

# Intec Ltd

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ASX code: INL

Company Announcements Office  
Australian Securities Exchange

30 April 2015

## **Quarterly Activities Report: Appendix 4C – March 2015**

Attached is the March 2015 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**

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 achieved a modest profit during the quarter despite a reduction in sales during March from customers in the quarrying and coal seam gas extraction industries due to site specific reasons. Sales to these customers are expected to resume during the current quarter. New customer sales in the areas of liquid waste treatment and metalliferous mining were achieved during the quarter.

In relation to the OptiFlox® system, fabrication and off-site testing of the system is now in its final stages. The commercial terms for a six-month trial of the Optiflox® system at a large NSW thermal coal mine have been agreed, which include the receipt of licensing fees and revenue from associated coagulant product sales. The system will be transported to the trial site in the first half of next month and should be operational shortly thereafter. Dependent upon successful trial results, further roll-outs of the OptiFlox® systems would be expected to take place in the second half of this calendar year.

The OptiFlox® system consists of two skids, referred to as the OptiFlox® skid and the Pump skid.

### **OptiFlox® skid**

This houses all necessary instrumentation to provide for continuous measurement of key particle characteristics of the coal slurry in order to enable optimised real-time dosing of SciDev coagulant and real-time data capture.



**Figure 1: OptiFlox® skid**

### **Pump skid**

The role of the pump skid is to draw a continuous sample from the thickeners' centre well and pump to the OptiFlox® skid, located near the thickener.



**Figure 2: OptiFlox® pump skid**

## **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 31 March 2015 was \$1.112 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 2015**

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	315	968
1.2 Payments for		
(a) advertising and marketing	-	(5)
(b) zinc bearing concentrate cost of sales	-	-
(c) hydrometallurgical process development	-	-
(d) payments to suppliers & corporate overheads	(323)	(1,127)
(e) employee costs	(181)	(690)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	35
1.5 Interest and other costs of finance paid	(5)	(16)
1.6 Income tax paid/receipt	-	20
1.7 Royalty income	-	-
1.8 Other Income	-	-
<b>Net Operating Cash Flows</b>	<b>(184)</b>	<b>(815)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	(12)
(d) physical non-current assets	(17)	(87)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(b) equity investments	-	50
(c) intellectual property	-	-
(d) physical non-current assets	-	184
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
<b>Net investing cash flows</b>	<b>(17)</b>	<b>135</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(201)</b>	<b>(680)</b>

## Appendix 4C (Continued)

### Quarterly report for entities admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	77
1.18 Repayment of borrowings	(2)	(33)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	<b>(2)</b>	<b>44</b>
<b>Net increase (decrease) in cash held</b>	<b>(203)</b>	<b>(636)</b>
1.21 Cash at beginning of quarter/year	1,315	1,748
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter/year</b>	<b>1,112</b>	<b>1,112</b>

#### 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	82
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 <sup>1</sup>	250	164
3.2 Credit standby arrangements	Nil	Nil

1. Trade finance facility

#### 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	68	109
4.2 Deposits at call	44	306
4.3 Bank overdraft	-	-
4.4 Term Deposits	1,000	900
<b>Total: cash at end of quarter (item 1.23)</b>	<b>1,112</b>	<b>1,736</b>

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 2015

(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.