

Intec Ltd

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Companies Announcements Office
Australian Securities Exchange

31 August 2015

Preliminary 2015 Financial Report (Appendix 4E)

Intec Ltd provides its Preliminary Final Report in accordance with Appendix 4E for the financial year ended 30 June 2015.

Yours faithfully
Intec Ltd



Kieran Rodgers
Managing Director



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Preliminary Final Report in accordance with Appendix 4E

Financial year ended 30 June 2015



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RESULTS FOR ANNOUNCEMENT TO THE MARKET

Particulars	Year ended	
	30 June 2015	30 June 2014
	\$	\$
Revenues and other income from continuing operations	Up 19.9% to 1,536,962	from 1,281,439
(Loss) profit for year attributable to members	Up 32.1% to (856,446)	from (1,261,134)
Dividends	Amount per security	Franked amount per security
Final dividend	Nil cents	Nil cents
Previous corresponding period	Nil cents	Nil cents
Record date for determining entitlement to dividend	Not applicable	Not applicable

Brief Explanation of any of the figures reported above

The Company and controlled entities (the Group) generated an operating loss after income tax of \$856,446 and net cash outflows from operations of \$1,081,085 in the year ended 30 June 2015. At 30 June 2015 the Group had net assets of \$2,243,129 and cash balances of \$926,394.

This Appendix 4E should be read in conjunction with the Half-Year Financial Report of the Group as at 31 December 2014 and the Annual Financial Report of Intec, due to be released in September 2015, for the year ended 30 June 2015. It is also recommended that the Appendix 4E be considered together with any public announcements made by the Group since commencement of the 2014/15 financial year on 1 July 2014 in accordance with the continuous disclosure obligations arising under the Corporations Act, 2001.

Events Occurring after Balance Date

No matter or circumstance has arisen since 30 June 2015 that has significantly affected or may significantly affect the consolidated entities operations, the results of these operations, or the consolidated entities state of affairs in future financial years.



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Consolidated Statement of Profit or Loss and other Comprehensive Income For the year ended 30 June 2015

	Year ended	
	30 June 2015	30 June 2014
	\$	\$
Revenue	1,536,962	1,281,439
Administration expense	(435,765)	(437,929)
Burnie Research Facility expenses	(100,592)	(52,363)
Depreciation and amortisation expense	(64,071)	(380,168)
Engineering and other consultants expenses	(166,032)	(93,969)
Employment costs	(848,614)	(781,809)
Finance costs	(23,616)	(8,716)
Impairment expense	(13,100)	(162,900)
Occupancy expense	(117,981)	(135,471)
Treatment expense	(669,031)	(557,207)
Other expenses	(11,680)	(2,316)
(Loss)/Profit before income tax from continuing operations	(913,520)	(1,331,409)
Income tax benefit/(expense)	8,883	70,401
(Loss)/Profit after tax for the year from continuing operations	(904,637)	(1,261,008)
Profit/(loss) after tax for the year from discontinued operations	48,191	(126)
(Loss)/Profit after tax for the year	(856,446)	(1,261,134)
Other comprehensive income/(loss)		
Items that will not be reclassified subsequently to profit or loss		
Gain on revaluation of other financial assets	18,100	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the year, net of income tax	18,100	-
Other comprehensive income for the year net of tax	(838,346)	(1,261,134)
(Loss)/Profit attributable to:		
Owners of Intec Ltd	(816,121)	(1,177,945)
Non-controlling interests	(40,325)	(83,189)
	(856,446)	(1,261,134)
	Cents	Cents
Basic (loss)/profit per share	(0.27)	(0.42)
Diluted (loss)/profit per share	(0.27)	(0.42)



Consolidated Statement of Financial Position As at 30 June 2015

	Year ended	
	30 June 2015	30 June 2014
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	926,394	1,747,861
Trade and other receivables	326,531	189,518
Inventories	255,777	194,520
	<hr/>	<hr/>
Total current assets	1,508,702	2,131,899
Non current assets		
Trade and other receivables	-	-
Other financial assets	57,200	42,200
Plant and equipment	221,323	294,587
Intangible assets	1,288,905	1,318,845
	<hr/>	<hr/>
Total non current assets	1,567,428	1,655,632
	<hr/>	<hr/>
Total assets	3,076,130	3,787,531
LIABILITIES		
Current liabilities		
Trade and other payables	311,646	336,867
Loans and borrowings	255,466	137,593
Provisions	77,406	112,732
	<hr/>	<hr/>
Total current liabilities	644,518	587,192
Non-current liabilities		
Trade and other payables	-	-
Loans and borrowings	113,718	64,774
Deferred tax liability	74,765	83,647
Total non-current liabilities	188,483	148,421
	<hr/>	<hr/>
Total liabilities	833,001	735,613
	<hr/>	<hr/>
Net assets	2,243,129	3,051,918
EQUITY		
Contributed equity	71,641,977	71,641,977
Reserves	2,671,694	2,624,037
Accumulated losses	(72,218,074)	(71,401,953)
Total equity attributable to equity holders of the Company	2,095,597	2,864,061
Outside equity interest	147,532	187,857
	<hr/>	<hr/>
Total equity	2,243,129	3,051,918
	<hr/>	<hr/>



Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

Consolidated	Share Capital	Reserves	Accumulated Losses	Non Controlling Interest	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2013	71,641,977	2,624,037	(70,224,008)	962	4,042,968
Comprehensive income					
Loss after income tax expense for the year	-	-	(1,177,945)	(83,189)	(1,261,134)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	(1,177,945)	(83,189)	(1,261,134)
Changes in ownership interests					
Acquisition of subsidiary with non-controlling interest	-	-	-	270,084	270,084
Balance at 30 June 2014	<u>71,641,977</u>	<u>2,624,037</u>	<u>(71,401,953)</u>	<u>187,857</u>	<u>3,051,918</u>
Balance at 1 July 2014	71,641,977	2,624,037	(71,401,953)	187,857	3,051,918
Comprehensive income					
Loss after income tax expense for the year	-	-	(816,121)	(40,325)	(856,446)
Asset revaluation reserve	-	18,100	-	-	18,100
Options reserve	-	29,557	-	-	29,557
Total comprehensive income for the year	-	47,657	(816,121)	(40,325)	(808,789)
Balance at 30 June 2015	<u>71,641,977</u>	<u>2,671,694</u>	<u>(72,218,074)</u>	<u>147,532</u>	<u>2,243,129</u>



Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	Year ended	
	30 June 2015	30 June 2014
	\$	\$
Cash flows from operating activities		
Receipts from customers	1,208,566	913,875
Payments to suppliers and employees	(2,330,079)	(1,813,794)
Interest paid	(23,616)	(8,716)
Interest received	43,900	84,042
R&D tax offset received	-	129,478
Other receipts	-	60,505
Income tax refund	20,144	-
Net cash (outflows)/inflows from operating activities	(1,081,085)	(634,610)
Cash flows from investing activities		
Payment for acquisition of business	-	(1,300,100)
Payments for plant and equipment	(115,342)	(83,324)
Proceeds from security deposits refunded	-	79,539
Proceeds from sale or disposal of property, plant & equipment	207,583	138,520
Proceeds from disposal of investments	50,000	-
Payment for intangibles	(11,832)	-
Net cash (outflows)/inflows from investing activities	130,409	(1,165,365)
Cash flows from financing activities		
Proceeds from borrowings	164,438	183,325
Repayment of borrowing	(35,229)	(41,494)
Net cash inflows from financing activities	129,209	141,831
Net (decrease)/increase in cash and cash equivalents	(821,467)	(1,658,144)
Net cash acquired	-	3,184
Cash and cash equivalents at the beginning of the financial year	1,747,861	3,402,821
Cash and cash equivalents at end of year	926,394	1,747,861



Reconciliation of cash

	Year ended	
	30 June 2015	30 June 2014
	\$	\$
Reconciliation of cash at the end of the year (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:		
Cash on hand and at bank	926,394	1,747,861
Total cash at end of financial year	926,394	1,747,861
Operating profit/(loss) after income tax	(856,446)	(1,261,134)
Non cash items and non operating cash flows included in statement of comprehensive income		
Administration expenses	-	38,119
Depreciation and amortisation	64,071	380,168
Impairments expense	13,100	162,900
Share based payments	29,557	-
Sale of non-current assets	(164,642)	(89,561)
Fair value movement on inventory	-	145,000
Deferred tax liability on acquisition	-	(132,330)
Changes in assets and liabilities		
Decrease/(increase) in receivables	(152,127)	66,001
Decrease/(increase) in prepayments	15,114	-
Decrease/(increase) in inventories	(61,257)	(9,650)
Increase/(decrease) in trade creditors	77,480	(14,798)
Increase/(decrease) in provisions	(37,052)	(2,973)
Increase/(decrease) in deferred tax liability	(8,883)	83,648
Net cash (outflows)/inflows from operating activities	(1,081,085)	(634,610)



Control gained or loss of control over entities having material effect

Control gained over entities having material effect

Name of entity (or group of entities)	Not applicable
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired:	Not applicable
Date from which such profit (loss) has been calculated:	Not applicable
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period:	Not applicable

Loss of control of entities having material effect

Name of entity (or group of entities)	Not applicable
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) to the date of loss of control:	Not applicable
Date to which such profit (loss) has been calculated:	Not applicable
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period:	Not applicable
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from the sale of the interest leading to the loss of control:	Not applicable

Dividends

Date the dividend is payable	Not applicable
Record date to determine entitlements to the dividend	Not applicable
No final dividend has been declared	Not applicable

Consolidated accumulated losses	30 June 2015	30 June 2014
	\$	\$
Accumulated losses at the beginning of the financial year	(71,401,953)	(70,224,008)
Net profit (loss) attributable to members	(816,121)	(1,177,945)
Accumulated losses at the end of the financial year	(72,218,074)	(71,401,953)



Other notes to the condensed financial statements

	30 June 2015	30 June 2014
Ratios		
Profit/(loss) before tax/revenue and other income		
Consolidated profit/(loss) before tax from continuing operations as a percentage of revenue and other income	(59.4)%	(103.9)%
Profit/(loss) after tax/equity interests		
Consolidated net profit/(loss) after tax attributable to members as a percentage of equity (similarly attributable) at the end of the year	(38.9)%	(41.1)%
NTA Backing		
Net tangible assets per ordinary share (cents per share)	0.32c	0.58c
 Earnings per security (EPS)		
Profit/(loss) per share from continuing operations attributable to ordinary equity holders of the company:		
Basic earnings (loss) per share (cents per share)	(0.30)	(0.42)
Diluted earnings (loss) per share (cents per share)	(0.30)	(0.42)
 Profit (loss) per share attributable to ordinary equity holders of the company:		
Basic earnings (loss) per share (cents per share)	(0.27)	(0.42)
Diluted earnings (loss) per share (cents per share)	(0.27)	(0.42)
Weighted average number of ordinary shares outstanding during the period used in calculating the basic earnings (loss) per share	299,818,669	299,818,669
Weighted average number of ordinary shares and un-exercised options over shares outstanding during the period used in calculating the basic earnings (loss) per share.	304,218,669	303,118,669



NOTES TO THE FINANCIAL STATEMENTS

Note 1: Basis of Preparation

The financial report has been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs except as modified by revaluation of certain non-current assets and, except where stated, does not take into account either changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Note 2: Going Concern Basis

The financial report has been prepared on a going concern basis notwithstanding the operating loss incurred by the Group. The Directors consider the Group has adequate funding and therefore, no adjustments have been made to the financial report that might be necessary should the Group not continue as a going concern. Accordingly, the Directors have prepared the financial report on a going concern basis.

Note 3: Accounting Policies

The Appendix 4E does not include notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and the financing and investing activities of the Group as the full financial report. The Appendix 4E should be read in conjunction with the Half-Year Financial Report of the Group as at 31 December 2014 and the Annual Financial Report of Intec, due to be released in September 2015, for the year ended 30 June 2015. It is also recommended that the Appendix 4E be considered together with any public announcements made by the Group since commencement of the 2014/15 financial year on 1 July 2014 in accordance with the continuous disclosure obligations arising under the Corporations Act, 2001.

Note 4: Material Factors Affecting the Revenues and Expenses of the Economic Entity for the Current Year

No other matters or circumstances have arisen since 30 June 2015 that have significantly affected or may significantly affect the Group's operations in future financial years, or the results of those operations in future financial years, or the Group's state of affairs in future financial years.

There are no franking credits available. The Company is not expected to declare a dividend in the short term.

Compliance Statement

The financial report is based on accounts which are in the process of being audited.



Kieran Rodgers
Managing Director

31 August 2015



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