

Intec Ltd

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Company Announcements Office
Australian Securities Exchange

31 July 2015

Quarterly Activities Report: Appendix 4C – June 2015

Attached is the June 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 break-even result during the quarter. For the full year, SciDev recorded a small loss, principally due to poor sales performance during the September quarter of 2014.

OptiFlox® System

As previously announced, SciDev has agreed the commercial terms for a six-month trial of the Optiflox® system at a large New South Wales thermal coal mine. These terms include the receipt of licensing fees and revenue from associated coagulant product sales. SciDev has now received a purchase order for the full amount of the license fees for the six-month trial. The system is scheduled to be transported to the trial site in the second half of August 2015. Fabrication and off-site testing of the OptiFlox® system has taken considerably longer than originally expected, but it is the view of management that it is better to resolve any identifiable issues associated with the system off-site rather than on-site during a commercial trial process.

New Zealand Distributorship

SciDev has agreed the commercial terms of a distribution agreement with Apex Environmental Ltd (Apex) for Apex to act as the exclusive distributor for its products in New Zealand. Apex is a supplier of equipment, project management and engineering solutions for industrial wastewater treatment plants. Apex services participants in the dairy, food, wine and textile industries.

Corporate

Intec continues to investigate other acquisition opportunities, principally those either complementary or supplementary to SciDev. Intec also continues to investigate options for realising value from its wholly-owned Zeehan Slag dump.

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 2015 was \$0.926 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 2015

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	214	1,209
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	(337)	(1,464)
(e) employee costs	(172)	(862)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	45
1.5 Interest and other costs of finance paid	(9)	(25)
1.6 Income tax paid/receipt	-	20
1.7 Royalty income	-	-
1.8 Other Income	-	-
Net Operating Cash Flows	(267)	(1,082)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	(12)
(d) physical non-current assets	(28)	(115)
(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	24	208
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
Net investing cash flows	(4)	131
1.14 Total operating and investing cash flows	(271)	(680)

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	87	164
1.18 Repayment of borrowings	(2)	(35)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	85	129
Net increase (decrease) in cash held	(186)	(822)
1.21 Cash at beginning of quarter/year	1,112	1,748
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter/year	926	926

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.

- 3.1 Loan facilities ¹
3.2 Credit standby arrangements
 1. Trade finance facility

Amount available \$A'000	Amount used \$A'000
250	164
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.

- 4.1 Cash on hand and at bank
4.2 Deposits at call
4.3 Bank overdraft
4.4 Term Deposits

Current quarter \$A'000	Previous quarter \$A'000
46	68
380	44
-	-
500	1,000
926	1,112

Total: cash at end of quarter (item 1.23)

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

- 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.
- This statement does/~~does not~~ give a true and fair view of the matters disclosed.

Sign here:



Date: 31 July 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.