



C@ LIMITED

ABN 99 110 439 686

Appendix 4E  
Preliminary Final Report  
For the year ended 30 June 2009



## APPENDIX 4E - PRELIMINARY FINAL REPORT

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Please find set out below the ASX preliminary final report for C@Limited and its Consolidated Entity for the year ended 30 June 2009, in accordance with ASX Listing Rule 4.3A. The report provides analysis against the previous reporting period ended 30 June 2008.

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

| CONSOLIDATED ENTITY   | \$'000 Change | % Change |
|---|---------------|----------|
| Revenue from ordinary activities                                | (120)         | (77.8%)  |
| Loss from ordinary activities after tax attributable to members | (412)         | (54.1%)  |
| Net loss for the period attributable to members                 | (412)         | (54.1%)  |

| DIVIDENDS                        | Amount per security | Frank amount per security |
|----------------------------------|---------------------|---------------------------|
| Final Dividend                   | nil                 | Nil                       |
| Interim Dividend                 | nil                 | Nil                       |
| Dividend Entitlement Record Date | n/a                 | n/a                       |

|  | 2009 | 2008 |
|--|------|------|
| Net tangible asset backing per ordinary security (cents) | 0.45 | 1.16 |

### REVIEW

During the period the Consolidated Entity made a loss of \$1,174,778 (2008: \$762,572).

Over the last year, the Board has been able to achieve significant reductions through streamlining process and minimising non-value add expenditure.

### AUDIT STATUS

This report is based on accounts which are still subject to audit.



PRELIMINARY INCOME STATEMENTS  
for the year ended 30 June 2009

|   | Notes | Consolidated       |                  | Company            |                  |
|---|-------|--------------------|------------------|--------------------|------------------|
|   |       | 2009<br>\$         | 2008<br>\$       | 2009<br>\$         | 2008<br>\$       |
| Sales revenue                                     |       | 34,268             | 154,449          | -                  | -                |
| Cost of sales                                     |       | (33,409)           | (83,278)         | -                  | -                |
| <b>Gross profit</b>                               |       | <b>859</b>         | <b>71,171</b>    | <b>-</b>           | <b>-</b>         |
| Other income                                      | 1     | 96,041             | 6,506            | 96,041             | -                |
| Operating expenses                                | 2     | (738,186)          | (579,285)        | (662,422)          | (384,381)        |
| Personnel expenses                                | 3     | (578,747)          | (334,390)        | (575,010)          | (267,907)        |
| <b>Operating loss before financing costs</b>      |       | <b>(1,220,033)</b> | <b>(835,998)</b> | <b>(1,141,391)</b> | <b>(652,288)</b> |
| Finance income                                    | 4     | 45,255             | 73,426           | 45,255             | 73,426           |
| <b>Net financing costs</b>                        |       | <b>45,255</b>      | <b>73,426</b>    | <b>45,255</b>      | <b>73,426</b>    |
| <b>Loss before tax</b>                            |       | <b>(1,174,778)</b> | <b>(762,572)</b> | <b>(1,096,136)</b> | <b>(578,862)</b> |
| Income tax  |       | -                  | -                | -                  | -                |
| <b>Loss after income tax</b>                      |       | <b>(1,174,778)</b> | <b>(762,572)</b> | <b>(1,096,136)</b> | <b>(578,862)</b> |
| <b>Loss attributable to members of the parent</b> |       | <b>(1,174,778)</b> | <b>(762,572)</b> | <b>(1,096,136)</b> | <b>(578,862)</b> |
| Loss per share                                    |       |                    |                  |                    |                  |
| - Basic loss per share (cents per share)          | 12    | (0.77)             | (1.00)           |                    |                  |
| - Diluted loss per share (cents per share)        | 12    | (0.71)             | (1.00)           |                    |                  |

The income statements are to be read in conjunction with the accompanying notes.



PRELIMINARY BALANCE SHEET  
as at 30 June 2009

|                                  | Note | Consolidated   |                | Company        |                |
|----------------------------------|------|----------------|----------------|----------------|----------------|
|                                  |      | 2009<br>\$     | 2008<br>\$     | 2009<br>\$     | 2008<br>\$     |
| <b>CURRENT ASSETS</b>            |      |                |                |                |                |
| Cash and cash equivalents        | 5    | 947,193        | 676,093        | 944,460        | 672,820        |
| Trade and other receivables      | 6    | 14,442         | 89,207         | 12,450         | 25,855         |
| Inventories                      | 7    | -              | 30,521         | -              | -              |
| Other financial assets           | 8    | -              | -              | -              | 12,334         |
| <b>TOTAL CURRENT ASSETS</b>      |      | <b>961,635</b> | <b>795,821</b> | <b>956,910</b> | <b>711,009</b> |
| <b>NON CURRENT ASSETS</b>        |      |                |                |                |                |
| Property, plant & equipment      |      | -              | 31,269         | -              | 5,524          |
| Other financial assets           | 6    | -              | 75,301         | -              | 75,301         |
| <b>TOTAL NON CURRENT ASSETS</b>  |      | <b>-</b>       | <b>106,570</b> | <b>-</b>       | <b>80,825</b>  |
| <b>TOTAL ASSETS</b>              |      | <b>961,635</b> | <b>902,391</b> | <b>956,910</b> | <b>791,834</b> |
| <b>CURRENT LIABILITIES</b>       |      |                |                |                |                |
| Trade and other payables         | 9    | 9,140          | 30,045         | 35,503         | 29,218         |
| Employee benefits                | 10   | -              | 9,615          | -              | 9,615          |
| <b>TOTAL CURRENT LIABILITIES</b> |      | <b>9,140</b>   | <b>39,660</b>  | <b>35,503</b>  | <b>38,833</b>  |
| <b>TOTAL LIABILITIES</b>         |      | <b>9,140</b>   | <b>39,660</b>  | <b>35,503</b>  | <b>38,833</b>  |
| <b>NET ASSETS</b>                |      | <b>952,495</b> | <b>862,731</b> | <b>921,407</b> | <b>753,001</b> |
| <b>EQUITY</b>                    |      |                |                |                |                |
| Issued capital                   | 11   | 5,767,002      | 4,556,956      | 5,767,002      | 4,556,956      |
| Reserves                         |      | 54,496         | -              | 54,496         | -              |
| Accumulated losses               |      | (4,869,003)    | (3,694,225)    | (4,900,091)    | (3,803,955)    |
| <b>TOTAL EQUITY</b>              |      | <b>952,495</b> | <b>862,731</b> | <b>921,407</b> | <b>753,001</b> |

The balance sheets are to be read in conjunction with the accompanying notes.



PRELIMINARY STATEMENT OF CASHFLOWS  
for the year ended 30 June 2009

|  | Note | Consolidated       |                  | Company            |                  |
|--|------|--------------------|------------------|--------------------|------------------|
|  |      | 2009<br>\$         | 2008<br>\$       | 2009<br>\$         | 2008<br>\$       |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>           |      |                    |                  |                    |                  |
| Cash receipts from customers                         |      | 101,960            | 116,409          | -                  | -                |
| Cash paid to suppliers and employees                 |      | (1,241,495)        | (764,844)        | (1,165,030)        | (571,739)        |
| Interest received                                    |      | 37,530             | 73,426           | 37,530             | 73,426           |
| Other revenue  |      | 94,729             | -                | 94,729             | -                |
| <b>Net cash used in operating activities</b>         |      | <b>(1,007,276)</b> | <b>(575,009)</b> | <b>(1,032,771)</b> | <b>(498,313)</b> |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>           |      |                    |                  |                    |                  |
| Proceeds from sale of assets                         |      | 4,000              | 6,506            | 4,000              | -                |
| Funds to security deposit                            |      | -                  | (75,301)         | -                  | (75,301)         |
| Loans to subsidiaries                                |      | -                  | -                | 38,832             | (70,463)         |
| Payments for property, plant and equipment           |      | (5,089)            | (7,724)          | (6,923)            | (7,724)          |
| <b>Net cash used in investing activities</b>         |      | <b>(1,089)</b>     | <b>(76,519)</b>  | <b>35,909</b>      | <b>(153,488)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>           |      |                    |                  |                    |                  |
| Funds from security deposit                          |      | 10,963             | -                | -                  | -                |
| Proceeds from borrowings                             |      | -                  | -                | -                  | -                |
| Repayment of borrowings                              |      | -                  | -                | -                  | -                |
| Prepaid cost of share issue                          |      | -                  | (14,406)         | -                  | (14,406)         |
| Net proceeds from issue of shares                    |      | 1,268,502          | -                | 1,268,502          | -                |
| <b>Net cash provided by financing activities</b>     |      | <b>1,279,465</b>   | <b>(14,406)</b>  | <b>1,268,502</b>   | <b>(14,406)</b>  |
| Net increase/(decrease) in cash and cash equivalents |      | 271,100            | (665,934)        | 271,640            | (666,207)        |
| Cash and cash equivalents at beginning of period     |      | 676,093            | 1,342,027        | 672,820            | 1,339,027        |
| <b>Cash and cash equivalents at end of period</b>    | 5    | <b>947,193</b>     | 676,093          | <b>944,460</b>     | 672,820          |

The statements of cash flows are to be read in conjunction with the accompanying notes.



PRELIMINARY STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 June 2009

| Consolidated                      | Note | Issued<br>Capital<br>\$ | Reserves<br>\$ | Accumulated<br>Losses<br>\$ | Total<br>\$ |
|-----------------------------------|------|-------------------------|----------------|-----------------------------|-------------|
| <b>BALANCE AS AT 1 JULY 2007</b>  |      | 4,556,956               | 4,530          | (2,936,183)                 | 1,625,303   |
| Share based payments              |      | -                       | (4,530)        | 4,530                       | -           |
| Loss for the year                 |      | -                       | -              | (762,572)                   | (762,572)   |
| <b>BALANCE AS AT 30 JUNE 2008</b> |      | 4,556,956               | -              | (3,694,225)                 | 862,731     |
| Shares issued                     |      | 1,504,048               | -              | -                           | 1,504,048   |
| Cost of shares issued             |      | (239,506)               | -              | -                           | (239,506)   |
| Share based payments              |      | (54,496)                | 54,496         | -                           | -           |
| Loss for the year                 |      | -                       | -              | (1,174,778)                 | (1,174,778) |
| <b>BALANCE AS AT 30 JUNE 2009</b> |      | 5,767,002               | 54,496         | (4,869,003)                 | 952,495     |

| Company                           | Note | Issued<br>Capital<br>\$ | Reserves<br>\$ | Accumulated<br>Losses<br>\$ | Total<br>\$ |
|-----------------------------------|------|-------------------------|----------------|-----------------------------|-------------|
| <b>BALANCE AS AT 1 JULY 2007</b>  |      | 4,556,956               | 4,530          | (3,229,623)                 | 1,331,863   |
| Share Based Payments              |      | -                       | (4,530)        | 4,530                       | -           |
| Loss for the year                 |      | -                       | -              | (578,862)                   | (578,862)   |
| <b>BALANCE AS AT 30 JUNE 2008</b> |      | 4,556,956               | -              | (3,803,955)                 | 753,001     |
| Shares issued                     |      | 1,504,048               | -              | -                           | 1,504,048   |
| Cost of shares issued             |      | (239,506)               | -              | -                           | (239,506)   |
| Share based payments              |      | (54,496)                | 54,496         | -                           | -           |
| Loss for the year                 |      | -                       | -              | (1,096,136)                 | (1,096,136) |
| <b>BALANCE AS AT 30 JUNE 2009</b> |      | 5,767,002               | 54,496         | (4,900,091)                 | 921,407     |

The statements of changes in equity are to be read in conjunction with the accompanying notes.



NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS  
for the year ended 30 June 2009

|  | Consolidated   |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2009           | 2008           | 2009           | 2008           |
|  | \$             | \$             | \$             | \$             |
| <b>1. OTHER INCOME</b>                                   |                |                |                |                |
| Proceeds from Sale of Asset                              | 1,312          | 6,506          | 1,312          | -              |
| R&D Tax Rebate   | 94,729         | -              | 94,729         | -              |
|  | <b>96,041</b>  | <b>6,506</b>   | <b>96,041</b>  | <b>-</b>       |
| <b>2. OTHER EXPENSES</b>                                 |                |                |                |                |
| Depreciation and amortisation                            | 3,831          | 11,915         | 2,181          | 208            |
| Impairment of inventories                                | 1,912          | 37,769         | -              | -              |
| Impairment of property, plant and equipment              | 22,317         | 76,207         | 7,578          | -              |
| Impairment of loans to subsidiaries                      | -              | -              | 4,360          | 58,129         |
| Impairment of receivables                                | (12,000)       | 20,161         | -              | -              |
| Equipment rental   | 12,380         | 21,313         | 8,490          | -              |
| Profession and consultancy fees                          | -              | 152,222        | -              | 152,222        |
| Carbon sink project expenditure                          | 151,327        | 40,499         | 151,327        | 40,499         |
| Property lease expense                                   | -              | 42,281         | -              | -              |
| Other expenses   | 558,419        | 176,918        | 488,486        | 133,323        |
|  | <b>738,186</b> | <b>579,285</b> | <b>662,422</b> | <b>384,381</b> |
| <b>3. PERSONNEL EXPENSES</b>                             |                |                |                |                |
| Wages and salaries                                       | 311,824        | 268,208        | 308,495        | 197,750        |
| Other personnel expenses                                 | 250,460        | 45,445         | 250,460        | 45,445         |
| Superannuation costs                                     | 26,078         | 20,177         | 25,670         | 15,097         |
| Annual leave provision                                   | (9,615)        | 560            | (9,615)        | 9,615          |
|  | <b>578,747</b> | <b>334,390</b> | <b>575,010</b> | <b>267,907</b> |
| <b>4. FINANCE INCOME</b>                                 |                |                |                |                |
| Interest Income  | 45,255         | 73,426         | 45,255         | 73,426         |
|  | <b>45,255</b>  | <b>73,426</b>  | <b>45,255</b>  | <b>73,426</b>  |
| <b>5. CASH AND CASH EQUIVALENTS</b>                      |                |                |                |                |
| Bank balances  | 947,193        | 676,093        | 944,460        | 672,820        |
| Cash and cash equivalents in the statement of cash flows | <b>947,193</b> | <b>676,093</b> | <b>944,460</b> | <b>672,820</b> |



NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS CONTINUED  
for the year ended 30 June 2009

|   | Consolidated  |               | Company       |               |
|---|---------------|---------------|---------------|---------------|
|   | 2009<br>\$    | 2008<br>\$    | 2009<br>\$    | 2008<br>\$    |
| <b>6. TRADE AND OTHER RECEIVABLES</b>   |               |               |               |               |
| <b>Current</b>  |               |               |               |               |
| Trade receivables   | 1,071         | 55,953        | -             | 4,301         |
| Other receivables   | 4,908         | 45            | 4,724         | 45            |
| Prepayments   | -             | 20,220        | -             | 20,220        |
| Accrued Interest  | 7,726         | -             | 7,726         | -             |
| Security bonds  | 737           | 12,989        | -             | 1,289         |
|   | <b>14,442</b> | <b>89,207</b> | <b>12,450</b> | <b>25,855</b> |
| <b>Non-Current</b>  |               |               |               |               |
| Bond with underlying term deposit (A)   | -             | 75,301        | -             | 75,301        |
|   | <b>-</b>      | <b>75,301</b> | <b>-</b>      | <b>75,301</b> |
| <i>(A): This amount represents a term deposit held by the company as security for a bond over the principal office.</i> |               |               |               |               |
| <b>7. INVENTORIES</b>   |               |               |               |               |
| Finished goods  | 219,213       | 275,547       | -             | -             |
| Less: provision for impairment  | (219,213)     | (245,026)     | -             | -             |
|   | <b>-</b>      | <b>30,521</b> | <b>-</b>      | <b>-</b>      |
| <b>8. OTHER ASSETS</b>  |               |               |               |               |
| <b>Current</b>  |               |               |               |               |
| Loans to subsidiaries   | -             | -             | -             | 70,463        |
| Provision for impairment of loans to subsidiaries   | -             | -             | -             | (58,129)      |
|   | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>12,334</b> |
| <b>9. TRADE AND OTHER PAYABLES</b>  |               |               |               |               |
| <b>Current</b>  |               |               |               |               |
| Trade creditors   | 9,140         | 30,045        | 9,005         | 29,218        |
| Loans to subsidiaries   | -             | -             | 26,498        | -             |
|   | <b>9,140</b>  | <b>30,045</b> | <b>35,503</b> | <b>29,218</b> |
| <b>10. EMPLOYEE BENEFITS</b>  |               |               |               |               |
| Liability for Employee Annual Leave   | -             | 9,615         | -             | 9,615         |





NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS CONTINUED  
for the year ended 30 June 2009

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|  | Consolidated |            | Company    |            |
|--|--------------|------------|------------|------------|
|  | 2009<br>\$   | 2008<br>\$ | 2009<br>\$ | 2008<br>\$ |
| <b>11. ISSUED CAPITAL</b>                                    |              |            |            |            |
| <b>Issued capital</b>  |              |            |            |            |
| 212,693,600 [2008: 75,962,000]<br>fully paid ordinary shares | 5,767,002    | 4,556,956  | 5,767,002  | 4,556,956  |

**Options**

On 3 June 2009 the Company issue 170,884,115 options, being five bonus options for every two shares subscribed for under the rights issues offer date 24 April 2009. The options are exercisable at \$0.01 each and expire 30 April 2012.

**12. LOSS PER SHARE**

**Basic loss per share**

The calculation of basic loss per share at 30 June 2009 was based on the loss attributable to ordinary shareholders at \$1,174,778 (2008: \$762,572) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2009 of 153,255,936 (2008: 75,962,000) calculated as follows:

*Weighted average number of ordinary shares*

| <i>Weighted average number of ordinary shares used as the denominator in the calculation of basic loss per share</i> | 2009        | 2008       |
|--|-------------|------------|
|  | 153,255,936 | 75,962,000 |

**Diluted loss per share**

*Weighted average number of ordinary shares inclusive of outstanding options*

| <i>Weighted average number of ordinary shares of in issue inclusive of outstanding options used as the denominator in the calculation of diluted loss per share</i> | 2009        | 2008       |
|---|-------------|------------|
|   | 166,364,855 | 75,962,000 |

Effect of dilutive securities:

Share options are not considered dilutive as the conversion of options to ordinary shares will result in a decrease in the net loss per share.



NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS CONTINUED  
for the year ended 30 June 2009

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**13. SUBSIDIARIES**

| Name of Entity           | Note | Country of Incorporation | Date of Incorporation | Ownership Interest %<br>30 June 2009 | Ownership Interest %<br>30 June 2008 |
|--------------------------|------|--------------------------|-----------------------|--------------------------------------|--------------------------------------|
| <b>PARENT ENTITY</b>     |      |                          |                       |                                      |                                      |
| C@ Limited               |      | Australia                | 11/10/2004            |                                      |                                      |
| <b>SUBSIDIARIES</b>      |      |                          |                       |                                      |                                      |
| C@ Trading Pty Ltd*      | (A)  | Australia                | 11/10/2004            | -                                    | 100                                  |
| C@ Logistics Pty Ltd*    |      | Australia                | 11/10/2004            | 100                                  | 100                                  |
| Acura Optical Pty Ltd    | (A)  | Australia                | Acquired 2 May 2005   | -                                    | 100                                  |
| Carbon Dynamics Pty Ltd* | (B)  | Australia                | 14/03/ 2008           | -                                    | 100                                  |

\*Incorporated as subsidiaries of C @ Limited

(A) C @Trading Pty Ltd and Acura Optical Pty Ltd were voluntarily deregistered on 20 August 2009

(B) Carbon Dynamics Pty Ltd was voluntarily deregistered on 6 February 2009

**14. SEGMENT REPORTING**

The Consolidated Entity operates in one business segment being the provision of optometry related products and services in the geographical segment of Australia.