



Intec Ltd

ABN 25 001 150 849

Superior and Sustainable Metals Production

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Companies Announcements Office
Australian Securities Exchange

31 July 2014

Quarterly Activities Report: Appendix 4C June 2014

Attached is the June 2014 Quarterly Report for Entities Admitted on the Basis of Commitments (Appendix 4C) for Intec Ltd (ASX Code: INL; Intec).

Science Developments Pty Ltd

Intec owns a 50% interest in Science Developments Pty Ltd (SciDev) and holds an option to increase its ownership to 100% based on an agreed formula related to the future profitability of SciDev. SciDev is a manufacturer and supplier of coagulants and flocculants for wastewater treatment and sludge dewatering in the mining and agribusiness industries in New South Wales, Queensland and Victoria.

SciDev incurred a small loss during the quarter due to continued expenditure on business development and a decline in purchases by some existing customers. This in some instances was due to SciDev either optimising an existing chemical regime or introducing a new chemical regime.

During the quarter, SciDev gained a new customer in the quarry industry and also conducted trials at two dairy processing sites; a sewage treatment facility and a food manufacturing facility. SciDev is confident that customer analysis of the trials will result in new client acquisitions in either the majority or all of the above mentioned sites. In addition, early in the September quarter, trials of SciDev flocculants will be undertaken at two industrial waste treatment facilities.

During the September quarter, SciDev will be lodging a provisional patent relating to the use of its coagulants and flocculants in coal washing plants and tailings de-watering facilities for both coal and metalliferous mining operations. Following lodgement of the provisional patent, an agreed trial of SciDev products and associated intellectual property will take place at a large Australian coal mine.

Prior to the end of the quarter, the shareholders of SciDev contributed \$100,000 in unsecured loan funds to SciDev, of which Intec's share was \$50,000. The purpose of the loan is to fund current and future business development activities including intellectual property protection. Intec remains confident that the resources being applied to SciDev business development will begin to show in financial performance during the second half of this calendar year.

Burnie Research Facility

During the quarter, the Burnie Research Facility (the Facility) conducted a campaign treatment of industrial waste from Automotive Components Limited (ACL) (Receivers and Managers Appointed) (In Liquidation). ACL ceased operations on 30 June 2014 and its Launceston; Tasmania manufacturing facilities are currently being de-commissioned. De-commissioning activities will generate additional quantities of waste material that will be treated at the Facility during the September 2014 quarter.

The cessation of operations at ACL was expected and consequently during the quarter, Intec made a decision to de-commission the Facility, after being unable to identify a buyer. De-commissioning activities are well underway, while maintaining the ability to treat ACL material. The Facility is nine years old and while various items of plant and equipment have been or will be sold, the majority of plant and equipment will be scrapped. De-commissioning of the facility and a complete exit from the site is expected to occur no later than October 2014. It is expected that the costs of de-commissioning, including a redundancy payment to a permanent employee, will be offset by ACL treatment fees and the sale of plant and equipment. The carrying value of the Facility on Intec's balance sheet was depreciated to zero as of 30 June 2014.

Corporate

Intec continues to investigate other acquisition opportunities, principally those either complementary or supplementary to SciDev.

The attached Appendix 4C, including the consolidated statement of cash flows, represents a consolidation of the cash flows of Intec, its wholly owned subsidiaries and SciDev. The consolidated cash balance at 30 June 2014 was \$1.746 million.

Intec Ltd



Kieran Rodgers
Managing Director

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Intec Ltd

ABN

25 001 150 849

Quarter ended
("current quarter")

30 June 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	388	1,044
1.2 Payments for		
(a) advertising and marketing	(5)	(5)
(b) zinc bearing concentrate cost of sales	-	-
(c) production facility costs	(155)	(495)
(d) administration costs and corporate overheads	(352)	(1,394)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	18	87
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income tax paid	-	(35)
1.7 Royalty income	-	-
1.8 Other Income		
- R&D tax offset	-	129
- Other	4	122
Net Operating Cash Flows	(102)	(547)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (50% of Science Developments Pty Ltd)	-	(1,300)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(81)	(81)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	99
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other:		
Refund of Security Bonds	-	79
Cash acquired	-	3
Net investing cash flows	(81)	(1,200)
1.14 Total operating and investing cash flows	(183)	(1,747)

Appendix 4C (Continued)

Quarterly report for entities admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	128	199
1.18 Repayment of borrowings	(47)	(109)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	81	90
Net increase (decrease) in cash held	(102)	(1,657)
1.21 Cash at beginning of quarter/year	1,849	3,403
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter/year	1,746	1,746

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

1.24 Aggregate amount of payments to the parties included in item 1.2	90
1.25 Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

Directors' fees are at normal commercial rates.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	Nil
2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	Nil

Appendix 4C (Continued)

Quarterly report for entities admitted on the basis of commitments

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	350	216
3.2 Credit standby arrangements	Nil	Nil

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	70	90
4.2 Deposits at call	476	116
4.3 Bank overdraft	-	-
4.4 Term Deposits	1,200	1,600
Total: cash at end of quarter (item 1.23)	1,746	1,849

Acquisitions and disposals
of business entities

- 5.1 Name of entity
- 5.2 Place of incorporation or registration
- 5.3 Consideration for acquisition or disposal
- 5.4 Total net assets
- 5.5 Nature of business

Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does/~~does not~~ give a true and fair view of the matters disclosed.

Sign here:



Date: 31 July 2014

(Director/~~Company secretary~~)

Print name: **Kieran Rodgers**

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.