



Carbon Polymers Limited

Year ended 30 June 2013

Results for announcement to the Market

For the period ending			30 June 2013	30 June 2012
		% Change	2013	2012
Revenue from ordinary activities	Increase by \$19,888	1.47%	\$1,372,075	\$1,352,187
Loss from continuing operations after tax attributable to members	Decrease by \$4,006,151	-58.56%	(\$2,834,565)	(\$6,840,716)
Profit/(loss) from discontinued operations after tax attributable to members				
Net Loss for the period attributable to members	Decrease by \$4,531,017	-66.24%	(\$2,309,699)	(\$6,840,716)

Additional dividend/distribution information

Details of dividends/distributions declared or paid during or subsequent to the year ended 30 June 2013 are as follows:

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil

The board has resolved that no dividends will be paid for the year ended 30 June 2013.

Record date for determining entitlements to the dividend	N/A
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- There has been no change of control of any subsidiary entities during the period and no gain of control of entities during the period.
- There have been no joint ventures during the period.
- The company has continued its operations consistent with past performance.
- The company is not aware of a modified audit opinion in relation to the accounts prior to finalisation of the audit.
- The company derived its income from the production and sale of recycled rubber, consistent with the previous year's performance.



Carbon Polymers Limited

ABN 42 000 764 572

Audit and compliance Statement

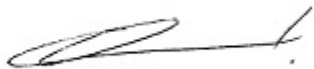
This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent issues Group Interpretations or other standards acceptable to ASX.

This report, and the accounts upon which it is based (if separate), use the same accounting policies.

This report does give a true and fair view of the matters disclosed.

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

Dated 30 August 2013

A handwritten signature in dark ink, appearing to read 'Andrew Howard', with a stylized flourish at the end.

Andrew Howard

Managing Director

Carbon Polymers Limited

ABN 42 000 764 572

Preliminary Consolidated Financial Statements
For the Year Ended 30 June 2013

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Carbon Polymers Limited

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Preliminary Consolidated Statement of Comprehensive Income For the Year Ended 30 June 2013

		Consolidated	
	Note	2013 \$	2012 \$
Revenue	3	1,372,075	1,352,187
Other income	3	3,873	896
Cost of sales		(721,217)	(295,244)
Depreciation and amortisation expense		(384,324)	(2,791,977)
Other expense		(2,749,496)	(4,781,696)
Finance costs		(355,476)	(324,862)
Fair value adjustments		-	-
(Loss)/profit before income tax		(2,834,565)	(6,840,716)
Income tax expense		-	-
(Loss)/profit from continuing operations		(2,834,565)	(6,840,716)
(Loss)/profit from discontinued operations	4	-	-
(Loss)/profit for the year		(2,834,565)	(6,840,716)
Other comprehensive income:			
Net gain on revaluation of plant and equipment		524,866	-
Other comprehensive income for the year, net of tax		524,866	-
Total comprehensive (loss)/income for the year		(2,309,699)	(6,840,716)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)		(.012)	(.04)
Diluted earnings per share (cents)		(.010)	(.03)

The accompanying notes form part of these financial statements

Carbon Polymers Limited

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Preliminary Consolidated Statement of Financial Position As at 30 June 2013

		Consolidated	
	Note	2013 \$	2012 \$
Assets			
Current assets			
Cash and cash equivalents	5	73,639	249,145
Trade and other receivables	6	557,839	821,267
Inventories		-	629,715
Total current assets		631,478	1,700,128
Non-current assets			
Property, plant and equipment	7	6,564,811	5,945,913
Intangible assets	8	11,610,000	11,610,000
Total non-current assets		18,174,811	17,555,913
Total assets		18,806,289	19,256,041
Liabilities			
Current liabilities			
Trade and other payables	9	1,643,050	1,343,327
Short-term provisions		90,408	90,408
Total current liabilities		1,733,458	1,433,735
Non-current liabilities			
Borrowings	10	4,364,492	3,466,858
Total non-current liabilities		4,364,492	3,466,858
Total liabilities		6,097,950	4,900,593
Net assets		12,708,339	14,355,448
Equity			
Issued capital	12	35,286,053	34,623,468
Reserves	13	2,817,579	2,292,713
Accumulated losses		(25,395,293)	(22,560,728)
Total equity		12,708,339	14,355,448
Net Tangible Assets per share			
NTA per share (cents)		(.006)	(.014)

The accompanying notes form part of these financial statements

Carbon Polymers Limited

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Preliminary Consolidated Statement of Changes in Equity For the Year Ended 30 June 2013

CONSOLIDATED

	Ordinary Shares \$	Retained Earnings \$	Capital Profits Reserve \$	Asset Revaluation Reserve \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Non – Controlling Interests \$	Total \$
Balance at 1 July 2011	31,890,028	(15,720,012)	219,462	1,881,393	-	191,858	-	18,462,729
(Loss)/profit attributable to members of the parent entity		(6,840,716)						(6,840,716)
Shares issued during the year	2,733,435							2,733,435
Balance at 30 June 2012	34,623,463	(22,560,728)	219,462	1,881,393	-	191,858	-	14,355,448

CONSOLIDATED

Balance at 1 July 2012	34,623,463	(22,560,728)	219,462	1,881,393	-	191,858	-	14,355,448
Loss attributable to members of the parent entity	-	(2,834,565)	-	-	-	-	-	(2,834,565)
Shares issued during the year	673,928	-	-	-	-	-	-	673,928
Transaction costs	(11,343)	-	-	-	-	-	-	(11,343)
Revaluation of property, plant and equipment	-	-	-	524,866	-	-	-	524,866
De-recognition of non-controlling interests	-	-	-	-	-	-	-	-
Adjustments from translation of foreign controlled entities	-	-	-	-	-	-	-	-
Balance at 30 June 2013	35,286,053	(25,395,293)	219,462	2,406,259	-	191,858	-	12,708,334

The accompanying notes form part of these financial statements

Carbon Polymers Limited

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Preliminary Consolidated Statement of Cash Flows For the Year Ended 30 June 2013

		Consolidated	
	Note	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from customers		1,509,167	1,487,406
Payments to suppliers and employees		(2,400,181)	(2,775,797)
Dividends received		-	-
Interest received		1,873	896
Interest paid		(247,476)	(324,862)
Net cash (used in)/provided operating activities		(1,136,617)	(1,612,357)
Cash flows from investing activities			
Proceeds from disposal of shares		-	-
Acquisition of property, plant and equipment		-	(2,999,329)
Development expenditure		-	-
Net cash provided/(used in)operating activities		(1,136,617)	(4,611,686)
Cash flows from financing activities			
Proceeds from issue of shares		662,585	2,733,435
Proceeds from the issue of convertible notes		-	1,062,500
Proceeds from net borrowings		298,526	754,358
Net cash provided by/(used in) financing activities		961,111	4,550,293
Other activities			
Effect of exchange rates on cash holdings in foreign currencies		-	-
Net cash provided by/(used in) other activities		-	-
Net (decrease)increase in cash and cash equivalents held		(175,506)	(61,393)
Cash and cash equivalents at beginning of financial year		249,145	310,538
Cash and cash equivalents at end of financial year	5	73,639	249,145

The accompanying notes form part of these financial statements

Carbon Polymers Limited

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Notes to the Financial Statements For the Year Ended 30 June 2012

This financial report includes the consolidated financial statements and notes of Carbon Polymers Limited and Controlled Entities (the Group).

Carbon Polymers Limited is a company domiciled in Australia.

1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2011. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on the going concern basis, the validity of which depends upon a positive cash position. The company's existing projections show that further funds will be required to be generated, either by capital raisings, trading or other initiatives, to enable the Company to fund its currently planned activities for at least the next 12 months from the date of signing these financial statements.

Notwithstanding this issue, accordingly the Directors have prepared the financial statements of the Company on a going concern basis. In arriving at this position, the Directors have considered the following pertinent matter:

- Australian Accounting Standard, AASB 101 "Accounting Policies", states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading; or has no realistic alternative but to do so.

In the Directors opinion, at the date of signing the financial report, there are reasonable grounds to believe that the matters set out above will be achieved and therefore the financial statements have been prepared on a going concern basis.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Carbon Polymers Limited at the end of the reporting period. A controlled entity is any entity over which Carbon Polymers Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period that they were controlled. In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated or consolidated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and consolidated statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Carbon Polymers Limited

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Notes to the Financial Statements For the Year Ended 30 June 2012

3. Revenue and Other Income

	Consolidated	
	2013 \$	2012 \$
Revenue from continuing operations		
Sales revenue		
• Sale of goods	1,372,075	1,352,187
Other revenue		
• Interest received	1,873	896
• Equipment Sales	2,000	-
	3,873	896
Total revenue	1,375,948	1,353,083
(a) Other income		
(Loss) on disposal of non-current assets	-	-
Fair value adjustment to investment property	-	-
	-	-
(b) Interest revenue		
Interest revenue from:		
• Bank	1,873	896
Total interest revenue on financial assets not at fair value through profit or loss	1,873	896

4. Loss for the Year

The results for the year include the following specific expenses

	Consolidated	
	2013 \$	2012 \$
Interest expense		
• External	355,476	324,862
Total finance costs	355,476	324,862
Rental expense on operating leases:		
• Minimum lease payments	127,337	127,337

5. Cash and Cash Equivalents

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Notes to the Financial Statements For the Year Ended 30 June 2012

Cash at bank and in hand	73,639	249,145
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6. Trade and Other Receivables

Current

Trade receivables	712,039	794,967
(less provision for doubtful debts)	(154,200)	(79,200)
	557,839	715,767

Other receivables	105,500	105,500
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Total current trade and other receivables	663,339	821,267
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7. Property, Plant and Equipment

	Consolidated	
	2013	2012
	\$	\$
Plant and equipment		
At valuation	3,352,445	1,881,393
At cost	3,837,379	4,689,533
Accumulated depreciation	(625,013)	(625,013)
Total plant and equipment	6,564,811	5,945,913

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment
	\$
Balance at the beginning of the year	5,945,913
Revaluation	1,003,222
Depreciation expense	(384,324)
Balance at 30 June 2013	6,564,811
Balance at the beginning of the year	5,738,581
Additions	2,999,329
Depreciation expense	(2,791,997)
Balance at 30 June 2012	5,945,913

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Notes to the Financial Statements For the Year Ended 30 June 2012

8. Intangible Assets

	Consolidated	
	2013 \$	2012 \$
Goodwill		
Cost	11,610,000	11,610,000
Net carrying value	11,610,000	11,610,000
Development costs		
Cost	-	2,325,166
Accumulated amortisation and impairment	-	(2,325,166)
Net carrying value	-	-
Intangible assets		
Cost	450,000	450,000
Accumulated amortisation and impairment	(450,000)	(450,000)
Net carrying value	-	-
Total intangibles	11,610,000	11,610,000

Intangible assets, other than goodwill have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the consolidated statement of comprehensive income. Goodwill has an indefinite life and is not amortised.

9. Trade and Other Payables

Current		
Unsecured liabilities		
Trade payables	1,121,209	657,398
Sundry payables and accrued expenses	521,841	685,929
Shareholders' loans	-	-
	1,643,050	1,343,327

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Notes to the Financial Statements For the Year Ended 30 June 2012

10. Borrowings

	Consolidated	
	2013	2012
	\$	\$
Non-current		
Secured liabilities	450,000	300,000
Unsecured liabilities	1,201,992	454,358
Convertible notes	2,712,500	2,712,500
	<hr/>	
Total non-current borrowings	4,364,492	3,466,858
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(a) Convertible Notes

There are five series of convertible notes on issue. The first note being 3,000,000 notes convertible at 30 cents per note, carries interest calculated at 7% per annum and the other notes being 7,250,000 notes in total convertible at 25 cents per carry note carry interest calculated at 10% per annum.

11. Capital and Leasing Commitments

Operating Lease Commitments – Property Leases

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

Payable – minimum lease payments:

• no later than 1 year	362,814	362,814
• between 1 year and 5 years	-	653,270
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	362,814	1,016,084
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Operating leases have been taken out for the Group's operating premises. Lease payments are increased on an annual basis to reflect market rentals.

Carbon Polymers Limited

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12. Issued Capital (continued)

(a) Ordinary Shares

	2013	Consolidated 2012
At the beginning of the reporting period	172,324,966	114,575,576
Shares held during the year: Issued September 2012	16,848,200	55,990,807
At the end of the reporting period	189,173,166	172,324,966

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	2013 \$	Consolidated 2012 \$
Total borrowings	4,364,492	3,466,858
Trade and other payables	1,733,458	1,343,327
Less cash and cash equivalents	(73,639)	(249,145)
Net debt	6,024,311	4,561,040
Total equity	12,708,339	14,355,448
Total capital	20,379,759	18,916,488

13. Reserves

	2,817,579	2,292,713
(a) Asset Revaluation Reserve	2,406,259	1,881,393

The asset revaluation reserve records realised gains on revaluation of property, plant and equipment recorded at fair value.

(b) Capital Profits Reserve	219,462	219,462
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The capital profits reserves records non-taxable profits on sale of investments.

(c) Option Reserve	191,858	191,858
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The option reserve records amounts recognised as expense on the valuation of share options issued valued using the Black and Scholes method. The balance of the options reserve for the previous financial year was transferred to retained earnings at year end, as those series of options have lapsed. The current listed options have a negligible value.

14. Operating Segments

Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of corporate identity as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Basis of Accounting for Purposes of Reporting by Operating Segments

(a) Accounting Policies Adopted

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Income tax expense is calculated based on the segment operating net profit using a notional charge of 30%. The effect of taxable or deductible temporary difference is not included for internal reporting purposes.

An internally determined transfer price is set for all inter-entity sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's-length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

(b) Segment Assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment Liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities include trade and other payables and certain direct borrowings.