

Pacific Environment Limited



Date: 28 January 2014

**Company Announcements Office
Australian Securities Exchange
APPENDIX 4C – QUARTERLY CASH FLOW STATEMENT**

Please find attached the Appendix 4C "Quarterly Report" for Pacific Environment Limited ("PEL" or "the Group") for the quarter ended 31 December 2013.

The following are additional explanatory notes to be read in conjunction with the Report.

1. We are pleased to report that the Group generated positive operating cash flows of \$142,000 as well as investing and financing cash inflows of \$7,000 during the second quarter of financial year 2014, leading to an overall increase in cash of \$149,000 during the quarter and an increase of \$307,000 for the six month period.
2. Cash and cash equivalents as at 31 December 2013 were \$1,084,000, as compared to \$777,000 at 30 June 2013.
3. During the second quarter of financial year 2014, the Group incurred cash outflows of \$145,000 relating to the restructuring activities that occurred in the first quarter. These cash outflows were offset by a receipt from the ATO for a research and development tax incentive of \$578,000, relating to R&D activities undertaken during the FY12/13 year.
4. The Group's financing facility with BOQ was unutilised at 31 December 2013.
5. The board and management continue to implement strategies to improve the efficiencies of the group which will provide an efficient cost effective base to grow organically and through acquisition.
6. To the best of the Group's knowledge the Group is in compliance with the ASX Listing Rules, and in particular Listing Rule 3.1.

Yours faithfully

PACIFIC ENVIRONMENT LIMITED



Murray d'Almeida,
Chairman

Pacific Environment Limited (ASX: PEH) provides environmental services and technologies that enable companies to maximise their operational efficiencies while meeting their environmental compliance and corporate and community obligations.

Our nationwide team of industry-leading experts provides quality service built on decades of successful delivery on the most challenging projects. We also consult to governments as independent experts.

Pacific Environment operates practices in:

- Air Quality & Meteorology
- Acoustics
- Ambient & Fugitive Monitoring
- Carbon Management
- Emission Monitoring
- Toxicology & Risk Assessment
- Technologies

Pacific Environment Limited
(ASX: PEH)

HEAD OFFICE
Suite 1, Level 1
146 Arthur Street
North Sydney
NSW 2060
info@pacific-environment.com

Offices in:

- Adelaide
- Brisbane
- Melbourne
- Perth

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Pacific Environment Limited

ABN

42 122 919 948

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	3,017	6,213
1.2 Payments for		
(a) staff costs	(2,037)	(3,766)
(b) advertising & marketing	-	(37)
(c) research & development	(69)	(136)
(d) leased assets		
(e) other working capital	(1,289)	(2,668)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	6	15
1.5 Interest and other costs of finance paid	(64)	(125)
1.6 Income taxes paid		
1.7 Other – income	578	911
Net operating cash flows	142	407

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	142	407
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(3)	(81)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
Net investing cash flows	(3)	(81)
1.14 Total operating and investing cash flows	139	326
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	71	96
1.18 Repayment of borrowings	(61)	(115)
1.19 Dividends paid		
1.20 Other (share issue costs)		
Net financing cash flows	10	(19)
Net increase (decrease) in cash held	149	307
1.21 Cash at beginning of quarter/year to date	935	777
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	1,084	1,084

+ See chapter 19 for defined terms

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	190
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

Included in amounts reflected in 1.24 are consulting fees paid to related entities amounting to \$133,332

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

--

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities*	70	0
3.2	Credit standby arrangements		

*: The above facility is the drawdown available and the actual drawdown from our debtor financing facility with the Bank of Queensland. The nature of debtor finance is such that the approved credit limit fluctuates in accordance with approved debtors at any point in time.

For personal use only

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	1,084	935
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (provide details)		
Total: cash at end of quarter (item 1.23)		1,084	935

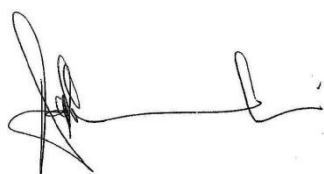
Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity		
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Murray d'Almeida (Chairman)

Date: 28 January 2014

+ See chapter 19 for defined terms

For personal use only

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.