



Intec Ltd

ABN 25 001 150 849

Superior and Sustainable Metals Production

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Companies Announcements Office
Australian Securities Exchange

30 April 2014

Quarterly Activities Report: Appendix 4C March 2014

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

Science Developments Pty Ltd

The Company 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.

At the time of Intec's acquisition of a 50% interest, SciDev's customer base was agribusiness and mining. Within the agribusiness segment the customer base was almost exclusively in the dairy processing industry. The financial performance of SciDev during the Quarter was impacted by an unscheduled plant shutdown at one of its major customers within this sector. In addition, the dairy processing industry in Australia is undergoing a period of change that is impacting on the competitive position and thus production volumes of certain industry participants, including within SciDev's historic customer base. Furthermore, since Intec's acquisition of its 50% interest, SciDev's cost base has increased due to investment in business development activities and the entering into of contractual employment arrangements with the SciDev management team. As a consequence of all these matters, SciDev incurred a small loss for the Quarter although sales rebounded in March following under budget performance in January and February 2014.

During the Quarter SciDev aggressively commenced the diversification of its customer base within the dairy processing sector. This included the successful completion of production trials of SciDev products at dairy processing facilities in New South Wales and Victoria. One of these facilities has now converted to SciDev product and in respect of the other, finalisation of trial results are awaited. In addition, during the current quarter production trials of SciDev product are scheduled at a further two dairy processing facilities.

The basis for Intec's acquisition of an interest in SciDev was the opportunity to expand product sales into other industry sectors and geographical areas. This commenced during the Quarter with SciDev achieving its first sales to participants in both the quarrying industry and the chicken processing industry. Further production trials within these two industry sectors are scheduled to

occur during the current quarter. Business development activities also continued in the coal industry and the sewage industry and may result in production trials during the current quarter. Whilst significant effort is being put into business development activities within new industry sectors, the financial impact of these efforts will take time to emerge.

Other

No production activities occurred at the Burnie Research Facility (the Facility) during the Quarter. However, it is expected that the Facility will operate during the current quarter treating industrial waste from Automotive Components Limited (ACL) (Receivers and Managers Appointed) (In Liquidation). ACL is a supplier to the Australian automotive sector and hence its future is uncertain. The future operating status of ACL is expected to be resolved during the current quarter, dependent upon which the Company will consider options for the Facility. These could include continued operation of the Facility on a campaign basis to treat ACL sourced material, or either its sale or decommissioning.

The status of the IRC Project remains unchanged. The completed engineering design package will be delivered to the client upon receipt of an overdue payment due to Intec International Projects Pty Ltd (IIP), an incorporated 50:50 joint venture between the Company and Mr Reza Maghzian.

Corporate

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

The Appendix 4C, including the consolidated statement of cash flows, represents a consolidation of the cash flows of the Company, its wholly owned subsidiaries and SciDev. The cash balance of the Company at 31 March 2014 was \$1.836 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")

31 March 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	271	656
1.2 Payments for		
(a) advertising and marketing	-	-
(b) zinc bearing concentrate cost of sales	-	-
(c) production facility costs	(144)	(340)
(d) administration costs and corporate overheads	(359)	(1,042)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12	69
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income tax paid	(35)	(35)
1.7 Royalty income	-	-
1.8 Other Income		
- R&D tax offset	-	129
- Other	52	119
Net Operating Cash Flows	(203)	(445)
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	-	-
(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	-	(1,119)
1.14 Total operating and investing cash flows	(203)	(1,564)

Appendix 4C (Continued)

Quarterly report for entities admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 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	-	71
1.18 Repayment of borrowings	(60)	(61)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	(60)	10
Net increase (decrease) in cash held	(263)	(1,554)
1.21 Cash at beginning of quarter/year	2,112	3,403
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter/year	1,849	1,849

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	89
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	250	162
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	90	116
4.2 Deposits at call	159	96
4.3 Bank overdraft	-	-
4.4 Term Deposits	1,600	1,900
Total: cash at end of quarter (item 1.23)	1,849	2,112

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: 30 April 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.