

# Pacific Environment Limited



Date : Monday 30 January 2012

Company Announcements Office

Australian Securities Exchange

## APPENDIX 4C – QUARTERLY CASH FLOW STATEMENT

## About us

Pacific Environment Limited (ASX:PEH) is a highly respected provider of environmental solutions and services. We take pride in the quality and reputation of our specialist consulting groups. We also develop and implement leading edge technologies that are shaped by our team's knowledge and practical experience.

For over 30 years, Pacific Environment Limited and its predecessor companies has been helping clients comply with environmental regulations, meet corporate responsibilities and improve operations and planning. We also consult to governments as independent experts.

Pacific Environment Limited consists of practices in the following areas:

- > Air Quality
- > Noise
- > Carbon Management
- > Toxicology
- > Monitoring
- > Managed Services based on our EnviroSuite technology platform.

Pacific Environment Limited  
(ASX: PEH)

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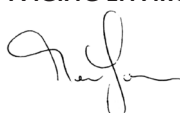
Please find attached the Appendix 4C "Quarterly Report" for Pacific Environment Limited ("PEL" or "the Company") for the quarter ended 31 December 2011.

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

1. We are pleased to announce that the Company generated a net operating cash inflow for the 2nd consecutive quarter of \$0.21m for the first time since listing. The Company has accumulated an additional \$0.25m in cash reserves for the half year to 31 December 2011. This is mainly attributed to the strong revenue collecting initiatives put in place.
2. The 2nd quarter reflected continued strong cash collections of \$2.9m, with trade debtors at 31 December 2011 of \$1.5m decreasing by \$0.15m from the previous quarter. We continue to implement initiatives to improve cash flow and have significantly reduced the amount of debtors carried compared to previous quarters.
3. Revenue for the quarter was \$2.6m, a \$0.4m increase on the same quarter last year. Cumulative revenue for the half year is \$5.4m compared with \$4.6m for the similar period last year. The investment in additional resources has improved the top line and increased the capacity of the PEL Group, though at some initial cost to the first half EBITDA. This investment will be recouped in future periods through the increased revenues and their contributing margins.
4. We expect continued strong cash collections in line with the improved performance during the third quarter of FY12, along with negative to neutral operating cash flows for the third quarter of the 2012 financial year due to December and January lull and the continued strategy to pay off the remaining \$0.1m in historical creditors and \$0.08m in outstanding convertible notes.
5. The Company continues to execute its business objectives and strategies set out in its IPO prospectus and subsequent announcements filed with the ASX.
6. To the best of the Company's knowledge the Company is in compliance with the ASX Listing Rules, and in particular Listing Rule 3.1.

Yours Faithfully

**PACIFIC ENVIRONMENT LIMITED**



Dr Merv Jones,

**Chairman**

**PEL**  
technologies

**Toxikos**  
Toxicology Consultants

**newEQ**  
new environmental quality

**pae**  
holmes

# 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 2011

### 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	2,906	5,711
1.2 Payments for		
(a) staff costs	(1,634)	(3,196)
(b) advertising & marketing	-	(18)
(c) research & development	(32)	(65)
(d) leased assets		
(e) other working capital	(985)	(2,106)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	(56)	(101)
1.6 Income taxes paid		
1.7 Other - income	10	19
<b>Net operating cash flows</b>	<b>210</b>	<b>245</b>

+ See chapter 19 for defined terms.

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

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	210	245
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(153)	(206)
(e) other non-current assets		
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	-	5
(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)		
<b>Net investing cash flows</b>	<b>(153)</b>	<b>(201)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>57</b>	<b>44</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	318	452
1.18 Repayment of borrowings	(142)	(213)
1.19 Dividends paid		
1.20 Other (share issue costs)		
<b>Net financing cash flows</b>	<b>176</b>	<b>239</b>
<b>Net increase (decrease) in cash held</b>	<b>233</b>	<b>283</b>
1.21 Cash at beginning of quarter/year to date	149	99
1.22 Exchange rate adjustments to item 1.20		
<b>1.23 Cash at end of quarter</b>	<b>382</b>	<b>382</b>

+ 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	128
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	
	Directors fees - \$ 15K Company Secretary fees - \$ 16K Consulting fees paid to ROKZair, an associated company of executive Director Robin Ormerod - \$ 97k	

**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

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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

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**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	500	396
3.2	Credit standby arrangements	-	-

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**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	777	638
4.2 Deposits at call		
4.3 Bank overdraft	(395)	(489)
4.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.23)</b>	<b>382</b>	<b>149</b>

**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:

(Director)

Date: 30 January 2012

**Merv Jones**

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## 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.

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