated Entity's performance for the previous five financial years and for the current year ended 30 June 2021.

	2017	**2018**	**2019**	**2020**	**2021**
Basic earnings per share (cents)	17.81	18.30	7.50	0.03	5.88
Dividends per share (cents)	11.0	10.0	6.5	1.5	2.0
Share price (cents)	150	175	144	95	120

Entities over which control has been gained or lost during the period

During the current year, the Company incorporated a new wholly owned subsidiary, PRL Global Pty Ltd.

Net tangible assets

	30 June 2021	30 June 2020
	$'000s	*$'000s*
Net assets	192,456	190,210
Less intangible assets	(4,057)	(4,057)
Net tangible assets of the company	**188,399**	**186,153**
Fully paid ordinary shares on issue at balance date	115,581,107	115,581,107
Net tangible asset per issued ordinary share as at balance date	$1.63	$1.61

Earnings per share (attributable to the members of the parent)

Basic earnings per share (cents)	5.88	0.03

Additional Appendix 4E disclosure requirements can be found in the appended 30 June 2021 financial statements and accompanying notes.

Annual General Meeting

The Annual General Meeting will be held at:
Date: 23 November 2021
Time: 10.00 am

Place of meeting:

Boardroom
Phosphate Resources Limited
6 Thorogood Street,
Burswood WA 6100
Australia

Boardroom
Phosphate Resources (Malaysia) Sdn. Bhd.
Unit 501A, Level 5 Wisma Prosper
Block B, Kelana Centre Point,
No.3, Jalan SS7/19, Kelana Jaya
47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Audit details

This report is based on accounts which are in the process of being audited.

For and on behalf of the directors

David Somerville
Chairman
Dated: 30 August 2021

Lai Ah Hong
Managing Director

CI Resources Limited

Preliminary Final report – For the financial year ended 30 June 2021

Contents

CI Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

6 Thorogood Street
Burswood, Western Australia 6100

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the consolidated entity. All press releases, financial reports and other information are available on our website: www.ciresources.com.au

For queries in relation to our reporting please call +61 8 6250 4900 or e-mail info@ciresources.com.au

CI RESOURCES LIMITED

Consolidated Statement of Comprehensive Income
For the financial year ended 30 June 2021

	Notes	2021 *$'000s*	2020 *$'000s*
Revenue	4(a)	146,424	125,516
Cost of sales	4(b)	(124,485)	(108,249)
Gross profit		**21,939**	**17,267**
Other income	4(c)	1,014	867
Other expenses	4(d)	(12,027)	(12,946)
Finance costs	4(e)	(1,491)	(1,947)
Impairment of non-financial asset	11	-	(3,101)
Change in fair value of biological asset		29	112
Share of profit/(loss) in joint ventures	12	7	(37)
Profit before income tax		**9,471**	**215**
Income tax expense	5	(2,675)	(183)
Profit for the period after income tax		**6,796**	**32**
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Net currency translation differences		(4,064)	(1,134)
Total other comprehensive (loss)/income that may be reclassified subsequently to profit or loss		(4,064)	(1,134)
Items that will not be reclassified to profit or loss in subsequent periods:			
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income		1,826	(2,260)
Total other comprehensive (loss)/income that cannot be reclassified subsequently to profit or loss		1,826	(2,260)
Total comprehensive (loss)/income for the year		**4,558**	**(3,362)**
Profit is attributable to:			
Members of CI Resources Limited		6,796	32
		6,796	**32**
Total comprehensive (loss)/income for the year is attributable to:			
Members of CI Resources Limited		4,558	(3,362)
		4,558	**(3,362)**
Earnings per share for profit attributable to the ordinary equity holders of the parent:			
Basic earnings per share	6	5.88 cents	0.03 cents
Diluted earnings per share	6	5.88 cents	0.03 cents

Consolidated Statement of Financial Position
As at 30 June 2021

	Notes	2021 *$'000s*	2020 *$'000s*
Current assets			
Cash and cash equivalents	7	33,804	44,149
Trade and other receivables	8	36,631	28,418
Inventories	9	27,850	32,490
Biological assets		246	231
Other financial assets	10	15,249	6,877
Derivatives-forward exchange contracts		3,795	1,363
Prepayments		775	835
Income tax receivable		1,401	546
Total current assets		**119,751**	**114,909**
Non-current assets			
Other financial assets	10	28,144	28,410
Property, plant & equipment		85,343	86,759
Goodwill	11	4,057	4,057
Bearer plants		4,025	5,391
Investment in joint ventures	12	1,332	1,315
Deferred tax assets	5	9,165	9,161
Total non-current assets		**132,066**	**135,093**
Total assets		**251,817**	**250,002**
Current liabilities			
Trade and other payables		14,096	11,101
Interest bearing loans and borrowings	14	6,753	8,885
Provisions	15	3,693	3,802
Total current liabilities		**24,542**	**23,788**
Non-current liabilities			
Interest bearing loans and borrowings	14	8,580	10,795
Deferred tax liabilities	5	5,758	5,465
Provisions	15	20,481	19,744
Total non-current liabilities		**34,819**	**36,004**
Total liabilities		**59,361**	**59,792**
Net assets		**192,456**	**190,210**
Equity			
Contributed equity	16	72,160	72,160
Reserves	17	3,371	5,609
Retained earnings	18	116,925	112,441
Total equity		**192,456**	**190,210**

CI RESOURCES LIMITED

Consolidated Statements of Changes in Equity
For the financial year ended 30 June 2021

	Notes	Contributed Equity *$'000s*	Foreign Currency Translation Reserve *$'000s*	Fair Value Reserve *$'000s*	Discount on Acquisition of NCI *$'000s*	Retained Earnings *$'000s*	Total *$'000s*
1 July 2020		**72,160**	**3,321**	**(6,211)**	**8,499**	**112,441**	**190,210**
Profit for the year		-	-	-	-	6,796	6,796
Other comprehensive income/(loss) for the year	17	-	(4,064)	1,826	-	-	(2,238)
Total comprehensive income/(loss) for the year		**-**	**(4,064)**	**1,826**	**-**	**6,796**	**4,558**
Transactions with owners in their capacity as owners:							
Dividends paid	18	-	-	-	-	(2,312)	(2,312)
30 June 2021		**72,160**	**(743)**	**(4,385)**	**8,499**	**116,925**	**192,456**
1 July 2019		**72,160**	**4,455**	**(3,951)**	**8,499**	**114,143**	**195,306**
Profit for the year		-	-	-	-	32	32
Other comprehensive loss for the year	17	-	(1,134)	(2,260)	-	-	(3,394)
Total comprehensive loss for the year		**-**	**(1,134)**	**(2,260)**	**-**	**32**	**(3,362)**
Transactions with owners in their capacity as owners:							
Dividends paid	18	-	-	-	-	(1,734)	(1,734)
30 June 2020		**72,160**	**3,321**	**(6,211)**	**8,499**	**112,441**	**190,210**

Consolidated Statement of Cash Flows
For the financial year ended 30 June 2021

	Note	2021 *$'000s*	2020 *$'000s*
Cash flows from operating activities			
Receipts from customers		137,884	125,006
Payments to suppliers and employees (inclusive of goods and services tax)		(125,795)	(113,454)
Interest received		327	678
Interest paid on lease liability		(30)	(25)
Borrowing costs		(597)	(794)
Income taxes paid		(3,831)	(2,216)
Net cash flows from operating activities	22	**7,958**	**9,195**
Cash flows from investing activities			
Movement in term deposits		399	1,598
Increase in financial assets		(8,266)	(1,153)
Proceeds from sale of property, plant and equipment		79	168
Purchase of property, plant and equipment		(7,050)	(9,059)
Net cash flows used in investing activities		**(14,838)**	**(8,446)**
Cash flows from financing activities			
Repayment of borrowings		(20,750)	(12,958)
Proceeds of borrowings		17,773	18,636
Payment of principal portion of lease liability		(542)	(399)
Dividends paid		(2,312)	(1,734)
Net cash flows from financing activities		**(5,831)**	**3,545**
Net increase/(decrease) in cash and cash equivalents held		**(12,711)**	**4,294**
Cash and cash equivalents at the beginning of the financial year		**44,149**	**39,726**
Impact of foreign exchange		2,366	129
Cash and cash equivalents at the end of the financial year	7	**33,804**	**44,149**

Notes to the financial statements
For the year ended 30 June 2021

1. About this report

This preliminary final report ("financial report") of CI Resources Limited ("Company") for the year ended 30 June 2021 comprises the Company and its subsidiaries ("Group"). The preliminary financial report has been prepared to satisfy the ASX listing rule 4.3A and does not constitute the Group's full statutory financial report for the year ended 30 June 2021.

CI Resources Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

2. Summary of Significant Accounting Policies

Basis of preparation

The financial report been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). The financial report has been prepared on a historical cost basis except for biological assets and certain financial instruments, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000), unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

New accounting standards and interpretations

(i) Changes in accounting policy
The accounting policies adopted in the preparation of the year-end report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2020. Except for some new amendments and interpretations that apply for the first time in 2021, but did not have an impact on the consolidated financial statements of the Group and hence have not been disclosed.

ii) New and amended Accounting Standards and Interpretations issued but not yet effective
Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2021 and an assessment of the impact will be included in the Group's full financial report.

Basis of consolidation
The consolidated financial statements comprise the financial statements of CI Resources Limited ("company" or "parent entity") as at 30 June 2021 and the results of its subsidiaries for the financial year then ended (collectively, the "Group" or "Consolidated Entity". A list of subsidiaries over which CI Resources Limited has control is contained in note 13.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intragroup transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss.

Segment reporting
An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers — being the executive management team.

Revenue from contract with customers

The Group is in the business of:

- Mining, processing and sale of phosphate rock, phosphate dust and chalk;
- Supply of fuel and oil products to other Christmas Island entities;
- Providing maintenance, fuel pilotage and stevedoring services to other Christmas Island entities; and
- Operating a palm oil estate, processing and sale of palm oil products in Malaysia

Revenue from phosphate sales

Each phosphate shipment is governed by a sales contract with a customer, including spot sales and medium term supply agreements with the transaction price on a per tonne basis. Revenue from the sale of phosphate is recognised at a point in time when the control of the asset is transferred to the customer which is typically upon completion of the loading of the product.

For the Group's phosphate sales made on a Cost and Freight basis, the Group is responsible for providing freight/shipping services after the date the Group transfers control of the phosphate to its customer. This is considered as a separate performance obligation which is satisfied at a different point in time from the phosphate sales. The Group, therefore has a separate performance obligation for freight/shipping services which are provided solely to facilitate the sale of the phosphate it produces. Revenue for freight/shipping is recognised over the same time as the shipping occurs.

Revenue from sale of palm oil products

Each palm oil sale is governed by a sales contract with a customer. Revenue from the sale of palm oil products is recognised at a point in time when the control of the asset is transferred to the customer which is typically upon completion of the loading of the product.

Revenue from fuel and oil products

Each fuel oil sale is governed by a sales contract with a customer, including long term supply arrangements and point of sale bowser sales. Revenue from the sale of fuel products is recognised at a point in time when the control of the asset is transferred to the customer which is typically upon completion of the loading of the product.

Revenue from service contracts

Revenue from services contracts is governed by a long term contract with a customer. These activities tend to be substantially the same with the same pattern of transfer to the customer. Where this is the case, which is the majority of the services contracts, these services are taken to be one performance obligation and the total transaction price is allocated to the performance obligation identified.

Interest income

Revenue is recognised as the interest accrues using the effective interest rate method (which was the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset).

Dividends

Revenue is recognised when the right to receive a dividend has been established.

Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for consistency with the current year's presentation.

Notes to the financial statements
For the year ended 30 June 2021

3. Judgments in applying accounting policies and key sources of estimation uncertainty

(a) In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Impact of COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the Group. The scale and duration of these developments remain uncertain as at the date of this report. The Group has considered the potential impact of the COVID-19 pandemic in the significant accounting judgements, estimates and assumptions. However, as these are subject to increased uncertainty the actual outcomes may differ from the estimates.

Assessment of mine life on Christmas Island

The financial statements have been prepared on the basis that the resource supports continued operations based on the current market parameters and expectations.

Determination of mine life

The Group's estimation of its mineral resources was prepared by or under the supervision of Competent Persons as defined in the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the "JORC code").

There are numerous uncertainties inherent in estimating mineral resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates or production costs may change the economic status of resources and may, ultimately, result in the resources being restated. Such changes in resources could impact on depreciation and amortisation rates, asset carrying values and provisions for decommissioning.

(b) The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Provision for expected credit losses of trade receivables

For trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience which are based on days past due, adjusted for forward-looking factors specific to the debtors and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate.

Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. During the year, an impairment indicator was identified for the Fertiliser CGU (Net Asset Value in excess of market capitalisation). As a result an impairment test was performed. The recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less costs to sell'.

In determining value in use, future cash flows are based on:

- Estimates of the quantities of ore reserves and mineral resources;
- Future production levels;
- Future commodity prices and foreign exchange rates; and
- Future cash costs of production and capital expenditure.

The recoverable value was in excess of the carrying value and no impairment was recognised.

<u>Impairment of Goodwill</u>
Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Assumptions are made regarding post tax discount rates applied to cash flow projections. The cash flows are based on the financial budget approved by management for the upcoming year and assumptions are made regarding the inflation rates for the following 4 years and a terminal value. During 2021 no impairment was recognised. Refer to Note 11.

<u>Provisions for decommissioning costs</u>
Decommissioning costs are a normal consequence of mining and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), the appropriateness of the discount rate and the estimated future level of inflation.

The ultimate cost of decommissioning is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements or the emergence of new decommissioning techniques. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

<u>Deferred Tax Asset</u>
The deferred tax asset will only be obtained if:
(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
(c) no changes in tax legislation adversely affect the consolidation entity in realising the benefit.

The deferred tax assets are considered to be probable of being fully recovered, as it is believed that the entity will have future taxable income to fully utilise the tax benefit. Refer note 5.

Notes to the financial statements
For the year ended 30 June 2021

4. Revenue and expenses

	2021 $'000s	2020 $'000s
a) Revenue		
Revenue from contracts with customer		
Phosphate sales	75,112	62,570
Palm oil sales	35,562	29,597
Fuel sales	12,333	14,323
Other sales and services	22,710	17,979
Total revenue from contracts with customers	145,717	124,469
Other revenue		
Dividend income	380	369
Interest on cash and term deposits	327	678
Total other revenue	707	1,047
	146,424	**125,516**
b) Cost of sales		
Production costs	97,838	87,112
Shipping & marketing	17,847	13,008
Depreciation	8,800	8,129
	124,485	**108,249**
c) Other income		
Net foreign exchange gains	3	285
Government grants	992	582
Other	19	-
	1,014	**867**
d) Other expenses		
Administration	11,647	11,471
Net loss on disposal of assets	541	311
Expected credit loss	2	292
Unrealised loss on capital notes	-	36
Redundancy expense	(808)	330
Depreciation[1]	645	506
	12,027	**12,946**

1 Depreciation includes depreciation on right of use assets.

	2021 $'000s	2020 $'000s
e) Finance costs		
Accretion of provisions	894	1,153
Interest expense	597	794
	1,491	**1,947**
f) Employee benefits expense	**24,480**	**23,307**

Employee benefits expense comprises salaries and wages, superannuation, employee bonus and travel airfares together with accruals for employee entitlements such as annual leave, long service leave, redundancy and sick leave expensed during the year. Included in employee benefits expense is a superannuation expense of $2,039,000 (2020: $1,933,000).

Notes to the financial statements
For the year ended 30 June 2021

5. Income tax

	2021 *$'000s*	2020 *$'000s*
The major components of income tax are:		
Statement of Comprehensive Income		
Current income tax		
Current income tax charge	2,611	1,359
Adjustments in respect of current income tax of previous years	(225)	(16)
Deferred income tax		
Relating to origination and reversal of temporary differences	867	(401)
Adjustments in respect of deferred tax of previous years	(578)	(759)
Income tax expense reported in the Statement of Comprehensive Income	**2,675**	**183**

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

	2021	2020
Accounting profit before income tax	9,471	215
At the Group's statutory income tax rate of 30% (2020: 30%)	2,841	65
Income/expenditure not allowable for income tax purposes:		
Add:		
- Adjustments in respect of previous years	(803)	(775)
- Impairment of goodwill	-	930
- Assessable income for income tax purposes	-	8
- Expenditure not allowable for income tax purposes	595	280
- Deferred tax asset not bought to account	81	-
- Recoupment of previously unrecognised deferred tax asset	-	(45)
- Differences due to exchange rates applied to temporary differences and changes in tax rates	2	(19)
- Difference in global tax rates	(41)	(261)
Aggregate income tax expense	2,675	183

Notes to the financial statements
For the year ended 30 June 2021

	Statement of Financial Position		*Statement of Comprehensive Income*	
	2021	**2020**	**2021**	**2020**
	$'000s	***$'000s***	***$'000s***	***$'000s***
Deferred income tax				
Deferred income tax at 30 June relates to the following:				
CONSOLIDATED				
Deferred tax liabilities				
Inventories	(1,933)	(1,748)	(185)	117
Property, plant and equipment	(3,825)	(3,657)	(168)	1,879
Receivables	-	(60)	60	(45)
Gross deferred income tax liabilities	**(5,758)**	**(5,465)**		
Deferred tax assets				
Other payables and provisions	9,177	9,086	91	(129)
Property, plant and equipment	504	474	30	(8)
Other financial assets	(960)	(463)	(497)	(113)
Inventories	(243)	(475)	232	(678)
Investments	6	12	(6)	11
Receivables	368	368	-	51
Lease liabilities	93	1	92	1
Tax losses	220	158	62	74
Gross deferred income tax assets	**9,165**	**9,161**		
Deferred tax income/(expense)			(289)	1,160

CI Resources Limited and its wholly owned controlled entities have not entered into a tax consolidation agreement.

6. Earnings per share

	2021	**2020**
	Cents	**Cents**
Basic and diluted earnings per share	**5.88**	**0.03**

	2021	**2020**
	Number	**Number**
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share.	115,581,107	115,581,107

	2021	**2020**
	$'000s	***$'000s***
Profit used in calculating basic and diluted losses per share		
Net profit	6,796	32

There are no instruments (e.g. share options) excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are antidilutive for either of the periods presented.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

	2021	2020
	$'000s	*$'000s*

7. Cash and cash equivalents

Cash at bank and on hand	33,804	44,149
	33,804	**44,149**

8. Trade and other receivables

Trade debtors	34,094	26,652
Other receivables	2,537	1,766
	36,631	**28,418**

Trade debtors are non-interest bearing and are generally on 30-150 day terms. As at 30 June 2021, an ECL of $0.002 million was recognised (2020: $0.124 million). Subsequent to year end $1.8 million relating to past due but not impaired balances have been collected.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience for customer groups, adjusted for forward-looking factors specific to the debtors, industry payment profiles and the economic environment. As at 30 June 2021, the Group has calculated the ECL based on lifetime expected credit losses and noted these are not material.

The maximum exposure to credit risk at the reporting date is the carrying value of the receivables disclosed in this note. No additional impairment was identified on trade debtors through the COVID-19 pandemic. Trade debtor composition across the Group remained consistent, and notwithstanding demand and production variation recoverability continued to be in line with credit terms provided to major customers.

As at 30 June, the ageing analysis of trade receivables is, as follows:

		Current	Days past due			
	Total		< 30 days	30-60 days	61-90 days	> 91 Days
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
2021	34,094	25,758	4,939	2,566	138	693
2020	26,652	22,614	2,290	409	338	1,001

9. Inventories

	2021	2020
	$'000s	*$'000s*
Consumable materials and stores	6,890	5,799
Goods in transit	928	3,334
Finished goods	20,032	23,357
	27,850	**32,490**

10. Other Financial Assets

	2021	2020
	$'000s	*$'000s*
Current		
Capital notes-measured at FVTPL	187	-
Term deposits	6,806	6,877
Amount held in escrow account for Kemoil acquisition	8,256	-
	15,249	**6,877**
Non-Current		
Trust fund term deposit-measures at amortised cost	6,295	6,623
Capital notes-measured at FVTPL	789	956
Listed shares-measured at FVOCI	21,060	20,831
	28,144	**28,410**

Under the terms of the current Workplace Agreement between the Union of Christmas Island Workers and Phosphate Resources Limited a trust fund term deposit to meet employee entitlements is maintained. This trust fund may only be used to meet employee entitlements but may be drawn down as they arise. The trust fund term deposit currently stands at $3,956,000 (2020: $4,260,000). The interest earned on the term deposit of $11,890 (2020: $101,486) has been added to the term deposit.

11. Goodwill

	2021	2020
	$'000s	*$'000s*
Carrying amount at the beginning	4,057	7,158
Impairment	-	(3,101)
	4,057	**4,057**

Goodwill acquired through business combination has been allocated to the Farming CGU, which is also a reporting and operating segment for impairment testing.

Impairment testing of Goodwill
The key assumptions used for assessing the recoverable amount of the Farming CGU are set out below. The recoverable value has been determined using the VIU methodology. There was no impairment recognised for the Farming CGU during the year. The post-tax discount rates incorporate a risk-adjustment relative to the risks associated with the net post-tax cash flows being achieved, while the growth rate is based on market estimates of the long-term average industry growth rate.

	2021	2020
Discount rate (post-tax)	9.50%	8.75%
Inflation rate	1.85%-2.25%	2.3%
Growth rate	1.85%-2.25%	2.3%
Headroom as a percentage of the CGU's net carrying value	6.0%	-

The recoverable amount of the Farming CGU has been determined using a value in use calculation using cash flow projections. The post-tax discount rates applied to cash flow projections is 9.50% (2020: 8.75%) and the cash flows are based on the financial budget approved by management for the upcoming year and for the following 4 years and a terminal value.

The calculation of value in use for the Farming CGU is most sensitive to the following assumptions:
- Crude Palm Oil ("CPO") short term and long term pricing forecasts
- Discount rate
- Extraction rate assumptions of CPO and Palm Kernel (PK)
- Growth rate estimates

CPO short term and long term pricing forecasts – Forecast pricing is based on published industry research.

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Discount rate – Discount rates represent the current market assessment of the risks specific the Farming CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates.

Extraction rate assumptions of CPO and PK – Extraction rates are based on average values achieved in the five years preceding the beginning of the budget period.

Growth rate estimates – Rates are based on published industry research.

The Group has assessed the recoverable amounts of the CGU using a VIU calculation and considered potential downside scenarios in respect of the impact of the COVID-19 pandemic. The following represents reasonably possible changes in key assumptions for the Farming CGU impairment test, none of which would result in an impairment in the current financial year::

Judgments of reasonably possible movements:	**Recoverable amount Higher/(Lower) 2021 $'000s**
CPO and PK extraction - 5 bps	(1,495)
CPO and PK extraction + 5 bps	1,495
Discount rate + 10 bps	449
Discount rate - 10 bps	(437)
CPO short term pricing - 10%	(712)
CPO short term pricing + 10%	712

12. Investments in joint ventures

The Group's interest in joint ventures are accounted for using the equity method in consolidated financial statements.

	2021	**2020**
	$'000s	***$'000s***
Investments in joint ventures at cost	1,315	1,352
Addition during the year	10	-
Share of joint venture profit/(losses)	7	(37)
Share of reserves of joint ventures	-	-
Carrying amount of investments in joint ventures	**1,332**	**1,315**

The Group has 50% interest in Pacific Biofert Limited ("PBF"), a Biological Fertilizer company based in New Zealand. PBF manufacture and distribute a product that enhances phosphate solubility. The investment represents a further diversification into value added and technically advanced phosphate products.

Below summarises the financial information of the Group's investment in Pacific Biofert Limited.

	2021	**2020**
Summarised statement of financial position	***$'000s***	***$'000s***
Current assets	878	912
Non-current assets	404	338
Current liabilities	(446)	(1,397)
Non-current liabilities	(60)	(22)
Net assets/(liabilities)	**776**	**(169)**
Group's of equity	388	(85)
Goodwill	539	1,005
Group's carrying amount of investment in PBF	**927**	**920**
Summarised statement of comprehensive income		
Revenue	3,104	2,750
Expenses	(3,090)	(2,816)
Profit/(loss) attributable to the members of PBF	**14**	**(66)**
Group's share of profit/(loss) for the period	**7**	**(33)**

The Group also has a 49% interest in Goshawk Services Pty Ltd (a company incorporated in Australia), a 40% interest in Island Fresh Pty Ltd (a company incorporated in Australia), a 50% interest in Christmas Island Development Australia Pty Ltd (a company incorporated in Australia) and a 30% interest in Phosphate Resources Marketing Sdn Bhd (a company incorporated in Malaysia) which are individually and in aggregate immaterial.

13. Investments in controlled entities

CI Resources Limited owns 100% of Phosphate Resources Limited which is incorporated in Australia.

Information relating to subsidiaries

Information relating to controlled entities is set out below:

Name	**Principal Activities**	**Country of Incorporation**	**% Equity interest**	
			2021 %	**2020 %**
- Phosphate Resources Ltd	Mining	Australia	100	100
- PRL Global Pty Ltd	Investment	Australia	100	-
- CI Maintenance Services Pty Ltd (i)	Maintenance Services	Australia	100	100
- Phosphate Resources Properties Pty Ltd (i)	Properties	Australia	100	100
- Indian Ocean Stevedores Pty Ltd (i)	Stevedoring Services	Australia	100	100
- Phosphate Resources (Singapore) Pte Ltd (i)	Shipping Services	Singapore	100	100
- Indian Ocean Oil Company Pty Ltd (i)	Fuel Services	Australia	100	100
- Phosphate Resources Laos Pty Ltd (i)	Dormant	Australia	100	100
- Phosphate Resources Plantations Pty Ltd (i)	Dormant	Australia	100	100
- Phosphate Resources (Malaysia) Sdn Bhd (i)	Marketing Services	Malaysia	100	100
- Cheekah-Kemayan Plantation Sdn Bhd (i)	Palm Oil Estate, Milling and Sales	Malaysia	100	100

(i) These companies are wholly owned subsidiaries of Phosphate Resources Limited

14. Interest bearing loans and borrowings

	2021	**2020**
	$'000s	***$'000s***
Current		
Lease liabilities	444	455
Bank borrowings	6,309	8,430
	6,753	**8,885**
Non-current		
Lease liabilities	209	495
Bank borrowings	8,371	10,300
	8,580	**10,795**

(a) ***Movement in bank borrowings***

Opening balance at the beginning of the financial year	18,730	13,228
Drawdown	17,773	18,636
Repayment	(20,750)	(12,958)
Foreign currency exchange (gain)/loss	(1,073)	(176)
Closing balance at the end of the financial year	**14,680**	**18,730**

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(b) Fair value
The carrying amount of the borrowings approximates their fair value as the borrowings are at floating interest rates which move in accordance with market rates.

(c) Bank borrowings
One of the bank borrowings relates to a 5 year term loan which is secured by an all monies security held over properties in Cheekah Kemayan Plantations Sdn Bhd. Interest is payable at a rate of 1% per annum above the bank's cost of funds. The term loan is repayable in 60 monthly instalments. As at 30 June 2021 $10.65 million remained outstanding (2020:$11.69 million).

Other borrowings relate to the working capital loan and foreign currency trade loan in Phosphate Resources (Malaysia) Sdn Bhd. The loans are secured by fixed and floating charge over the assets of the borrower and a corporate guarantee from the ultimate holding company. The working capital loan and foreign currency trade loan interest is payable at a rate of 1% per annum above the bank's cost of funds and 0.75% above the foreign currency rate respectively.

(d) Financing facilities available
At reporting date, the following financing facilities had been negotiated and were available**:**

	2021	2020
	$'000s	*$'000s*
Total facilities	34,986	36,554
Facilities utilised at reporting date	17,801	20,719
Facilities unused at reporting date	**17,185**	**15,835**

15. Provisions

		2021	2020
		$'000s	*$'000s*
Current			
Employee entitlements		3,693	3,802
		3,693	**3,802**
Non-current			
Redundancy	(a)	5,325	6,048
Employee entitlements		1,951	1,151
		7,276	7,199
Decommissioning	(b)	13,205	12,545
		20,481	**19,744**

(a) *Provision for redundancy*

The amounts employees are entitled to receive in accordance with their employment agreements are fully provided. The redundancy provision decreased by a net amount of $723,000 during the year ended 30 June 2021 (2020: decrease $278,000).

(b) *Provision for decommissioning*

Based on the Mining Lease Agreement between the Commonwealth Government and Phosphate Resources Limited a provision for decommissioning has been recognised for costs associated with:

- Demolition of all improvements specified for the removal of all debris resulting from demolition, removal of plant and equipment and leaving the leased land in a safe, clean and tidy condition at the expiry of the lease.

Estimates of the decommissioning obligations are based on anticipated technology and legal requirements and future costs, which have been discounted to their present value. In determining the decommissioning provision, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to demolition of such mines in the future.

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	2021	2020
	$'000s	*$'000s*
(c) *Movement in provisions*		
Provision for decommissioning:		
Carrying amount at the beginning of the financial year	12,545	11,306
Increase/(Decrease) in provision	(104)	374
Change in net present value of provision:		
- (Credited)/Debited to profit or loss	764	865
Carrying amount at the end of the financial year	**13,205**	**12,545**

16. Contributed equity

Share capital	**Number of shares**	***$'000s***
Ordinary shares – fully paid	**115,581,107**	**72,160**

Movements in ordinary share capital

Date	**Details**	**Number of shares**	***$'000s***
1 July 2020	Opening balance	115,581,107	72,160
	Movement	-	-
30 June 2020/1 July 2020	Closing balance/Opening balance	115,581,107	72,160
	Movement	-	-
30 June 2021	**Closing balance**	**115,581,107**	**72,160**

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

17. Reserves

	2021	2020
	$'000s	*$'000s*
Foreign exchange translation reserve	(743)	3,321
Fair value reserve	(4,385)	(6,211)
Acquisition reserve	8,499	8,499
	3,371	**5,609**

Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.

Fair value reserve
Fair value differences arising from financial instruments classified as Fair Value through Other Comprehensive Income (FVOCI) under AASB 9 are taken to this reserve. Fair value gains and losses are presented in OCI and there is no subsequent reclassification of fair value gains and losses to profit and loss on the derecognition.

Acquisition reserve
Any gain or loss arising on acquisition of non-controlling interest of subsidiaries is recognized in this reserve.

18. Retained earnings

	2021	2020
	$'000s	*$'000s*
Accumulated profit at the beginning of the year	112,441	114,143
Net profit attributable to members of CI Resources Limited	6,796	32
Dividends paid	(2,312)	(1,734)
Accumulated profit at the end of the financial year	**116,925**	**112,441**

Dividends

Dividends totaling 2.0 cents per share (2020: 1.5 cents per share) have been paid during the year.

19. Remuneration of auditors

	2021	2020
	$'000s	*$'000s*
Amounts received or due and receivable by EY (Australia) for:		
- audit of the financial report of the parent entity and the consolidated entity	131	125
- review of the half year financial report of the consolidated entity	53	60
	184	185
Amounts received or due and receivable by related practices of EY (Australia) for the audit of the financial statements	77	90
	77	90
Amounts received or due and receivable by auditors other than EY for:		
- an audit or review of the financial report of a controlled entity	-	-
	261	**275**

20. Contingent liabilities

There are no contingent assets or liabilities as at the date of this report.

21. Commitments for expenditure

(a) Short term lease contracts amounting to $138,220 have not been recognised on balance sheet due to their short term nature.

(b) The Company provides a guarantee and indemnity to the Commonwealth Government of Australia (Commonwealth) to ensure the performance of Indian Ocean Oil Company Pty Ltd's obligations under the terms of a 20 year fuel lease arrangement.

(c) The Company has plans to undertake various environmental management targets and objectives as detailed in the Christmas Island Phosphates Environmental Management Plan.

(d) The Company has provided a bank guarantee of $2 million to the Commonwealth Government under the terms of the Mining Lease Agreement.

(e) The Company has capital commitments of $0.056 million (2020: $0.145 million) for items of plant on order but not yet delivered.

22. Reconciliation of profit after income tax to net cash flows from operating activities

	2021	2020
	$'000s	$'000s
Operating profit after income tax	6,796	32
Adjustment for non-cash items		
Accretion of decommissioning provision	660	1,153
Net loss/(gain) on disposal of assets	541	311
Change in fair value of biological assets	(29)	(112)
Share of (profit)/loss from joint ventures	(7)	37
Expected credit loss	2	292
(Increase)/Decrease in value of financial assets	(62)	36
Impairment of goodwill	-	3,101
Depreciation	9,445	8,635
Unrealised foreign exchange (gain) / loss	(5,840)	(2,249)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(10,645)	168
Movement in deferred tax balances	289	(1,160)
(Increase)/decrease in inventories	4,640	3,743
Increase/(decrease) in trade creditors and accruals	2,995	(2,188)
Increase/(decrease) in provisions	(32)	(1,328)
(Increase)/decrease in prepayments	60	(733)
(Increase)/decrease in tax receivable	(855)	(543)
Net cash inflow from operating activities	**7,958**	**9,195**

23. Parent entity information

	2021	2020
	$'000s	*$'000s*
Current assets	19,424	17,055
Total assets	86,387	84,034
Current liabilities	43	101
Total liabilities	43	101
Issued capital	72,160	72,160
Retained earnings	14,184	11,773
Total shareholders' equity	86,344	83,933
Profit of the parent entity	4,723	4,644
Total comprehensive income	4,723	4,644

The parent entity has provided guarantees in relation to the debts of certain of its subsidiaries.

The parent has no contingent liabilities as at date of this report.

The Parent Entity has no contractual commitments for the acquisition of property, plant or equipment.

24. Segment reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operation decision makers) in assessing performance and in determining the allocation of resource.

The Group has identified its operating segments to be Fertiliser and Farming based on the different operating businesses within the Group. Discrete financial information about each of these operating segments is reported to the chief operation decision makers on a monthly basis.

The Fertiliser operating segment primarily involves mining, processing and sale of phosphate rock, phosphate dust and chalk.

The Farming operating segment primarily involves oil palm cultivation and palm oil processing.

	Year ended 30 June 2021			
	Fertiliser $'000	Farming $'000	Unalloc./ Elimination $'000	Total $'000
Revenue				
Revenue	81,120	35,562	-	116,682
Interest income	127	125	75	327
Dividend income	-	380	-	380
Rendering of services	420	-	16,282[1]	16,702
Fuel sales	-	-	12,333[2]	12,333
Total segment revenue	81,667	36,067	28,690	146,424
Result				
Segment net operating profit/(loss) after tax (attributable to parent)	3,306	(121)	3,611	6,796
Depreciation and amortisation	5,564	2,556	1,325	9,445
Finance cost	1,023	445	23	1,491
Income tax expense	518	696	1,461	2,675
Assets and Liabilities				
Segment assets	158,315	57,078	36,424	251,817
Segment liabilities	39,081	15,084	5,196	59,361
Other disclosure				
Capital expenditure	4,418	1,850	782	7,050

[1] Relates mainly to the services income derived by a wholly-owned subsidiary CI Maintenance Services Pty Ltd.

[2] Relates to fuel and oil sales derived by a wholly-owned subsidiary Indian Ocean Oil Company Pty Ltd.

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	Year ended 30 June 2020			
	Fertiliser	Farming	Unalloc./ Elimination	Total
	$'000	$'000	$'000	$'000
Revenue				
Revenue	68,540	29,597	-	98,137
Interest income	292	245	141	678
Dividend income	-	369	-	369
Rendering of services	65	-	11,944[1]	12,009
Fuel sales	-	-	14,323[2]	14,323
Total segment revenue	68,897	30,211	26,408	125,516
Result				
Segment net operating profit/(loss) after tax (attributable to parent)	(668)	(497)	1,197	32
Depreciation and amortisation	5,089	2,210	1,336	8,635
Finance cost	1,285	644	18	1,947
Impairment of non-financial assets	-	3,101	-	3,101
Income tax expense	(921)	616	488	183
Assets and Liabilities				
Segment assets	155,206	61,212	33,584	250,002
Segment liabilities	39,535	17,595	2,662	59,792
Other disclosure				
Capital expenditure	7,260	1,300	499	9,059

[1] Relates to the services income derived by a wholly-owned subsidiary CI Maintenance Services Pty Ltd.

[2] Relates to fuel and oil sales derived by a wholly-owned subsidiary Indian Ocean Oil Company Pty Ltd.

Revenue from external customers by geographical locations is detailed below:

	2021	2020
	$'000s	*$'000s*
Australia	82,102	73,952
Malaysia	64,127	51,369
Singapore	195	195
	146,424	125,516

Major customers

The Group has a number of customers to which it provides the products. Revenue within the consolidated entity from three customers amounted to $31.4 million in the Fertiliser segment. No other customers had sales exceeding 10% of revenue.

	2021	2020
	$'000s	*$'000s*
Non-Current Assets by geographical regions		
Australia	56,209	58,189
Malaysia	68,328	69,322
Singapore	7,529	7,582
	132,066	135,093

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25. Subsequent Events

Subsequent to year end, CII's wholly owned subsidiary, PRL Global Pty Ltd, acquired a 50% stake in Kemoil SA, Geneve (Kemoil), a non-listed company based in Switzerland as disclose below. Other than this, no matter or circumstance has arisen that has significantly affected, or may significantly affect, the operations of the consolidated entity and its controlled entities, the results of those operations or the state of affairs of the consolidated entity and its controlled entities in subsequent years that is not otherwise disclosed in this report or the consolidated financial statements.

Acquisition of Subsidiary

On 1 July 2021, CII's wholly owned subsidiary, PRL Global Pty Ltd, acquired a 50% stake in Kemoil SA, Geneve (Kemoil) totaling 5,000 ordinary shares for approximately AU$8.1M funded out of cash reserves and comprising of:

- The payment to Mekatrade of CHF 1,033,574
- The provision of a loan of US$5,000,000 to Kemoil for working capital and security for its banking lines of credit

Kemoil is a non-listed company based in Switzerland and operates a supply chain logistics business, enabling the efficient flow of commodities – particularly refined oils – between major producers and large customers throughout West Africa. The Group acquired Kemoil to diversify our revenue mix and bolster our supply chain logistics capability beyond our existing shipping logistics business servicing Asia Pacific.

Assets acquired and liabilities assumed

The provisional fair values of the identifiable assets and liabilities of Kemoil as at the date of acquisition were:

	$'000
Assets	
Non-current assets	1,037
Cash and cash equivalents	39,295
Financial assets at FVTPL	1,028
Trade and other receivables	59,709
	101,069
Liabilities	
Trade payables	79,775
Lease liabilities	821
Shareholder loans	15,920
Derivative financial liabilities	65
Provision for employee benefits	1,518
	98,099
Total identifiable net assets at fair value	2,970
50% controlling interest measured at fair value	1,485
Goodwill arising on acquisition	-
Purchase consideration transferred	1,485

Purchase consideration	
Cash	1,485

The allocation of consideration to identifiable assets and liabilities of Kemoil remains in progress at the date of this report.