

# Intec Ltd

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ASX code: INL

Company Announcements Office  
Australian Securities Exchange

30 January 2015

## Quarterly Activities Report: Appendix 4C – December 2014

Attached is the December 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

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 strong sales growth during the quarter. The significant area of expansion was in product sales to water treatment facilities associated with the extraction of coal seam gas in Queensland. To better service this sector, SciDev has set up a product transshipment depot in south-east Queensland. SciDev was profitable during the quarter.

In relation to the OptiFlox system, purchase orders for all necessary equipment were placed during the quarter. Fabrication and testing of the first module will be completed shortly and the first trial at a large New South Wales coal mine is expected to commence during the current quarter. Successful implementation of the OptiFlox system will result in SciDev receiving licensing fees for its patented technology and revenue from associated product sales.

### *Other*

During the quarter the Company was advised by EPA Tasmania that the decommissioning and remediation of the site of the former Burnie Research Facility were completed to a suitable standard. Consequently the Company's site Operating Permit was relinquished.

### *Corporate*

Intec's 2014 Annual General Meeting was held on 28 November 2014. All resolutions contained in the Notice of Meeting were passed including the appointment of Rothsay Chartered Accountants as the Company's new Auditor.

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. Cash flows relating to operating activities during the quarter were materially impacted by an employee redundancy payment and a make-good payment relating to the site of the former Burnie Research Facility. These payments amounted to approximately \$155,000. Following the exit from Burnie the monthly operating costs of the Intec Group have materially decreased.

The consolidated cash balance at 31 December 2014 was \$1.315 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 December 2014**

#### Consolidated statement of cash flows

|   | Current<br>quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|---|-------------------------------|---------------------------------------|
| <b>Cash flows related to operating activities</b>         |                               |                                       |
| 1.1 Receipts from product sales and related debtors       | 404                           | 653                                   |
| 1.2 Payments for  |                               |                                       |
| (a) advertising and marketing                             | (4)                           | (5)                                   |
| (b) zinc bearing concentrate cost of sales                | -                             | -                                     |
| (c) payments to suppliers & corporate overheads           | (514)                         | (804)                                 |
| (d) employee costs  | (279)                         | (509)                                 |
| 1.3 Dividends received                                    | -                             | -                                     |
| 1.4 Interest and other items of a similar nature received | 12                            | 25                                    |
| 1.5 Interest and other costs of finance paid              | (7)                           | (11)                                  |
| 1.6 Income tax paid/receipt                               | 20                            | 20                                    |
| 1.7 Royalty income  | -                             | -                                     |
| 1.8 Other Income  | -                             | -                                     |
| <b>Net Operating Cash Flows</b>                           | <b>(368)</b>                  | <b>(631)</b>                          |
| <b>Cash flows related to investing activities</b>         |                               |                                       |
| 1.9 Payment for acquisition of:                           |                               |                                       |
| (a) businesses  | -                             | -                                     |
| (b) equity investments                                    | -                             | -                                     |
| (c) intellectual property                                 | (12)                          | (12)                                  |
| (d) physical non-current assets                           | (69)                          | (69)                                  |
| (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                           | 7                             | 183                                   |
| (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>(74)</b>                   | <b>152</b>                            |
| <b>1.14 Total operating and investing cash flows</b>      | <b>(442)</b>                  | <b>(479)</b>                          |

## Appendix 4C (Continued)

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

|  | Current<br>quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$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                      | 50                            | 77                                    |
| 1.18 Repayment of borrowings                       | (29)                          | (31)                                  |
| 1.19 Dividends paid                                | -                             | -                                     |
| 1.20 Other (provide details if material)           | -                             | -                                     |
| <b>Net financing cash flows</b>                    | <b>21</b>                     | <b>46</b>                             |
| <b>Net increase (decrease) in cash held</b>        |                               |                                       |
|  | <b>(421)</b>                  | <b>(433)</b>                          |
| 1.21 Cash at beginning of quarter/year             | 1,736                         | 1,748                                 |
| 1.22 Exchange rate adjustments to item 1.20        | -                             | -                                     |
| 1.23 <b>Cash at end of quarter/year</b>            | <b>1,315</b>                  | <b>1,315</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<br>available<br>\$A'000 | Amount<br>used<br>\$A'000 |
|----------------------------------|--------------------------------|---------------------------|
| 3.1 Loan facilities <sup>1</sup> | 250                            | 171                       |
| 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<br>quarter<br>\$A'000 | Previous<br>quarter<br>\$A'000 |
|--|-------------------------------|--------------------------------|
| 4.1 Cash on hand and at bank                     | 109                           | 308                            |
| 4.2 Deposits at call                             | 306                           | 128                            |
| 4.3 Bank overdraft                               | -                             | -                              |
| 4.4 Term Deposits                                | 900                           | 1,200                          |
| <b>Total: cash at end of quarter (item 1.23)</b> | <b>1,315</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<br>(Item 1.9(a)) | Disposals<br>(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 January 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.