Intec Ltd
ANNUAL REPORT 2015

Intec Ltd 2015 Annual Report

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Letter from the Chairman and Managing Director

Dear Intec Shareholder, 30 September 2015

This is Intec Ltd's (Intec) or the Company('s), fourteenth Annual Report since listing on the Australian Securities Exchange (ASX) and includes the audited financial statements for the financial year ending 30 June 2015.

For the 2014/15 financial year the Company recorded a loss after tax of $0.856 million compared to a loss after tax of $1.261 million for the previous financial year. The current year loss after tax included the payout of an employment contract ($0.110 million) and expenses related to the Burnie Research Facility ($0.101 million), which was de-commissioned during the year. Net cash outflows from operating activities increased to $1.081 million compared with $0.634 million for the prior year. Net cash outflows increased principally due to the two items previously noted, lower interest receipts and no receipt, as occurred in the prior year, of an R & D tax offset.

Following the successful de-commissioning of the Burnie Research Facility, which was completed at no net cost to the Company, the Company's remaining assets in Tasmania comprise:

- A 2.5% net smelter royalty over certain mining and exploration leases at and nearby to the former Hellyer Mine; and
- The Zeehan slag dump.

The Company's principal activity is its 50% ownership in Science Developments Pty Ltd (SciDev). SciDev is a Sydney-based company that develops, manufactures and supplies organic coagulants and flocculants for wastewater treatment and sludge dewatering.

During the 2014/15 financial year, SciDev recorded a loss after tax of $0.058 million. Notwithstanding the loss, SciDev achieved a number of important objectives during the year and subsequent to year-end, which position it well for strong growth during the current financial year. These include:

- Diversification of its customer base, for example, into quarrying, water treatment associated with coal-seam gas extraction, metalliferous mining and sales to a major participant in industrial waste treatment;
- Execution of an exclusive distribution agreement for New Zealand with Apex Environmental Ltd and first sales under the agreement subsequent to year-end;
- The lodgement of a provisional patent, and subsequent full patent application, after year-end, for the OptiFlox® system; and
- The fabrication and delivery to site at a large NSW thermal coal mine of the first OptiFlox® system after year-end

The Company expects improved financial performance from SciDev during 2015/16 from further OptiFlox® installations, increased sales into New Zealand and further customer acquisition in Australia.

Yours sincerely

Trevor A Jones
Chairman

Kieran G Rodgers
Managing Director

Review of Operations

Science Developments Pty Ltd (SciDev)

On 26 November 2013, the Company acquired a 50% interest in SciDev for a cash consideration of $1.300 million. The purchase consideration was based on a multiple of SciDev's average earnings before interest and tax over the prior three years. In addition, the Company holds an option to acquire the remaining 50% of SciDev prior to 31 August 2016, based on an agreed formula related to future profitability.

Sydney-based SciDev was established in 2001 to commercialise technologies developed in the area of organic wastewater treatment chemicals that are applicable across a broad range of industry sectors. Since establishment SciDev has continued to research, develop, manufacture and import a range of coagulants and flocculants for use in wastewater treatment and sludge dewatering principally in the agribusiness and mining industries.

SciDev's products can be categorised into the following three broad groups:

1. Aqueous cationic coagulants;
2. Aqueous flocculent concentrates; and
3. Polyacrylamide powders and emulsions.

These products are supplied to the market through a combination of both local manufacture and imports. SciDev is best known within specific industry sectors by its registered brand names; DairyFlox® and MaxiFlox®.

DairyFlox®

For dairy processing businesses, DairyFlox® coagulant / flocculent range delivers optimum performance in the treatment of wastewater streams at a treatment cost unmatched in the market. DairyFlox® provides cost savings through its unique efficacy across a broad pH range and dewatering capabilities to minimise sludge volumes.

MaxiFlox®

For all businesses other than dairy processors, MaxiFlox® coagulant / flocculent range delivers optimum performance in the treatment of wastewater streams at a treatment cost generally unsustainable by market competitors. MaxiFlox® provides significantly better treatment cost savings to end-users compared with competitor products.

SciDev's coagulants are proprietary formulations developed in-house over an extensive 12 year research and development program. The products are manufactured in SciDev's Sydney plant utilising the company's unique "co-polymerisation" technology. This unique manufacturing process, coupled with low overheads, delivers optimum performance at a treatment cost that is significantly more cost effective than competitor coagulants.

OptiFlox® System

During the year, SciDev completed the development of the OptiFlox® system, including the lodgement of a provisional patent in September 2014 and a full patent application after year-end. The OptiFlox® system was specifically designed to address the issue of very turbid water flowing from a coal tailings' thickener. The system addresses the problem known as 'blackwater' where the clarity of the water from the coal tailings' thickener deteriorates to an unacceptable level resulting in the coal washing plant shutting down and at times, coal production ceasing. The OptiFlox® system continuously measures particle characteristics of the coal tailings slurry in order to maintain optimal flocculation conditions through automatic, real-time control of coagulant dosing. Hence, application of the system acts to minimise losses in production that can result due to stoppages of the coal washing plant, caused by 'blackwater' and enables consistent and reliable clarified water to be produced, for return to the washing plant.

During the year the commercial terms for a six-month trial of the Optiflox® system were agreed with a customer, which include the receipt of licensing fees and revenue from associated coagulant product sales. Subsequent to year-end the first commercial version of the OptiFlox® system was delivered to a large thermal coal mine in NSW, following extensive off-site testing. The initial test site is one of a number of Australian coal mines under the same ownership and it is expected that following a successful trial further roll-outs of the OptiFlox® system will occur at other sites under common ownership.

Dependent upon successful trial results, additional roll-outs of the OptiFlox® system should be expected to take place during the current financial year, both in the coal industry and other industries such as the sewage industry, where the application of the OptiFlox® system is also expected to provide productivity benefits and cost savings.

New Zealand Distributorship

During the year SciDev negotiated a New Zealand distribution agreement for its products with Apex Environmental Ltd (Apex). 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.

The distribution agreement was executed in August 2015 and first orders have subsequently been received. SciDev's product is currently being used in the commissioning of an upgraded waste water treatment plant at a dairy manufacturing facility in the South Island of New Zealand. It is considered that increasing constraints in New Zealand on the disposal and treatment of waste products from the dairy industry are positive for an expansion of DairyFlox® sales into New Zealand.

Intec International Projects Pty Ltd (IIP)

On 30 September 2014 Intec divested its 50% shareholding in IIP for a consideration of $50,000. Previously, Intec and IIP had agreed to an extensive cross-licensing and technology transfer in relation to Intec's patent portfolio, for which Intec also received a payment of $50,000. IIP, under its new ownership, will be a provider of technical and associated services in relation to Intec Process applications. Intec will receive a 5% royalty on fees generated by IIP in relation to Intec Process applications. In addition, Intec retains its rights to its portion of unpaid fees relating to the IRC Project.

In February 2015, Monument Mining Limited (Monument), a company listed on the Toronto Stock Exchange announced that it had been granted certain licence rights by IIP in relation to the Intec Process. The terms of a grant of licence rights to Monument by IIP is subject to conformance with the terms of existing licences in relation to the Intec Technology.

In consideration for being granted these rights, Monument will issue to IIP 14 million Monument shares at a deemed price of $0.25 cents per share for an aggregate issue price of $C3.5 million. These shares will be held in an escrow account (the "Escrow Shares"). The Escrow Shares will not be released to IIP until the completion and commissioning of the trial commercial plant which demonstrates that the plant is working successfully, and certain other conditions are satisfied. The 5% royalty agreement between the Company and IIP will apply to the Escrow Shares.

Burnie Research Facility

During the year the Burnie Research Facility (the Facility) was de-commissioned following the closure of Automotive Components Limited (ACL) (Receivers and Managers Appointed) (In Liquidation) in June 2014. Over prior years the Facility had profitably treated industrial waste from ACL on a campaign basis.

The costs of the de-commissioning program, including an employee redundancy payment and a 'make good' payment to the buildings landlord were offset by the sale of plant and equipment and the receipt of final ACL treatment fees.

Subsequently, the Company was advised by EPA Tasmania that the decommissioning and remediation of the site of the Facility was completed to a suitable standard. Consequently the Company's site Operating Permit was relinquished and the Company has no contingent liabilities in relation to the former Facility site.

Zeehan Slag Dump

The Company maintains ownership of a Mining Lease (ML) and Retention Licence (RL) over the Zeehan Slag Dump, located 3 kilometres south of Zeehan on the Tasmanian West Coast. The slag dump comprises zinc-bearing residues from an historic lead smelter previously operated at the site. The annual holding costs of the ML and RL are less than $15,000 and the financial assurance lodged with the Tasmanian Government amounts to $11,000.

During the year, the Company has received a number of inquiries regarding possible sale of treatment of the Zeehan Slag Dump and continues to consider its options for realising value from the dump, which are dependent upon movements in the zinc price.

Corporate Governance

The Company's Corporate Governance Statement and ASX Appendix 4G will be released to ASX on the same day as the Annual Report is released. The Company's Corporate Governance Statement and the Company's Corporate Governance Manual can both be found on the Company's website at www.intec.com.au.

Directors' Report

Your Directors present their report on the Intec Group of Companies (referred to hereafter as the Group) consisting of Intec Ltd (Intec or the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

The following persons were Directors of the Company during the year ended 30 June 2015. No Intec Director is either currently a director of another ASX listed company or has been a director of any other ASX-listed company in the last 3 years.

Trevor A Jones B.Comm. (Melb)
Chairman

Mr Jones has spent over 30 years working in the finance industry in Australia, United Kingdom and the USA. During this time he has held senior executive positions in investment funds management, stockbroking and corporate finance, and gained a broad experience of capital structuring and capital raising, particularly in the mining sector. Mr Jones was manager of equity portfolios for Shell Australia and National Employers Mutual in the United Kingdom. He was a Director of County NatWest Securities Australia Limited in London and then Director of Corporate Finance with Westpac Institutional Bank in Sydney. More recently Mr Jones was the Sydney Chief Executive for Melbourne-based Austock Group and was Chairman of both its Corporate Finance and Investment Management divisions. He was appointed as a Non-executive Director of Intec on 28 February 2007. Mr Jones is the Chairman of the Corporate Governance Committee and a member of the Audit Committee and the Nomination and Remuneration Committee.

Kieran G Rodgers B.E. (Hons.) Min. (UNSW), M.B.A. (IMD)
Managing Director

Mr Rodgers joined Intec in March 2001 after 13 years of experience in merchant banking and financial consulting, principally at Resource Finance Corporation Ltd, which specifically focused on the Australian and international resources industry. He was appointed as an Executive Director of Intec on 28 February 2007. Mr Rodgers was appointed Managing Director on 6 February 2012. Mr Rodgers is a member of the Corporate Governance Committee.

Daniel Joseph Cronin B.E. (Uni. College, Cork) M.Sc. (Southampton), MBA (LBS)
Non-executive Director

Mr. Cronin was appointed to the Board of Intec on 26 November 2013. Mr. Cronin began his career as an Engineer with the British consulting firm Halcrow, working for 6 years in the UK and South America. This was followed by 5 years working in project management with the construction company Gammon in Hong Kong and Singapore. Following completion of an MBA degree, he was employed in the chemical industry for 23 years, initially with Sandoz and later with Degussa and BASF. He has worked in senior general management roles in Zurich, Sydney and Singapore. His most recent position was Senior Vice President – Construction Chemicals for BASF with responsibility for Europe, Middle East and Africa. Mr Cronin is the Chairman of the Audit Committee and a member of the Corporate Governance Committee and the Nomination and Remuneration Committee.

Company Secretary

Robert J Waring B.Ec. (Syd), C.A., F.C.I.S., F.Fin., F.A.I.C.D, MAusIMM
Company Secretary

Mr Waring was appointed to the position of Company Secretary of Intec in December 1998 and has over 40 years experience in financial and corporate roles including over 20 years in company secretarial roles for ASX-listed companies and 18 years as a director of ASX-listed companies. He is a director of Oakhill Hamilton Pty Ltd, which provides secretarial and corporate advisory services to a range of listed and unlisted companies.

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full meetings of Directors		**Meetings of committees**					
			Audit		**Corporate Governance**		**Nomination and Remuneration**	
	A	**B**	A	B	A	B	A	B
T A Jones	6	6	2	2	1	1	1	1
K G Rodgers	6	6	*	*	1	1	*	*
D J Cronin	6	6	2	2	1	1	1	1

A = Number of meetings attended.
B = Number of meetings held during the time the Director held office or was a member of the committee during the year.
* Not a member of the relevant committee during the period.

Principal Activities

The principal activity of the Group is its 50% interest in Science Developments Pty Ltd a manufacturer and supplier of organic chemicals for wastewater treatment. During the year the Burnie Research Facility was de-commissioned. There were no other significant changes in the nature of the activities of the Group during the year.

Review of Operations

The Review of Operations are disclosed and discussed on pages 1 and 2 of the Annual Report.

Dividends

No dividends have been paid to members during the financial year and no recommendation is made as to the payment of dividends.

Significant Changes in the State of Affairs

There has been no significant change in the state of affairs of the company in the financial year or since year end.

Events Subsequent to the End of the Reporting Period

Since 30 June 2015, Science Developments Pty Ltd has commenced export sales to New Zealand under a distribution agreement with Apex Environmental Ltd and the first Optiflox® system is currently being installed at a large thermal coal mine in NSW. In addition, the Group has sold a significant portion of its shareholding in Bass Metals Ltd for receipts of approximately $165,000.

There are no other matters or circumstances that have arisen since 30 June 2015 that have 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.

Likely Developments and Expected Results of Operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental Regulation

The Group's operations are presently subject to environmental regulation under the laws of the Commonwealth of Australia and the State of Tasmania. The Group is at all times in full environmental compliance with the conditions of its licences.

Remuneration Report

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration;
B Details of remuneration;
C Service agreements and letters of employment;
D Share based compensation;
E Shareholdings of directors and key management personnel; and
F Additional information.

The information provided in this remuneration report has been audited as required by Section 308 (3C) of the *Corporations Act 2001*.

A Principles Used To Determine the Nature and Amount of Remuneration

The objective of the Group's executive reward framework is to ensure that the reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of financial objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

The Group has structured an executive remuneration framework that is market competitive. The framework provides for a mix of fixed pay and also variable pay and includes long term incentives, when appropriate. There is no defined relationship between company performance and remuneration at this point in time. However, the matter is under continual review. The fixed proportion of remuneration is currently 100%. The Board has established a nomination and remuneration committee which provides advice on remuneration and incentive policies and practices and makes specific recommendations on remuneration packages and other terms of employment for the Managing Director, other senior executives and Non-executive Directors. The Corporate Governance Statement provides further information on the role of this committee.

Non-executive Directors

Fees and payments to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the Non–executive Directors. The Board reviews Non-executive Directors' fees and payments annually. Non-executive Directors' fees are determined within an aggregate Non-executive Directors' cash remuneration limit, which is periodically recommended for approval by shareholders. The current limit of $400,000 was approved by shareholders at the 2007 Annual General Meeting held on 14 November 2007. In addition, Non-executive Directors are able to participate in issues of options pursuant to the Intec Employee Share Scheme. The values of any options granted to Non-executive Directors are not included in the aggregate cash remuneration limit as they are not cash based payments.

Executive pay

The executive pay and reward framework has two components, which together comprise the executive's total remuneration

- base pay, superannuation and non-monetary benefits; and
- long term incentives through participation in the Intec Employee Share Scheme.

Base pay

Base pay is structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion. Executives are offered a competitive base pay that comprises a fixed component of cash salary and superannuation. Base pay for each senior executive is reviewed annually to ensure the executive's pay is competitive with the market. There is no guaranteed base pay increase included in any executive's contract.

Intec Employee Share Scheme

Information on the Intec Employee Share Scheme is set out in note 31. Participation in the Intec Employee Share Scheme is at the discretion of the Board and there is no guarantee of annual participation by any executive.

B Details of Remuneration

Amounts of remuneration

Details of the remuneration of the Directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of Intec and the Group are set out in the tables below. The key management personnel during the year ended 30 June 2015 of Intec and the Group include the Directors and the following key management (KMP) person: A J Randall – *General Manager*

2015	**Short-term benefits**			**Termination benefits**	**Post-employment benefits**	**Share-based payment**	
Name	**Salary & fees $**	**Consulting Fees $**	**Non-monetary benefits $**		**Super-annuation $**	**Options $**	**Total $**
Non-executive Directors							
T A Jones Chairman	69,444	-	-	-	6,597	5,374	81,415
D J Cronin	45,000	27,032	-	-	4,275	10,748	87,055
Sub-total	**114,444**	**27,032**	**-**	**-**	**10,872**	**16,122**	**168,470**
Executive Director							
K G Rodgers	215,000	**-**	16,329	**-**	20,425	10,748	262,502
Sub-total	**215,000**		**16,329**	**-**	**20,425**	**10,748**	**262,502**
KMP							
A J Randall*	29,474	**-**	**-**	**110,292**	3,254	**-**	143,020
Sub-total	**29,474**	**-**	**-**	**110,292**	**3,254**	**-**	**143,020**
Total	**358,918**	**27,032**	**16,329**	**110,292**	**34,551**	**26,870**	**573,992**

*Ceased employment during year ended 30 June 2015.

2014	**Short-term benefits**			**Termination benefits**	**Post-employment benefits**	**Share-based payment**	
Name	**Salary & fees $**	**Consulting Fees $**	**Non-monetary benefits $**		**Super-annuation $**	**Options $**	**Total $**
Non-executive Directors							
T A Jones Chairman	69,444	-	-	-	6,424	-	75,868
J R G Bell [1]	24,038	-	-	-	2,224	-	26,262
D J Cronin [2]	25,000	16,750	-		2,312	-	44,062
Sub-total	**118,482**	**16,750**	**-**	**-**	**10,960**	**-**	**146,192**
Executive Directors							
K G Rodgers	215,000	-	5,443	-	19,887	-	240,330
Sub-total	**215,000**	**-**	**-**	**-**	**19,887**	**-**	**240,330**
KMP							
A J Randall	117,900	-	-	-	10,906	-	128,806
Sub-total	**117,900**	**-**	**-**	**-**	**10,906**	**-**	**128,806**
Total	**451,382**	**16,750**	**5,443**	**-**	**41,753**	**-**	**515,328**

1. Ceased to be a Non-Executive Director on 27 November 2013.
2. Represents from 26 November 2013.

C Service Agreements and Letters of Employment

Remuneration and other terms of employment for the Managing Director and other specified executives are formalised in service agreements. Each of these service agreements and letters of employment provides for the provision of long service leave to accrue at a rate of 0.87 weeks per year up to 10 years' service and 2 weeks per year for each additional year of service, and participation in the Intec Employee Share Scheme. Each service agreement provides the remuneration rate to be paid to the employee. All salaries are paid monthly by direct bank deposit. Full details of remuneration paid are included in the table in part B of this note. Other major provisions relating to executive remuneration are set out below.

	Start Date	**Term of Agreement**	**Base Salary at 1 July 2016 $**	**Notice period for employee (months)**	**Termination compensation**
Executive Director					
K G Rodgers	1 March 2015	3 years	215,000	6	6 months salary

D Share Based Compensation

At the 2014 Annual General Meeting, shareholders approved the Intec Employee Share Scheme (the Scheme). The Scheme replaced the previous Intec Option Plan, which had been approved at the 2001 Annual General Meeting. All directors, employees and consultants are eligible to participate in the Scheme. Options granted under the Scheme to eligible participants are for no additional consideration. Options are granted for a five year period, and vest and are exercisable immediately, unless otherwise stated. Options granted under the Scheme carry no dividend or voting rights. The granting of options is at the Board's discretion and no individual has a contractual right to receive options.

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Issue Date	Expiry Date	Exercise Price	Balance at 1 July 2014	Granted during year	Lapsed during year	Exercised during year	Vested & exercisable as at 30 June 2015
09-12-2011[1]	21-11-2016	$0.0300	3,300,000	-	-	-	3,300,000
10-12-2014	28-11-2019	$0.0250	-	5,500,000	-	-	5,500,000
Total Options on issue			**3,300,000**	**5,500,000**	**-**	**-**	**8,800,000**

1. Granted under previous Intec Option Plan.

Details of options over ordinary shares in the Company provided as remuneration to each Director of Intec and each of the key management personnel of the Group are set out below. When exercisable, each option is convertible into one ordinary share of Intec. Further information on the options is set out in notes 21 and 31.

2015 Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Intec Ltd						
T A Jones	400,000	1,000,000	-	-	1,400,000	1,400,000
K G Rodgers	1,200,000	2,000,000	-	-	3,200,000	3,200,000
D J Cronin	-	2,000,000	-	-	2,000,000	2,000,000
Other key management personnel of the Group						
A J Randall[1]	400,000	-	-	-	400,000	400,000

1. Ceased employment during year ended 30 June 2015.

2014 Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Intec Ltd						
T A Jones	400,000	-	-	-	400,000	400,000
K G Rodgers	1,200,000	-	-	-	1,200,000	1,200,000
J R G Bell [2]	300,000	-	-	300,000	-	-
Other key management personnel of the Group						
A J Randall	400,000	-	-	-	400,000	400,000

2. Ceased to be a Non-executive Director on 27 November 2013.

The assessed fair value at grant date of options granted to individuals is included in the remuneration tables above, if a grant of options has taken place during the period. Fair values at grant date are determined using share option valuation models that take into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

There were 5,500,000 options granted in the twelve (12) months to 30 June 2015 (2014: Nil).

Shares provided on exercise of remuneration options

No ordinary shares in the Company were provided as a result of the exercise of remuneration options by a Director of Intec (2014 - Nil). No options were exercised by any key management personnel of the Group (2014 - Nil).

Shares under option

Unissued ordinary shares of Intec under option at the date of this report are shown in note 21.

Shares issued on the exercise of options
No ordinary shares of Intec were issued during the year ended 30 June 2015 on the exercise of options granted under the Intec Employee Share Scheme. No further shares have been issued on the exercise of options since that date.

E Shareholdings of Directors and Key Management Personnel

The number of shares in the company held at the end of the financial year by each Director of the Company and other key management personnel of the Group, including their personally related parties, are set out in the following table.

2015 **Name**	**Balance at the start of the year**	**Received during the year on the exercise of options**	**Other changes during the Year**	**Balance at the end of the Year**
Ordinary shares				
Directors of Intec Ltd				
T A Jones	268,954	-	2,563,823	2,832,777
K G Rodgers	18,904,624	-	1,099,999	20,004,623
D J Cronin	2,000,000	-	1,000,000	3,000,000
Other key management personnel of the Group				
A J Randall[1]	-	-	-	-

1. Ceased employment during year ended 30 June 2015.

2014 **Name**	**Balance at the start of the year**	**Received during the year on the exercise of options**	**Other changes during the Year**	**Balance at the end of the Year**
Ordinary shares				
Directors of Intec Ltd				
T A Jones	268,954	-	-	268,954
K G Rodgers	17,904,623	-	1,000,001	18,904,624
J R G Bell [1]	112,892	-	-	[1]
D J Cronin	-	-	2,000,000	2,000,000
Other key management personnel of the Group				
A J Randall	-	-	-	-

1. Ceased to be a Non-executive Director on 27 November 2013

F Additional Information

In the five years since 1 July 2010, Directors' total remuneration has decreased by an average of 14.15% per annum principally due to a reduction in the number of executive and non-executive Directors.

This concludes the Remuneration Report, which has been audited.

Insurance of officers
The Company has, by Deed of Access, Indemnity and Insurance, paid a premium to insure the Directors and Officers of the Group in respect of certain legal liabilities, including costs and expenses in successfully defending legal proceedings, whilst they remain as Directors and Officers and for seven years thereafter. The insurance contract prohibits the disclosure of the total amount of the premiums and a summary of the nature of the liabilities covered.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.
No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non audit services
The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below.

	Consolidated	
	2015	2014
	$	$
Assurance Services		
1. Audit services		
Audit and review of financial reports and other audit work under the *Corporations Act 2001*		
Rothsay Chartered Accountants	**28,500**	-
Crowe Horwath Sydney	**-**	71,000
Total remuneration for audit services	**28,500**	71,000
2. Non audit services		
Tax compliance services, including review of company income tax returns	**-**	-
Total remuneration for non audit services	**-**	-

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

Authorisation

This report is made in accordance with a resolution of Directors. The financial report was authorised for issue by the Directors on 30 September 2015. The Company has the power to amend and revise the financial report.

Kieran Rodgers
Managing Director

Sydney
30 September 2015

ROTHSAY
CHARTERED ACCOUNTANTS

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of Intec Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Intec Limited and the entities it controlled during the year.

Frank Vrachas

Partner

Rothsay Chartered Accountants

Sydney, 30 September 2015

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

	Note	30 June 2015	30 June 2014
		$	$
Revenue from continuing operations	7	**1,536,962**	1,281,439
Administration expense		**(435,765)**	(437,929)
Burnie Research Facility expenses		**(100,592)**	(52,363)
Depreciation and amortisation expense	8	**(64,071)**	(380,168)
Engineering and other consultants expenses		**(166,032)**	(93,969)
Employment costs		**(848,614)**	(781,809)
Finance costs	8	**(23,616)**	(8,716)
Impairment expense	8	**(13,100)**	(162,900)
Occupancy expense	8	**(117,981)**	(135,471)
Treatment expense		**(669,031)**	(557,207)
Other expenses		**(11,680)**	(2,316)
Profit/(loss) before income tax from continuing operations		**(913,520)**	(1,331,409)
Income tax benefit/(expense)	9	**8,883**	70,401
Profit/(loss) after tax for the year from continuing operations		**(904,637)**	(1,261,008)
Profit/(loss) after tax for the year from discontinuing operations	5	**48,191**	(126)
Profit/(loss) after tax for the year		**(856,446)**	(1,261,134)
Other comprehensive income/(loss)			
Items that will 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/(loss) for the year, net of income tax		**18,100**	-
Total comprehensive income/(loss) for the year		**(838,346)**	(1,261,134)
Profit/(loss) for the year is attributable to:			
Owners of Intec Ltd		**(816,121)**	(1,177,945)
Non-controlling interests		**(40,325)**	(83,189)
		(856,446)	(1,261,134)

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

	Note		
Total comprehensive income/(loss) is attributable to:			
Continuing operations		**(847,112)**	(1,177,882)
Discontinuing operation		**49,091**	(63)
Owners of Intec Ltd		**(798,021)**	(1,177,945)
Continuing operations		**(39,425)**	(83,126)
Discontinuing operation		**(900)**	(63)
Non-controlling interest		**(40,325)**	(83,189)
		(838,346)	(1,261,134)
Earnings per shares for loss from continuing operations attributable to the owners			
Basic Earnings per share (cents per share)	30	**(0.30)**	(0.42)
Diluted Earnings per share (cents per share)	30	**(0.30)**	(0.42)
Earnings per shares for loss from discontinuing operations attributable to the owners			
Basic Earnings per share (cents per share)		**0.02**	0.00
Diluted Earnings per share (cents per share)		**0.02**	0.00
Earnings per shares for loss attributable to the owners			
Basic Earnings per share (cents per share)		**(0.27)**	(0.42)
Diluted Earnings per share (cents per share)		**(0.27)**	(0.42)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2015

	Notes	Consolidated 2015 $	2014 $
ASSETS			
Current assets			
Cash and cash equivalents	10	**926,394**	1,747,861
Trade and other receivables	11	**326,531**	189,518
Inventories	12	**255,777**	194,520
Total current assets		**1,508,702**	2,131,899
Non current assets			
Other financial assets	13	**57,200**	42,200
Plant and equipment	14	**221,323**	294,587
Intangible assets	15	**1,288,905**	1,318,845
Total non current assets		**1,567,428**	1,655,632
Total assets		**3,076,130**	3,787,531
LIABILITIES			
Current liabilities			
Trade and other payables	16	**311,646**	336,867
Loans and borrowings	17	**255,466**	137,593
Provisions	18	**77,406**	112,732
Total current liabilities		**644,518**	587,192
Non current liabilities			
Loans and borrowings	19	**113,718**	64,774
Deferred tax liability	9	**74,765**	83,647
Total non current liabilities		**188,483**	148,421
Total liabilities		**833,001**	735,613
Net assets		**2,243,129**	3,051,918
EQUITY			
Contributed equity	20	**71,641,977**	71,641,977
Reserves	22	**2,671,694**	2,624,037
Accumulated losses	23	**(72,218,074)**	(71,401,953)
Total equity attributable to equity holders of the Company		**2,095,597**	2,864,061
Outside equity interest	23	**147,532**	187,857
Total equity		**2,243,129**	3,051,918

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

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	71,641,977	2,624,037	(71,401,953)	187,857	3,051,918
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)**
Other comprehensive income for the year	-	-	-	-	-
Asset revaluation reserve	-	**18,100**	**-**	**-**	**18,100**
Total comprehensive income for the year	-	**18,100**	**(816,121)**	**(40, 325)**	**(838,346)**
Transactions with owners in their capacity as owners					
Share based payments – options reserve	-	**29,557**	**-**	**-**	**29,557**
Balance at 30 June 2015	**71,641,977**	**2,671,694**	**(72,218,074)**	**147,532**	**2,243,129**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	Notes	Consolidated 2015 $	2014 $
Cash flows from operating activities			
Receipts from customers (Inclusive of GST)		**1,208,566**	913,875
Payments to suppliers and employees (Inclusive of GST)		**(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	32	**(1,081,085)**	(634,610)
Cash flows from investing activities			
Payment for acquisition of business		**-**	(1,300,100)
Payments for plant and equipment		**(115,343)**	(83,324)
Proceeds from security deposits refunded		**-**	79,539
Proceeds from sale or disposal of property, plant & equipment		**207,586**	138,520
Proceeds from disposal of investments		**50,000**	-
Payment for intangibles		**(11,834)**	-
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	10	**926,394**	1,747,861

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements 30 June 2015

1 Summary of significant accounting policies

These consolidated financial statements and notes represent those of Intec Ltd and controlled entities ('Consolidated Group' or 'Group'). The separate financial statements of the parent entity, Intec Ltd, have not been presented within this financial report as permitted by amendments made to the *Corporations Act 2001* effective from 28 June 2010.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical accounting estimates
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving either a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below and in note 3.

Going concern statements
The financial report has been prepared on a going concern basis notwithstanding the operating loss. 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.

Significant accounting policies

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported. The Company has adopted relevant new and revised accounting standards and pronouncements with no material impact to the financial statements.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Principles of consolidation
The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Intec Ltd) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

Notes to the Financial Statements for the year ended 30 June 2015

(b) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(d) Revenue and other income recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of treatment charges, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Sales of goods and disposal of assets

Income from sales of goods and disposal of other assets is recognised when the Group has passed control of the goods or other assets to the buyer.

(ii) Interest revenue

Interest revenue is recognised on an accrual basis, taking into account the interest rates applicable to financial assets.

(iii) Consulting services and treatment fees

Revenue from consulting services and treatment fees are recognised using the percentage-of-completion method for fixed-fee arrangements or as the services are provided for time-and-materials arrangements.

(iv) Other income

Other income, which includes government grants and any other forms of government assistance, is recognised on receipt or when reasonable assurance that income will be earned is established.

(v) General

All revenue is stated net of goods and services tax (GST).

(e) Income tax

The income tax expense or revenue for the period is the tax payable in the current period's taxable income based on the Australian income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses or to the extent that they will be offset by deferred income tax liabilities which will reverse in the same periods.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation
Intec Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2008. The tax consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

(f) Cash and cash equivalents
For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions and term deposits held with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

(h) Inventories
Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The methods used to assign costs to inventories are actual invoiced costs.

(i) Fair value measurement
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and for disclosure purposes.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Notes to the Financial Statements for the year ended 30 June 2015

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(j) Financial instruments

(i) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).
Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

(ii) Classification and subsequent measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

(iii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iv) Financial liabilities

Financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(v) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Notes to the Financial Statements for the year ended 30 June 2015

(vi) Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

(vii) Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

(viii) De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(k) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives, as follows:

- Office equipment 2-8 years
- Plant and equipment 4-7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(n)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

(l) Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

i. the consideration transferred;
ii. any non-controlling interest; and
iii. the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill

Notes to the Financial Statements for the year ended 30 June 2015

method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Refer to Note 4 for information on the goodwill policy adopted by the Group for acquisitions.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested for impairment annually. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

(m) Intangible assets other than Goodwill

Trademarks and IP are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Trademarks are amortised over their useful lives of 10 years.

(n) Impairment of assets

In respect of non-current assets, each asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss is recognised to the extent that carrying amounts exceed recoverable amount. The recoverable amount of an asset or cash-generating group of assets is measured at the higher of fair value less costs to sell and value in use.

(i) Intangible Assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

(ii) *Other Assets*

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share based payments

Share based compensation benefits are provided to employees via the Intec Employee Share Scheme. Information relating to the plan is set out in note 31.

The fair value of options granted under the Intec Employee Share Scheme is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

Notes to the Financial Statements for the year ended 30 June 2015

The fair value at grant date is determined using share option valuation models that take into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

(q) Provisions

(i) General

Provisions for legal claims are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

(ii) Provisions for close down and restoration and for environmental cleanup costs

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbances occurs. Provisions for close down and restoration costs do not include any additional obligations which are expected to arise on the basis of a closure plan.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience. As a result there could be significant adjustments to the provision for close down and restoration and environmental cleanup, which would affect future financial results.

(r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Notes to the Financial Statements for the year ended 30 June 2015

(u) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured in Australian dollars and the consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

(v) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as finance leases (Note 25b). Payments made under finance leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the period of the lease.

(w) Investments

Non-current investments in subsidiaries are measured on the cost basis. The carrying amount of non current investments is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these investments.

(x) New Accounting Standards and interpretations

The Group has reviewed all Australian Accounting Standards and Interpretations that have recently been either issued or amended but are not yet mandatory and confirms that none have a material effect on the financial statements of the Group.

2 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by company management and the Board of Directors. Financial risks are identified and evaluated and, where considered necessary, strategies are put in place to investigate and/or minimise such risks.

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group has not entered into any foreign currency hedging contracts during the year. The Group has a trade finance facility utilised for the purchase of US$ denominated invoices. Purchases through the facility are transacted at the prevailing spot A$/US$ exchange rate and the outstanding amount under the facility is always denominated in A$.

(b) Credit risk

Credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. The Group has policies in place to ensure that sales of product are made to customers with an appropriate credit history. There is limited credit risk on financial assets of the Group since there is limited exposure to individual customers and the Group's exposure is limited to the amount of cash, short term deposits and receivables which have been recognised in the statement of financial position. Deposits and financial arrangements are held in high rated financial institutions.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed finance facilities.

The Group's financing activities are managed centrally by maintaining an adequate level of cash and cash equivalents to finance the Group's operations. The Group's surplus funds are also managed centrally by placing them with reputable financial institutions.

The risk implied from the values shown in the following table, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities originate from the financing of assets used in the Group's ongoing operations such as property, plant and equipment and investments in working capital, inventories and trade receivables.

Notes to the Financial Statements for the year ended 30 June 2015

(d) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

Interest rate exposure and maturity analysis of financial assets

Consolidated			*Interest rate exposure*					
2015	*Weighted average effective interest rate %*	*Carrying amount*	*Fixed interest rate*	*Variable interest rate*	*Non-interest bearing*	*Nominal amount*	*Less than 12 months*	*1-5 years*
Cash and cash equivalents	2.69	926,394	-	926,394	-	-	926,394	-
Receivables	-	320,569	-	-	320,569	-	304,036	16,533
Available for sale financial assets at cost, unlisted investments	-	57,200	-	-	57,200	-	57,200	-
		1,304,163	**-**	**926,394**	**377,769**	**-**	**1,287,630**	**16,533**
Payables:								
Trade creditors & accruals	-	**277,754**	**-**	**-**	**277,754**	**-**	**277,754**	**-**
Loans and borrowings	**6.00**	**369,184**	**-**	**369,184**	**-**	**-**	**255,466**	**113,718**
		646,938	**-**	**369,184**	**277,754**	**-**	**533,220**	**113,718**

Consolidated			*Interest rate exposure*					
2014	*Weighted average effective interest rate %*	*Carrying amount*	*Fixed interest rate*	*Variable interest rate*	*Non-interest bearing*	*Nominal amount*	*Less than 12 months*	*1-5 years*
Cash and cash equivalents	**3.26**	**1,747,861**	**-**	**1,747,861**	**-**	**-**	**1,747,861**	**-**
Receivables	-	**152,316**	**-**	**-**	**152,316**	**-**	**129,365**	**22,951**
Available for sale financial assets at cost, listed and unlisted investments	-	**42,200**	**-**	**-**	**42,200**	**-**	**42,200**	**-**
		1,942,377		**1,747,861**	**194,516**	**-**	**1,919,426**	**22,951**
Payables:								
Trade creditors & accruals	-	**301,249**	**-**	**-**	**301,249**	**-**	**301,249**	**-**
Loans and borrowings	**6.00**	**202,367**	**-**	**202,367**	**-**	**-**	**137,593**	**64,774**
		503,616		**202,367**	**301,249**	**-**	**438,842**	**64,774**

(e) Fair value

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Group considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

Notes to the Financial Statements for the year ended 30 June 2015

Financial Instruments Measured at Fair Value
The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements.

The fair value hierarchy consists of the following levels:
- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 $	Level 2 $	Level 3 $	Total $
2015				
Financial assets				
Available for sale financial assets				
- listed investments	**54,300**	**-**	**-**	**54,300**
- unlisted investments	**-**	**2,900**	**-**	**2,900**
	54,300	**2,900**	**-**	**57,200**
2014				
Financial assets				
Available for sale financial assets				
- listed investments	**39,300**	**-**	**-**	**39,300**
- unlisted investments	**-**	**2,900**	**-**	**2,900**
	39,300	**2,900**	**-**	**42,200**

Assets available for sale are measured at fair value on a recurring basis. There were no transfers between levels during the year ended 30 June 2015.

(f) Sensitivity Analysis
The impact of changes to interest rate and foreign currency does not have a significant impact on the Group.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group has identified the following critical accounting policies under which significant judgements, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows as set out in note 15.

Income taxes
The Group is subject to income taxes in Australia. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses or to the extent that they will be offset by deferred income tax liabilities which will reverse in the same periods.

Notes to the Financial Statements for the year ended 30 June 2015

4 Business combination

On 26 November 2013, the Group acquired 50% of the issued capital of Science Developments Pty Ltd ('SciDev'), a company that manufacturers chemicals for use in waste water treatment, for a purchase consideration of $1,300,100. The acquisition is part of the Group's overall strategy to expand its interests in the treatment of industrial waste. The purchase was satisfied by the payment of $1,300,100.

	Fair Value
	$
Cash	3,185
Receivables	231,077
Inventories	302,361
Property, plant and equipment	117,176
Trademarks (ii)	296,100
Trade Payables	(277,403)
Deferred tax liability	(132,330)
Total	**540,166**
Net assets acquired at 50%	**270,083**
Goodwill (i)	**1,030,017**
Acquisition date: fair value of total consideration	**1,300,100**
Representing:	
Cash Paid	1,300,100
Cash used to acquire business, net of cash received	
Cash Paid	1,300,100
Less: cash and cash equivalents	(3,185)
	1,296,915

(i) The goodwill is attributed to the competitive position of SciDev's product portfolio in wastewater treatment. No amount of goodwill is deductible for tax purposes.

(ii) Trademarks valued at $296,100 are being amortised over ten years and amortisation of $29,610 (2014:17,272) has been recognised for the year-ended 30 June 2015 and $46,882 recognised from the date of acquisition.

5 Discontinued operations

On 30 September 2014 the consolidated entity sold its 50% shareholding in Intec International Projects Pty Limited ('IIP') for consideration of $50,000 resulting in a gain on sale before income tax of $48,221. Previously, Intec and IIP had agreed to an extensive cross-licensing and technology transfer in relation to Intec's patent portfolio, for which Intec also received a payment of $50,000. IIP was not trading up to the date of sale and future losses were projected.

Financial performance information

	30 June 2015	30 June 2014
	$	$
Administration expense	**(30)**	(126)
Loss before income tax expense	**(30)**	(126)
Income tax expense	**-**	-
Loss after income tax expense	**(30)**	(126)
Gain on disposal before income tax expense	**48,221**	-
Income tax expense	**-**	-
Gain on disposal after income tax expense	**48,221**	-
Profit (loss) after income tax from discontinued operations	**48,191**	(126)
Cash flow information		
Net cash from (used in) operating activities	**(30)**	(120)
Net increase (decrease) in cash from discontinued operations	**(30)**	(120)

Notes to the Financial Statements for the year ended 30 June 2015

The proceeds from disposal of $50,000 were deposited into the parent company.

Carrying amount of assets and liabilities disposed	
Cash and cash equivalents	**1,785**
Trade and other payables	**(6)**
Net assets	**1,779**
Details of the disposal	
Total sale consideration	**50,000**
Carrying amount of net assets disposed	**(1,779)**
Gain on disposal before tax income	**48,221**
Income tax expense	**-**
Gain on disposal after income tax	**48,221**

6 Segment information

(a) Geographical segments

The Group operates in primarily one geographical segment, namely Australia.

(b) Business segments

The Group's primary business segment is the treatment of industrial waste including the manufacture and supply of chemicals for the treatment of waste water.

(c) Major customers

Lion Diary & Drinks Limited

7 Revenue from continuing operations

	Consolidated	
	2015	2014
	$	$
Sales revenue		
Treatment fees & product sales	**1,316,493**	911,740
	1,316,493	911,740
Other revenue		
Interest received	**39,705**	80,204
Government subsidies	**3,021**	129,478
Net gain on disposal of non-current assets	**114,643**	89,561
Sundry income	**63,100**	70,456
	220,469	369,699
Total revenue	**1,536,962**	1,281,439

8 Expenses

Profit/(loss) before income tax includes the following specific expenses

	Consolidated	
	2015	2014
Depreciation	**$**	$
Plant and equipment	**29,453**	66,802
Office furniture and equipment	**2,844**	2,146
Burnie Research Facility	**-**	293,948
Amortisation	**31,774**	17,272
Total depreciation recognised in statement of comprehensive income	**64,071**	380,168
Finance costs		
Interest and finance charges paid/payable – others	**23,616**	8,716
Rental expense relating to operating leases	**117,981**	135,471
Impairment expense – financial assets	**3,100**	162,900
Impairment expense - patents	**10,000**	-

Notes to the Financial Statements for the year ended 30 June 2015

9 Income tax (benefit)/expense

	Consolidated	
	2015	2014
	$	$
(a) The components of income tax (benefit)/expense comprise		
Current tax	**(242,826)**	(322,340)
Deferred tax	**7,415**	(72,434)
Deferred tax not recognised	**226,528**	324,373
Income tax (benefit)/expense	**(8,883)**	(70,401)

(b) Reconciliation of income tax (benefit)/expense to prima facie tax payable

Profit/(loss) from operations before income tax (benefit)/expense	**(865,329)**	(1,331,535)
Tax at the Australian tax rate of 30% (2014 - 30%)	**(259,599)**	(399,461)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expense	**24,188**	4,686
Tax losses not recognised/(recouped)	**242,826**	300,621
Temporary differences (previously not recognised)/recognised	**(16,298)**	23,753
Under/over provision of income tax	**-**	-
Income tax (benefit)/expense	**(8,883)**	(70,401)
Unused tax losses for which no deferred tax asset has been recognised	**64,080,927**	63,359,787
Potential tax benefit @ 30% (2014 – 30%)	**19,224,278**	19,007,936

All unused tax losses were incurred by Australian entities.

The benefit for tax losses will only be obtained if:

(i) the Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses and temporary difference to be realised;

(ii) the Group complies with the conditions for deductibility imposed by the tax legislation; and

(iii) no changes in tax legislation adversely affect the Group in realising the benefit from deductions for the losses and temporary differences.

In addition, the availability of certain tax losses is subject to the Group successfully establishing deductibility, and in particular, satisfying the continuity of ownership test and the same business test.

(c) Deferred Tax Liability

The deferred tax liability of $74,765 (2014: $83,647) relates to the brand name acquired on acquisition of Science Developments Pty Ltd net of amortisation expense.

(d) Tax consolidation legislation

The Company and its wholly-owned Australian subsidiaries have implemented the tax consolidation legislation with effect from 1 July 2008.

10 Current assets - cash and cash equivalents

	Consolidated	
	2015	2014
	$	$
Cash at bank and on hand	**926,394**	1,747,861
	926,394	1,747,861

The accounts are interest bearing at interest rates between 1.9% and 2.90% (2014 – 2.45% and 3.50%).

11 Current assets - trade and other receivables

	Consolidated	
	2015	2014
	$	$
Trade debtors	**301,833**	129,563
Other receivables	**18,736**	22,753
Financial assets classified as trade & other receivables	**320,569**	152,316
Prepayments	**537**	11,634
Income tax receivable	**5,425**	25,568
Total trade & other receivables	**326,531**	189,518

Notes to the Financial Statements for the year ended 30 June 2015

(a) Provision for impairment of receivables

Current trade and other receivables are generally on 30-day terms. A provision for impairment is recognised when there is objective evidence that an individual trade or other receivable is impaired. These amounts have been included in the other expenses item.

(b) Credit Risk — trade and other receivables

The Group has no significant concentration of credit risk with respect to any single entity or any geographical region other than those receivables specifically provided for and mentioned within this note.

The class of assets described as trade and other receivables is considered to be the main source of credit risk related to the Group. The Group does not hold any financial assets with terms that have been renegotiated, which would otherwise be past due or impaired.

The following table details the Group's trade receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of trade receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality. All other receivables are within trade terms for the years 2015 and 2014.

2015	**Gross amount**	**Past due and impaired**	**Past due but not impaired**	**Within initial trade terms**			
			< 30	**31-60**	**61-90**	**> 90**	
	$	**$**	**$**	**$**	**$**	**$**	**$**
Trade debtors	301,833	-	151,048	94,255	-	56,530	301,833
Total	301,833	-	151,048	94,255	-	56,530	301,833

2014	**Gross amount**	**Past due and impaired**	**Past due but not impaired**	**Within initial trade terms**			
			< 30	31-60	61-90	> 90	
	$	$	$	$	$	$	$
Trade debtors	129,563	-	106,612	17,589	5,362	-	129,563
Total	129,563	-	106,612	17,589	5,362	-	129,563

There is no trade debtor or other receivable amounts where collateral has been received as security or pledged.

12 Current assets - Inventories at cost

	Consolidated	
	2015	2014
	$	$
Stock on hand – Chemicals at cost	**-**	9,110
Spares and reagents – finished goods	**255,777**	185,410
	255,777	194,520

13 Non current assets - other financial assets

	Consolidated	
	2015	2014
Financial assets available for sale	**$**	$
Shares in listed companies, at market value	**54,300**	39,300
Shares in unlisted companies, at cost	**2,900**	2,900
	57,200	42,200

Notes to the Financial Statements for the year ended 30 June 2015

The Group holds an investment in Bass Metals Ltd (BSM) of 18,100,000 shares. The closing market price at 30 June 2015 was 0.3 cents (2014:0.2 cents), which represented an increase in value of the BSM shares to $54,300. A revaluation of $18,100 was recorded against the asset revaluation reserve.

The Group also held an investment in Bass Metals Ltd options which expired on 30 September 2014. The value of the options at the time was $3,100. A loss was therefore recorded in the consolidated statement of profit or loss and other comprehensive income.

14 Non current assets - Plant and equipment

Consolidated **Year ended 30 June 2013**	**Office equipment** **$**	**Plant and equipment** **$**	**Burnie Research Facility** **$**	**Total** **$**
Movement in carrying amounts				
Opening net book amount	3,278	197,835	299,987	501,100
Additions through business combinations (note 4)	6,997	110,179	-	117,176
Additions	-	85,245	-	85,245
Disposals	-	(39,999)	(6,039)	(46,038)
Depreciation charge	(2,146)	(66,802)	(293,948)	(362,896)
Closing net book amount at 30 June 2014	8,129	286,458	-	294,587
Cost or fair value	32,796	584,392	5,928,365	6,545,553
Accumulated Depreciation	(24,667)	(297,934)	(5,928,365)	(6,250,966)
Net book amount at 30 June 2014	8,129	286,458	-	294,587

Consolidated	**Office equipment**	**Plant and equipment**	**Burnie Research Facility**	**Total**
Year ended 30 June 2014				
Movement in carrying amounts				
Opening net book amount	**8,129**	**286,458**	**-**	**294,587**
Additions	**-**	**115,343**	**-**	**115,343**
Disposals	**-**	**(156,310)**	**-**	**(156,310)**
Depreciation charge	**(2,844)**	**(29,453)**	**-**	**(32,297)**
Closing net book amount at 30 June 2015	**5,285**	**216,038**	**-**	**221,323**
Cost or fair value	**31,028**	**319,312**	**-**	**350,340**
Accumulated Depreciation	**(25,743)**	**(103,274)**	**-**	**(129,017)**
Net book amount at 30 June 2015	**5,285**	**216,038**	**-**	**221,323**

15 Non current assets - Intangible assets

	Consolidated **2015** **$**	 2014 $
Intellectual property – Patents		
Opening net book amount	**10,000**	10,000
Disposals	**(10,000)**	-
Closing net book amount at 30 June	**-**	10,000
Identified intangibles – Trademarks and IP		
Opening net book amount	**278,827**	-
Acquired during the year	**11,834**	296,100
Amortisation of trademarks	**(31,774)**	(17,273)
Closing net book amount at 30 June	**258,887**	278,827

Notes to the Financial Statements for the year ended 30 June 2015

	Consolidated	
	2015	2014
Goodwill on consolidation	**$**	$
Opening net book amount	**1,030,018**	-
Acquired during the year	**-**	1,030,018
Closing net book amount at 30 June	**1,030,018**	1,030,018
Total closing net book amount at 30 June	**1,288,905**	1,318,845

The recoverable amount of goodwill has been determined by a value-in-use calculation using a discounted cashflow model based on a 5 year projection based on the group's financial budget, and a terminal value multiple. The final 4 of those years are based on an extrapolation of the prepared budget for year 1. Key assumptions in the discounted cashflow model include:

a. Post-tax discount rate of 8% per annum;
b. Revenue growth of 97% in 2016, 25% in 2017 reducing to 13% in 2018;
c. Growth in gross margin of 76% in 2016, 27% in 2017 reducing to 13% in 2018; and
d. Average per annum increase in operating expenses of 13%.

The recoverable amount of goodwill calculated as described above exceeded the amount detailed in this note.

Sensitivity to change of assumptions

If the next year's financial budget used in the value in use calculation had been 10% lower than management's estimates at 30 June 2015, the Group would have a recoverable amount in excess of $140,000 against the carrying amount of intangible assets and property, plant and equipment.

If the post-tax discount rate applied to the cash flow projections of this CGU had been 2% higher than management's estimates (10% instead of 8%), the Group would have a recoverable amount in excess of $195,000 against the carrying amount of intangible assets and property, plant and equipment. In 2013, there were no reasonably possible changes in any of the key assumptions that would have caused the carrying amount of the CGU to exceed its recoverable amount.

16 Current liabilities – Trade and other payables

	Consolidated	
	2015	2014
	$	$
Unsecured liabilities		
Trade payables	**177,754**	201,249
Payables – related parties, refer to note 27	**100,000**	100,000
Employee entitlements	**33,892**	35,618
	311,646	336,867
Less employee entitlements	**(33,892)**	(35,618)
Total financial liabilities	**277,754**	301,249

17 Current liabilities - Loans and Borrowings

Lease – Liability	**38,830**	8,565
Trade finance facility	**216,636**	115,662
Hire Purchase liability	**-**	13,366
	255,466	137,593

The trade finance facility limit is $250,000 of which $33,364 was unused at 30 June 2015 (2014 - $134,338). The facility is secured by way of a guarantee by a director related company of a director of Science Developments Pty Ltd.

18 Current liabilities – Provisions

	Consolidated	
	2015	2014
(a) Balances	**$**	$
Long Service Leave	**77,406**	112,732

The provision for long service leave represents the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future

Notes to the Financial Statements for the year ended 30 June 2015

wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

19 Non-current liabilities - Loans and Borrowings

	Consolidated	
	2015	2014
	$	$
Lease – Liability	**113,718**	64,774
	113,718	64,774

The lease liability relates to a finance lease for a motor vehicle provided to the Managing Director, the principal use of which is business and a finance lease for plant and equipment owned by Science Developments Pty Ltd. The motor vehicle lease liability is effectively secured over the motor vehicle. The shareholders of Science Developments Pty Ltd have provided guarantees for the finance lease relating to plant and equipment.

20 Contributed equity

(a) Share capital

	Notes	**2015 Shares**	2014 Shares
Ordinary shares	(b)(c)	**299,818,669**	299,818,669

(b) Movements in ordinary share capital

2015	**Details**	**Number of shares**	**Issue price (cents)**	**$**
01-07-2014	Balance at beginning of year	299,818,669		71,641,977
	Shares issued during the year	**-**	**-**	-
30-06-2015	**Balance at end of year**	**299,818,669**		**71,641,977**
2014				
01-07-2013	Balance at beginning of year	299,818,669		71,641,977
	Shares issued during the year	-	-	-
30-06-2014	Balance at end of year	299,818,669		71,641,977

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(d) Options

Information relating to the Intec Employee Share Scheme (the Scheme), including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Notes 21 and 31.

(e) Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. The quantitative data the Group assesses as capital is $2,243,129 which is consistent with the net assets of the Group (2014: $3,051,918).

Notes to the Financial Statements for the year ended 30 June 2015

21 Options

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Issue Date	Expiry Date	Exercise Price	Balance at 1 July 2014	Granted during year	Lapsed during year	Exercised during year	Vested & exercisable as at 30 June 2015
09-12-2011[1]	21-11-2016	$0.030	3,300,000	-	-	-	3,300,000
10-12-2014[2]	28-11-2019	$0.025	-	5,500,000	-	-	5,500,000
Total Options on issue			**3,300,000**	**5,500,000**	**-**	**-**	**8,800,000**

1. Granted under previous Intec Option Plan.
2. Granted under Intec Employee Share Scheme (Refer Note 31)

22 Reserves

(a) Reserves	Asset revaluation reserve	Share based payments reserve	Total
		Consolidated	
Balance 1 July, 2013	-	2,624,037	2,624,037
Option expense	-	-	-
Balance 30 June 2014	-	2,624,037	2,624,037
Balance 1 July 2014	-	2,624,037	2,624,037
Option expense	-	29,557	29,557
Revaluation	18,100	-	18,100
Balance 30 June 2015	**18,100**	**2,653,594**	**2,671,694**

(b) Nature and purpose of reserves

Share based payments reserve
The share based payments reserve records the value of options issued by the Company.

Asset revaluation reserve
The reserve is used to recognise increments and decrements in the fair value of financial assets available for sale. Refer to Note 13.

23 Non-controlling interest

	Consolidated 2015 $	2014 $
Issued capital	**9,005**	9,005
Reserves	**101,575**	101,575
Retained earnings	**36,952**	77,277
Balance 30 June 2015	**147,532**	187,857

The non-controlling interest at 30 June 2015 is a 50% equity holding in Science Developments Pty Ltd.

The non-controlling interest at 30 June 2014 was a 50% equity holding in Intec International Projects Pty Ltd and a 50% equity holding in Science Developments Pty Ltd.

Refer to Note 29 for further details of subsidiaries with non-controlling interests that are material to the consolidated entity.

Notes to the Financial Statements for the year ended 30 June 2015

24 Contingencies

(a) Contingent assets
The Group holds a 2.5% net smelter royalty in relation to future base metals extracted from certain tenements in the Hellyer/Que River region of Tasmania. The Group also holds a mining lease and retention licence covering a stockpile of zinc-bearing residue near Zeehan, Tasmania.

As a result of a transaction entered into by Intec International Projects Pty Ltd ("IIP") with Monument Mining Limited, a company listed on the Toronto Stock Exchange, Intec is entitled to receive a 5% royalty on fees generated by IIP in relation to Intec Process applications. In addition, Intec retains its rights to its portion of unpaid fees relating to the IRC Project. This transaction occurred after Intec divested its 50% shareholding in IIP.

(b) Contingent liabilities
The parent entity and Group had no contingent liabilities at 30 June 2015 (2014- nil).

25 Commitments

(a) Capital commitments
There are no commitments for capital expenditure at the reporting date.

(b) Lease commitments
The Group leases a motor vehicle under a five year non-cancellable finance lease.

	Consolidated	
	2015	2014
	$	$
Commitments for minimum lease payments in relation to a non-cancellable finance lease is payable are as follows:		
Within one year	**49,100**	16,329
Later than one year but not later than five years	**133,112**	83,900
Total commitment	**182,212**	100,229
Deduct future finance charges	**(29,664)**	(26,890)
Lease liability	**152,548**	73,339

The motor vehicle related finance lease has a written down value of $63,598 and the lease expires within five years. The terms of the lease provide for the Group to acquire the motor vehicle for an agreed residual value at the end of the lease period.

Lease commitments include a contracted amount for plant and equipment with a written down value of $89,150 (2014: $Nil) secured under Chattel mortgage expiring within three years and secured by the shareholders of Science Developments Pty Limited.

(c) Tenement commitments
There are no minimum annual expenditure requirements attached to the tenements held by the Group. Details of tenements held are shown in the Schedule of Tenements on page 43.

26 Financial instruments

(a) Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 and Note 2 to the financial statements.

(b) Categorisation of financial instruments
The Group and the parent entity hold the following financial instruments:

	Consolidated Carrying amount	
	2015	2014
Financial assets	**$**	$
Cash and cash equivalents (Note 10)	**926,394**	1,747,861
Receivables (Note 11)	**320,569**	152,316

Notes to the Financial Statements for the year ended 30 June 2015

	2015	2014
	$	$
Other financial assets (Note 13)	57,200	42,200
	1,304,163	1,942,377
Financial liabilities		
Trade and Other Payables (Note 16)	277,754	301,249
Loans and borrowings (Notes 17 & 19)	369,184	202,367
	646,938	503,616

27 Related party transactions

(a) Parent entities
The parent entity within the Group is Intec Ltd.

(b) Subsidiaries
Interests in subsidiaries are set out in Note 29.

(c) Key management personnel
Disclosures relating to key management personnel are set out in the Remuneration Report on pages 5 to 8. There were no outstanding loans with key management personnel.

	2015	2014
	$	$
Short-term employee benefits	402,279	473,575
Termination benefits	110,292	-
Post-employment benefits	34,551	41,753
Share-based payments	26,870	-
	573,992	515,328

(d) Transactions with related parties
The following transactions occurred with related parties:

	2015	2014
(i) Transaction with subsidiary	$	$
The parent company, Intec Ltd, provided an unsecured loan, on commercial terms, to its 50% owned subsidiary Science Developments Pty Ltd.	100,000	50,000

(ii) Mr Reza Maghzian

At 30 June 2014, Mr Reza Maghzian, a director and 50% shareholder of Intec International Projects Pty Ltd paid Intec Ltd $63,195 for the transfer of certain patents to Intec International Projects Pty Ltd and associated cross licensing of intellectual property between the two companies. On 30 September 2014, Mr Reza Maghzian also entered into an agreement to acquire Intec Ltd's 50% shareholding in Intec International Projects Pty Ltd for $50,000 and the granting of certain rights to Intec Ltd.

(iii) Mr Paul Pembroke and Mr Mark Wells

Mr Paul Pembroke and Mr Mark Wells, directors and shareholders of Science Developments Pty Ltd, both provided unsecured loans of $50,000 (2014: $25,000) on commercial terms to Science Developments Pty Ltd. The balance outstanding at year end was $100,000 (2014: $50,000).

(e) Loans to subsidiaries

	Consolidated	
	2015	2014
	$	$
Beginning of the year	57,226,332	57,498,439
Loans advanced/(received)	(61,841)	(272,107)
End of year	57,164,491	57,226,332
Less provision for doubtful debts	(57,064,491)	(57,176,332)
Carrying value at end of year	100,000	50,000

Notes to the Financial Statements for the year ended 30 June 2015

Provisions for doubtful debts have been raised in relation to outstanding balances, and an expense has been recognised in respect of debts due from subsidiaries, which may be considered doubtful based on the net assets of each subsidiary. The movement in the provision mirrors to the movement in loan balances detailed above.

(f) Terms and conditions

All transactions were made on normal commercial terms and conditions, except that there are no fixed terms for the repayment of loans between the parties. However, the Directors determined the loans to be interest free from 1 July 2010, with the exception of the loan to Science Developments Pty Ltd, which bears an interest rate of 6.0%pa. All outstanding balances are unsecured and are repayable in cash.

28 Parent entity disclosures

(a) Financial position

	Consolidated 2015 $	2014 $
Assets		
Current assets	**940,055**	1,703,365
Non current assets	**1,523,751**	1,517,639
Total assets	**2,463,806**	3,221,004
Liabilities		
Current liabilities	**120,733**	247,063
Non current liabilities	**132,608**	64,774
Total liabilities	**253,341**	311,837
Equity		
Issued capital	**71,948,494**	71,948,494
Accumulated losses	**(72,317,715)**	(71,621,354)
Reserves		
Option expense reserve	**2,561,586**	2,532,029
Asset revaluation reserve	**18,100**	49,998
Total equity	**2,210,465**	2,909,167

(b) Financial performance

Profit/(Loss) for the year	**(696,360)**	(605,312)
Other comprehensive income	**18,100**	-
Total comprehensive loss	**(678,260)**	(605,312)

(c) There have been no guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

There were no contingent liabilities of the parent entity at 30 June 2015.

There were no commitments for the acquisition of property, plant and equipment by the parent entity at 30 June 2015.

29 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.

Name of entity	**Country of incorporation**	**Class of shares**	**Equity holding 2015 %**	**Equity holding** 2014 %
Investments held by Intec Ltd				
Intec Copper Pty Ltd	Australia	Ordinary	**100**	100
Intec Envirometals Pty Ltd	Australia	Ordinary	**100**	100
Science Developments Pty Ltd	Australia	Various	**50**	50
Intec International Projects Pty Ltd (sold 30/9/2014)	Australia	Ordinary	**-**	50
Investments held by Intec Envirometals Pty Ltd				
Intec Zeehan Residues Pty Ltd (formerly Encore Metals NL)	Australia	Ordinary	**100**	100

Notes to the Financial Statements for the year ended 30 June 2015

Intec Ltd has the power to govern the financial and operating policies of Science Developments Pty Ltd so as to obtain benefits from its activities. The investment in Intec International Projects Pty Ltd was sold on 30 September 2014 for $50,000. Refer to Note 5.

Summarised financial information of the subsidiary with non-controlling interests that are material to the consolidated entity are set out below:

	2015	2014
	$	$
Assets		
Current assets	**559,414**	396,378
Non current assets	**164,550**	105,661
Total assets	**723,964**	502,039
Liabilities		
Current liabilities	**544,839**	323,302
Non current liabilities	**58,516**	-
Total liabilities	**603,355**	323,302
Net Assets	**120,609**	178,737
Summarised statement of profit or loss and other comprehensive income		
(Loss) /Profit before income tax expense	**(58,126)**	(74,379)
Income tax benefit	**-**	21,719
(Loss)/Profit after income tax expense	**(58,126)**	(52,660)
Other comprehensive income	**-**	-
Total comprehensive income	**(58,126)**	(52,660)
Statement of cashflows		
Net cash from operating activities	**(51,899)**	1,532
Net cash used in investing activities	**(100,982)**	-
Net cash from financing activities	**129,209**	61,863
Net increase/decrease in cash and cash equivalents	**(23,672)**	63,395
Other financial information		
(Loss)/Profit attributable to non-controlling interests	**(29,063)**	(26,330)
Accumulated non-controlling interests at end of reporting period	**147,532**	186, 957

30 Profit/(loss) per share

	Consolidated	
	2015	2014
	Cents	Cents
(a) Basic profit/(loss) per share		
Profit/(Loss) per share from continuing operations attributable to the ordinary equity holders of the company	**(0.30)**	(0.42)
(b) Diluted profit/(loss) per share		
Diluted profit/(loss) per share from continuing operations attributable to the ordinary equity holders of the company	**(0.30)**	(0.42)

(c) Reconciliations of profit/(loss) used in calculating earnings per share

Basic profit/(loss) per share		
Profit/(Loss) attributable to the ordinary equity holders of the company used in calculating basic profit/(loss) per share from continuing operations	**(904,637)**	(1,261,134)
	(904,637)	(1,261,134)
Diluted profit/(loss) per share		
Diluted profit/(loss) attributable to the ordinary equity holders of the company used in calculating basic profit/(loss) per share from continuing operations	**(904,637)**	(1,261,134)
	(904,637)	(1,261,134)

Notes to the Financial Statements for the year ended 30 June 2015

(d) Weighted average number of shares used as the denominator

	2015 Number	2014 Number
Weighted average number of ordinary shares used as the denominator in calculating basic profit/(loss) per share	**299,818,669**	299,818,669
Weighted average number of dilutive options outstanding	**6,050,000**	3,300,000
Weighted average number of ordinary shares used as the denominator in calculating diluted profit/(loss) per share	**305,868,669**	303,118,669

(e) Information concerning the classification of securities

Diluted profit/(loss) per share
In the 2014 and 2015 comparative financial year, potential ordinary shares being the balance of options granted at balance date are not considered dilutive as the conversion of these components to equity would result in a decrease in the net loss per share.

Options
Options granted to employees under the Intec Employee Share Scheme and to other entities have been included in the determination of diluted profit/(loss) per share. No options have been included in the determination of basic profit/(loss) per share. Details relating to the options are set out in note 21.

31 Share based payments

Employee Share Scheme
At the 2014 Annual General Meeting, shareholders approved the Intec Employee Share Scheme (the Scheme). The Scheme replaced the previous Intec Option Plan, which had been approved at the 2001 Annual General Meeting. All directors, employees and consultants are eligible to participate in the Scheme. Options granted under the Scheme to eligible participants are for no additional consideration. Options are granted for a five year period, and vest and are exercisable immediately, unless otherwise stated. Options granted under the Scheme carry no dividend or voting rights. The granting of options is at the Board's discretion and no individual has a contractual right to receive options.

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Issue Date	Expiry Date	Exercise Price	Balance at 1 July 2014	Granted during year	Lapsed during year	Exercised during year	Vested & exercisable as at 30 June 2015
09-12-2011[1]	21-11-2016	$0.030	3,300,000	-	-	-	3,300,000
10-12-2014	28-11-2019	$0.025	-	5,500,000	-	-	5,500,000
Total Options on issue			**3,300,000**	**5,500,000**	**-**	**-**	**8,800,000**

1. Granted under previous Intec Option Plan.

The assessed fair value at grant date of options granted under the Scheme is allocated equally over the period from grant date to vesting date, and the amount is included in remuneration. Fair values at grant date are independently determined using option valuation models that take into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. There were 5,500,000 employee options granted during the year (year ending 30 June 2014 – nil). The fair value of the options at grant date was $29,557.

Shares provided on exercise of remuneration options
No ordinary shares (30 June 2014 - Nil) in the Company were provided as a result of the exercise of remuneration options to eligible participants in the Scheme. Accordingly, there were no expenses arising from share based payment transactions recognised in the statement of comprehensive income.

Notes to the Financial Statements for the year ended 30 June 2015

32 Reconciliation of profit/(loss) after income tax to net cash flows from operating activities

	Consolidated	
	2015	2014
	$	$
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
(Recouped)/expensed environmental bond		-
Impairment expense	**13,100**	162,900
Share based payments	**29,557**	-
Gain on sale of non-current assets	**(164,643)**	(89,561)
Fair value movement on inventory	**-**	145,000
Deferred tax liability on acquisition	**-**	(132,330)
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	**(137,013)**	66,001
Decrease/(increase) in inventories	**(61,257)**	(9,650)
Increase/(decrease) in trade creditors	**(23,494)**	(130,460)
Increase/(decrease) in trade finance facility	**100,974**	115,662
Increase/(decrease) in provisions	**(37,052)**	(2,973)
Increase/(decrease) in deferred tax liability	**(8,882)**	83,648
Net cash (outflows)/inflows from operating activities	**(1,081,085)**	(634,610)

33 Auditor's remuneration

	Consolidated	
	2015	2014
Assurance services	**$**	$
a. Audit services		
Audit and review of financial reports and other audit work under the *Corporations Act 2001*		
Rothsay Chartered Accountants	**28,500**	-
Crowe Horwath Sydney	**-**	71,000

No other services have been provided.

34 Company details

The registered office and principal place of business is Level 3, 100 Mount Street, North Sydney NSW 2060.

35 Events occurring after the reporting date

Since 30 June 2015, Science Developments Pty Ltd has commenced export sales to New Zealand under a distribution agreement with Apex Environmental Ltd and the first Optiflox® system is currently being installed at a large thermal coal mine in NSW. In addition, the Group has sold a significant portion of its shareholding in Bass Metals Ltd for receipts of approximately $165,000.

There are no other matters or circumstances that have arisen since 30 June 2015 that have 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.

These financial statements were authorised by the Board of Directors on 30 September 2015.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 11 to 39 are in accordance with the *Corporations Act 2001*, including:
   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   (ii) giving a true and fair view of the consolidated financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
(c) the remuneration disclosures set out on pages 5 to 8 of the Directors' Report comply with Accounting Standard AASB 124 Related Party Disclosures and the Corporations Regulations; and
(d) The financial statements comply with International Financial Reporting Standards as described in Note 1 to the financial statements; and
(e) The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Kieran Rodgers
Managing Director

Sydney
30 September 2015

INDEPENDENT AUDITOR'S REPORT

To the members of Intec Limited

Report on the Financial Report

We have audited the accompanying financial report of Intec Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Intec Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Intec Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Intec Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

Rothsay Chartered Accountants

Frank Vrachas
Partner

Sydney, 30 September 2015

Schedule of Tenements

At 30 June 2015 the Group held the following tenements:

Tenement number	Tenement name	Expiry date	Area Km^2	Security deposits held $	Annual expenditure commitments $
Tenements held by Intec Zeehan Residues Pty Ltd					
Mining Lease 6M/2010	Zeehan	5 January 2016	0.4	6,000	Nil
Retention Licence RL 3/1996	Zeehan	26 March 2016	1.00	5,000	Nil

The Group also holds a 2.5% Net Smelter Return Royalty (NSR Royalty) in relation to base metals extracted from the following Tasmanian tenements:

RL11/1997: Mt Charter Retention Licence;
EL48/2003: Mt Block Exploration Licence;
EL24/2004: Bulgobac River Exploration Licence;
CML103M/1987: Hellyer Mine Lease; and
ML68M/1984: Que River Mine Lease.

Shareholder Information

The shareholder information set out below was applicable as at 24 September 2015.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Class of equity security Ordinary shares	
	Number of shareholders	Number of shares
1 - 1,000	124	47,836
1,001 - 5,000	148	427,137
5,001 - 10,000	85	661,134
10,001 - 100,000	320	16,527,208
100,001 and over	256	282,155,354
	933	**299,818,669**

B. Substantial holders

Substantial shareholders as at 24 September 2015 are listed below:

Kieran Gregory Rodgers & Patricia Maree Rodgers	6.67%
Kathleen Frances Watt	6.14%
Donald Alexander Bell & Lexie Ann Bell	5.00%

C. Equity security holders

The names of the twenty largest holders of quoted equity securities as at 24 September 2015 are listed below:

Name	Ordinary shares Number held	Percentage of issued shares
Kieran Gregory Rodgers & Patricia Maree Rodgers	20,004,624	6.67
Kathleen Frances Watt	18,416,667	6.14
Donald Alexander Bell & Lexie Ann Bell	15,000,000	5.00
Martin Edward Meyer	14,666,667	4.89
Longwin Capital Finance Ltd	14,666,667	4.89
Stuart Andrew Spiteri	13,250,000	4.42
Markham Hanna & Rita Hanna <Hanna & Co Pty Ltd Super A/C>	13,030,000	4.35
Paul Michael Butcher	9,322,828	3.11
PW Pembroke Pty Ltd	7,717,821	2.57
Pembroke Four Pty Ltd	6,600,000	2.20
J P Morgan Nominees Australia Ltd	6,245,827	2.08
Warinco Services Pty Limited <Waring Super Fund A/C>	4,122,500	1.37
Orian Holding Corp	4,117,484	1.37
Ianaki Semerdziev	3,500,000	1.17
Rhett Anthony Morson	3,250,000	1.08
Platypus Superannuation Pty Ltd <Platypus Super Fund A/C>	3,100,000	1.03
Corporate Property Services Pty Ltd <K W Share A/C>	3,000,000	1.00
UBS Wealth Management Australia Nominees Pty Ltd	3,000,000	1.00
Stephen Leslie McMartin	2,500,000	0.83
Ronnoc Developments Pty Ltd <Bryan Super Fund A/C>	2,443,000	0.81
Total of Top 20 Shareholdings	167,954,085	56.02
Other Shareholders	131,864,584	43.98
Total Ordinary Shares on Issue	299,818,669	100.000

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options
No voting rights.

E. Summary of options issued

	No. of options	No. of Holders	% Options Issued
Options expiring 21 November 2016 with an exercise price of $0.03	3,300,000	5	
Option holders with more than 20% of above class			
K G Rodgers	1,200,000		36.36%
D L Sammut	1,000,000		30.30%
These options are unquoted equity securities.			
Options expiring 28 November 2019 with an exercise price of $0.025	5,500,000	4	
Option holders with more than 20% of above class			
K G Rodgers	2,000,000		36.36%
D J Cronin	2,000,000		36.36%
These options are unquoted equity securities.			

Corporate Directory

Directors

Chairman
Trevor A Jones

Managing Director
Kieran G Rodgers

Non-executive Director
Daniel J Cronin

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Company Secretary

Robert J Waring

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
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Sydney NSW 2001
Telephone: (+61 2) 9290 9600
Facsimile: (+61 2) 9279 0664
Email: enquiries@boardroomlimited.com.au
Website: www.boardroomlimited.com.au

Auditors

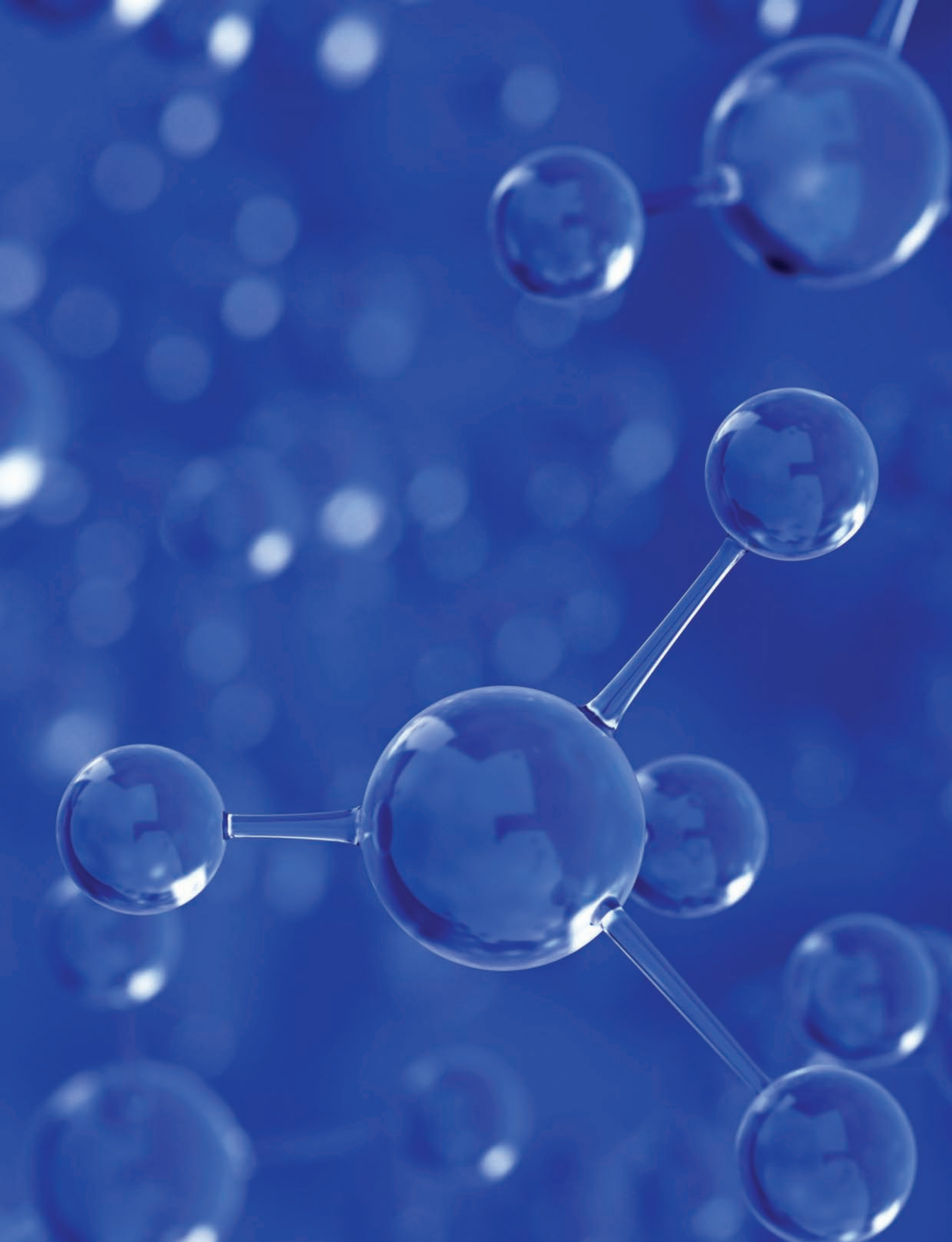
Rothsay Chartered Accountants Sydney
Level 1, 12 O'Connell Street
Sydney NSW 2000 Australia

Patent Attorneys

Griffith Hack
100 Miller Street
North Sydney NSW 2060 Australia

Stock Exchange and Trading Platform Listings

Intec Ltd shares are listed or traded on the Australian Stock Exchange (Code: INL), the Deutsche Boerse (Code: INF), and as American Depository Receipts on: the OTC Markets (Code: ICLJY)



ASX CODE:INL ABN : 25 001 150 849