SABRENet Limited

www.sabrenet.edu.au

“Driving research and education collaboration”

2013 Annual Report
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Chair’s Report

I am very pleased to report that SABRENet Ltd. continues to grow and prosper - the network now provides gigabit connectivity to 95 individual research and education locations in Adelaide. This represents an overall 116% increase in the number of connected sites since the network was first commissioned in December 2006.

During the year new connections to the SABRENet network included the Maritime Museum at Port Adelaide, the facilities of four training institutions at Parafield Airport and the Traffic Management Centre of the Department of Planning, Transport and Infrastructure (DPTI). Work also began on the construction of SABRENet connections into the flagship building of the South Australian Health and Medical Research Institute and the Roma Mitchell Secondary College joined the growing list of schools connected to the network.

SABRENet continues to work collaboratively on projects of significance to the state including the Tonsley Park redevelopment. Plans for access to fibre in the Seaford and Tonsley rail corridors in conjunction with the DPTI project for electrification of those train routes were also progressed during the year.

The efficiency of SABRENet’s operating model allows us to deliver highly cost effective access to dark fibre for research and education. In the 2013 year, participant subscription costs were maintained at the previous year levels and the Business Plan forecasts a modest reduction of participant costs in the coming year. It is likely that SABRENet’s fee structure continues to offer the most cost effective access to dark fibre, for research and education, available anywhere in the world.

During the year Carolyn Anderson left the SABRENet Board. Carolyn made a significant contribution to the continued development and success of SABRENet and I would like to acknowledge and thank her for the commitment she made to her role as a Director of SABRENet. Carolyn was particularly instrumental in the organisation of the James Tizard Memorial Lecture which was an enormous success.

Carolyn’s departure gave us the opportunity to welcome Dr. Craig Fowler, Deputy Chief Executive of the Department of Further Education, Employment, Science and Technology back onto the Board. Craig previously served on the SABRENet Board in 2005-2006 and so he was able to hit the ground running.

Looking ahead the future for SABRENet Ltd. looks very bright. The footprint of the network continues to expand and we are engaged in a number of fibre construction and access projects that will see the network exceed 100 connected sites sometime in 2014. SABRENet is clearly now a major research and education asset for South Australia.

On behalf of my fellow Directors and our CEO Ralph Leonard, I’d like to sincerely thank all of those people who have made a contribution to the ongoing success of SABRENet Ltd.

Paul Sherlock, Chair SABRENet Board
Introduction

About SABRENet

The South Australian Broadband Research and Education Network (SABRENet) is an optical-fibre telecommunications network constructed in metropolitan Adelaide to link the State’s major Research and Education (R&E) sites, including university campuses, research precincts and teaching hospitals.

SABRENet Ltd is a non-profit public company formed to oversee the development, management and effective use of SABRENet. The Members of SABRENet Ltd are Flinders University, the University of Adelaide, the University of South Australia and the South Australian Government, while the Defence Science and Technology Organisation (DSTO) is a contractual partner.

The strategic role of SABRENet Ltd is to raise South Australia’s research and education performance by deploying and enabling specialist broadband and related services on behalf of its members and customers.

SABRENet Ltd creates value for South Australia by:

- Providing leadership on broadband issues within the research and education sector
- Building, owning and operating infrastructure
- Creating a critical mass of interconnected sites, users and applications
- Removing constraints on available bandwidth for research and education.

SABRENet provides optical fibre connections to 95 sites in the greater Adelaide metropolitan area (see Appendix A) at data speeds in excess of 1 gigabit per second.

Figure 1 shows the locations of these sites which are listed in Appendix A. The network can be considered as four backbones (North, South, East and West) joining onto a fibre loop in the Adelaide CBD. The CBD fibre loop encircles the University of Adelaide and University of South Australia (City East) campuses on North Terrace.

First constructed in December 2006 and launched officially in March 2007, SABRENet is one of Australia’s first and largest purpose-built ‘Customer Owned Fibre networks’.

Figure 1 - SABRENet route map
Our Philosophy

SABRENet Ltd has been established as a small and highly efficient vehicle for collaboration between the SABRENet partners. SABRENet Ltd allows the Members to build, own and benefit from a world-class broadband infrastructure under a charter that explicitly retains assets in public ownership for the public good. At the same time, our agreements with the private sector deliver robust commercial outcomes on the same infrastructure.

Our philosophy is to present our Members with a low-risk and very cost effective value proposition. SABRENet Ltd itself does not build or operate infrastructure ‘in house’. Rather, the principal day-to-day business of the Company is to coordinate the efforts of our public and private sector partners to meet shared and well understood objectives.

About this Report

This is the Company’s eighth Annual Report, covering the period from July 2012 to June 2013.

The enclosed Summary Financial Report summarises the Company’s audited financial statements for the reporting period.

James Tizard Memorial Lecture

To celebrate the life of James Tizard, the inaugural SABRENet CEO, the SABRENet Board hosted a Memorial Lecture one year after James had died from cancer. The event, held at the Science Exchange on the 27th August 2012, attracted a large crowd of James’ colleagues and family. The event brought two internationally renowned speakers together, Genevieve Bell, Director of Intel Corporation’s Interaction and Experience Research and Ethan Zuckerman, Director of MIT’s Center for Civic Media, to engage in a discussion that explored the impact of the internet on the media, social interaction and the participation of individuals in civic processes, topics which would have been close to James’ heart.

On the following day, Ethan conducted a workshop titled “Rethinking Civics in the Age of Participatory Media”. The workshop was hosted by SABRENet members at the Flinders University City Campus.
The Year in Review

Milestones

- August 2012 - The James Tizard Memorial Lecture was held at the Science Exchange, Adelaide
- August 2012 - work commenced for the connection of the SA Health and Medical Research Institute on North Terrace, Adelaide
- September 2012 - A joint project for Flinders University, Flight Training Adelaide, TAFE SA and the University of South Australia constructed multiple SABRENet connections to Parafield Airport
- December 2012 - Roma Mitchell Secondary College connected to SABRENet
- December 2012 – Circuit provided to Adam Internet Data Centre for the SA Commission for Catholic Schools
- February 2013 – University of Adelaide premises in Rundle Mall connected to SABRENet
- May 2013 – Maritime Museum, Port Adelaide connected to SABRENet
- June 2013 – DPTI Traffic Management Centre connected to SABRENet

Sites

During the reporting period the Company completed network extensions totalling approximately $475,000 for connections to Parafield Airport, Roma Mitchell Secondary College, the Maritime Museum, University of Adelaide premises in Rundle Mall and the Traffic Management Centre at Norwood. A circuit provided to the Adam Internet Data Centre at Mile End for the SA Commission for Catholic Schools represented the first SABRENet connection to a commercial data centre.

Customers

Flight Training Adelaide, a private Registered Training Organisation at Parafield Airport, became a user of SABRENet fibre under the SABRENet User Access Agreement.

At the end of the reporting period, SABRENet members and customers were using approximately 220 optical fibre circuits interconnecting 95 sites.

Growth

The bar chart in Figure 2 illustrates the substantial growth in the network through member and customer capital contributions since its inception.

Figure 2 SABRENet growth
The Year Ahead

Sites

The university and school sectors are currently the two major categories of SABRENet sites and are likely to remain the major source of growth in 2013-14.

Joint activity for fibre installation with the project to electrify rail routes to Seaford and Tonsley is expected to provide a significant extension of SABRENet’s reach and hence connect previously unreachable sites.

The concept of a new medical research precinct built around the South Australian Health and Medical Research Institute and the new hospital at the western end of North Terrace will bring further demand for SABRENet services in that precinct.

The recent connection of the Maritime Museum illustrates the potential for connection of similar cultural institutions.

As the 2012-2013 year was closing, SABRENet contributed to a joint proposal for funding from the Commonwealth’s Education Investment Fund Project for the National Research Network. The SABRENet component will provide diverse connections between the existing AARNet site in the CBD and a new AARNet Point of Presence at Pooraka.

Customers

The majority of university teaching and research units, teaching hospitals, TAFEs and research precincts are already connected to SABRENet and so are schools within close proximity of the existing backbones. That implies that customer growth will mainly occur through seeking those who may not identify themselves as SABRENet customers but are engaged in activity that falls within the eligibility criteria for SABRENet use.

Potential candidates are entities that promote and support education and research in specific sectors such as health, or education regulatory and accreditation bodies. SABRENet will take a proactive approach to consult with these and ascertain any opportunities for new customers.

Services

Although the provision of dark fibre circuits remains SABRENet’s single service for the present time, the ability to combine the SABRENet fibre platform with other services is an important service to the research and education community. Collaboration with Australia’s Academic Research Network (AARNet) to service the demand in schools for faster internet access speeds is an instance of that combination.

Consulting, advocacy and support

SABRENet will continue to advocate the long term benefits of fibre optic infrastructure as the medium of choice for the research and education community. In 2012-13, the SABRENet CEO assisted the University of South Australia to scope the potential community-wide benefits of its Regional Connections project in Mount Gambier and Whyalla by consulting with all school sectors and local government in those to cities.
The Company

SABRENet Ltd is a non-profit company limited by guarantee. The Members of the Company are

- Flinders University
- the University of Adelaide
- the University of South Australia, and
- the South Australian Government.

The Defence Science and Technology Organisation (DSTO) is a contractual partner in SABRENet Ltd. The Members and DSTO collectively comprise the SABRENet Participants.

Board of Directors

SABRENet Ltd is governed by its Board of Directors.

Paul Sherlock BE, MBA, GAICD (Chair)

Paul is the Chief Information Officer for the University of South Australia. He is responsible for the delivery of a wide range of ICT and Library services across the University which support the key business functions of teaching and learning, research and consultancy and administration. Paul has previously held senior IT management roles at the Defence Science and Technology Organisation and BHP Steel International. Paul is a former President of the Council of Australian University Directors of Information Technology (CAUDIT) Incorporated and the Australian Access Federation (AAF) Incorporated.

Paul is the Chair of SABRENet Ltd and was appointed to the Board by the University of South Australia.

Craig Fowler PhD, MSc, MBA, BSc(Hons)

Craig is the currently the Deputy Chief Executive, Department of Further Education, Employment, Science and Technology. Prior to this, he was a Principal in Tax with Ernst and Young, working with both large corporates and start up companies in areas of innovation and R&D incentives. He was a coordinator of Ernst and Young’s life science practice in Asia Pacific, and technical editor of the firm’s life science reports in Australasia. He conducted numerous innovation consultancies at national, state and enterprise levels.

Craig was appointed by the South Australian Government in February 2013.

Richard Constantine PDM, MBA, MAICD

Richard is the Pro Vice-Chancellor (Information Services) and Chief Information Officer at Flinders University with responsibility for Information Technology Services, Library, Centre for Educational ICT, and eResearch@flinders. Previously, Richard was an Associate Professor and the Chief Information Officer and Director of Information Technology Services at Swinburne University of Technology in Melbourne.

He has over 25 years experience in the IT Industry and has extensive experience in both the tertiary and TAFE education sectors, as well as in industry as an IT management consultant. In October 2012, Richard received a Meritorious Service Award from CAUDIT in recognition of the contribution made towards the advancement of information technology in the Higher Education sector.

Richard was appointed to the SABRENet Board by Flinders University in December 2011.

Virginia Deegan, BA, GAICD

Virginia holds the position of Director, Infrastructure (Property & Technology) at the University of Adelaide, responsible for the strategic planning, project management and delivery of sustainable and innovative physical and technological facilities and services across all University campuses. Previous to this appointment in 2008, she was the General Manager, Royal Adelaide Hospital. Her experience includes over 30 years in the government sector, including membership on a number of boards.

Virginia is currently appointed to the State Procurement Board, the SuperSA Board and the Central Adelaide Local Health Network Advisory Council.

Virginia was appointed to the SABRENet Board by the University of Adelaide in August 2008.
Carolyn Anderson LLM, MBA, GDLP, GAICD

Carolyn is a qualified legal practitioner and has completed a Master of Laws and a Bachelor of Law from the University of Adelaide. She also has a degree of Master of Business Administration from the University of South Australia, a Graduate Diploma of Legal Practice from the former South Australian Institute of Technology and is a Graduate Member of the Australian Institute of Company Directors.

Carolyn is Director, Digital Economy and Technology, within the Department of Further Education, Employment, Science and Technology (DFEEST). In this role she provides leadership in information economy (IE) innovation policy development and program delivery in South Australia that links government, business, industry and education sectors. Previous roles include working as a Senior Solicitor within the South Australian Crown Solicitor’s Office and as a legal practitioner in private practice.

Carolyn was appointed to the SABRENet Board by the South Australian Government. She ceased in December 2012.

Bruce Linn BSc, FAICD, FACS

Formerly CEO of Finlaysons Lawyers, his previous executive roles include CE for EDS (now HP Enterprise Services), responsible for all State Government business of EDS in Australia and CEO of Camtech, one of Australia’s leading Internet & Electronic Payments technology innovators. He is a technologist and futurist with over 35 years experience in strategy, governance, leadership, business management and commercialisation of a broad range of technologies including IT, telecommunications, Internet and social media.

Current Directorships include the Council of The University of South Australia where he chairs the Finance Committee and the Foundation Committee, the boards of SABRENet Limited, ITEK Ventures Pty Ltd, SA Heart Centres Pty Ltd, Anglicare SA and the Australian Institute of Company Directors. He is Chairman of eResearch SA and St. Peter’s Girls’ School and Deputy Chairman of the Internet Industry Association of Australia (IIA).

He is a Fellow of the Australian Institute of Company Directors and the Australian Computer Society.

Bruce was appointed to the SABRENet Board as an independent Director at the 2007 AGM and re-appointed in 2009 and 2012.

Meetings

The Board held six meetings during the reporting period.

<table>
<thead>
<tr>
<th>Director</th>
<th>Eligible to attend</th>
<th>Attended</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Sherlock</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Carolyn Anderson</td>
<td>3</td>
<td>2</td>
<td>Ceased 20 Dec 2012</td>
</tr>
<tr>
<td>Craig Fowler</td>
<td>3</td>
<td>2</td>
<td>Appointed 15 Feb 2013</td>
</tr>
<tr>
<td>Richard Constantine</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Bruce Linn</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Virginia Deegan</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>
Management and Administration

Ralph Leonard has held the position of CEO since June 2012. Ralph’s career has focused on ICT in education and government sectors. Prior to joining SABRENet, Ltd he was Manager of Broadband and Digital Environments in the South Australian Department of Further Education, Employment, Science and Technology.

The Company has negotiated an office accommodation agreement with eResearch SA, under which SABRENet Ltd receives office accommodation and administrative support within the eResearch SA office suite on the University of Adelaide’s research precinct at Thebarton.

The SABRENet financial accounts are managed by Deloitte Private and audited by BDO (SA).

Business Model

SABRENet Participants are allocated passive optical transmission paths (‘fibre paths’) connecting pairs of sites on the network. It is the responsibility of Participants to provide their own active services across these paths.

Non-Participant customers seeking to use SABRENet enter into individual Access Agreements with the Company.

The net operating costs of SABRENet Ltd are met by the Participants through an annual subscription, levied in proportion to each Participant’s allocation of fibre paths.

Operation and Maintenance

SABRENet Ltd has engaged Amcom Pty Ltd to operate and maintain the SABRENet infrastructure under a long-term Operation and Maintenance agreement. Under the agreement, Amcom provides physical maintenance of the infrastructure, including Dial Before You Dig registration, fault response and repair.

Amcom also provides additional operational services to the SABRENet participants, largely associated with making new connections to the existing infrastructure.

Acceptable Use

The Company has published a SABRENet Access Policy that sets out the eligibility criteria and acceptable use conditions governing the use of SABRENet.

The Access Policy may be obtained from the SABRENet web site1.

Regulatory

The Telecommunications Act (1997) requires that telecommunications infrastructure used to carry communications between two discrete entities (as is the case with SABRENet) must be operated by a licensed telecommunications carrier.

As SABRENet Ltd is not itself a licensed carrier, and has no immediate plans to become one, it has entered into an arrangement under its Operation and Maintenance agreement with Amcom, whereby Amcom has obtained a ‘Nominated Carrier Declaration’ (NCD) over the SABRENet infrastructure, whereby Amcom assumes the regulatory rights and responsibilities assigned under the Act with respect to the SABRENet infrastructure.

Appendix A – SABRENet Sites

The following sites are physically connected to the SABRENet optical fibre infrastructure:

- AARNet POP 1 (Hindley St)
- AARNet POP 2 (Pulteney St)
- Bradford College
- Craigmore High School
- CSIRO Health Sciences
- DECD Education Development Centre
- Defence Science & Technology Organisation (DSTO)
- Elizabeth TAFE
- Elizabeth-Fremont High School
- Endeavour College (Mawson Lakes)
- Endeavour House (Technology Park)
- Flinders Airborne Research Unit (Parafield)
- Flinders University
- Flinders Medical Centre
- Gawler High School
- Gawler TAFE
- Gilles Plains TAFE
- Glenside Govt Computing Centre
- History Trust of South Australia
- Kaurna Plains School
- Lyell McEwen Hospital
- Maritime Museum
- Mawson Lakes Base Station
- Mawson Lakes Primary School
- Modbury Hospital
- St Ann’s College
- St Paul’s College (Gilles Plains)
- St Patrick’s Technical College (Elizabeth)
- SAHMRI North Terrace
- SAHMRI Gilles Plains
- Norwich House
- Panorama TAFE
- Para Hills High School
- Parafield Airport TAFE
- Parafield Gardens High School
- Paralowie R-12 School
- Pasadena High School
- Port Adelaide TAFE
- Pembroke School
- PIRSA Roseworthy
- Playford UniCare Clinic
- Queen Elizabeth Hospital
- RAH - Frome Rd (NW Comms)
- RAH - North Tce (EHB)
- Regency TAFE
- Repatriation General Hospital
- Roma Mitchell Secondary College
- Roseworthy TAFE
- Royal Institution of Australia
- SA Transport Rail Stations – Gawler, Mawson Lakes, Dry Creek, Salisbury, Elizabeth, Elizabeth South, Munno Para Stations, Northern Expressway Gawler Control Room & Transport Management Centre
- SA Govt POP Kintore Ave
- SA Govt POP Pulteney St
- Salisbury High School
- Salisbury East High School
- Salisbury TAFE
- St Ann’s College
- Tea Tree Gully TAFE
- Techport Australia
- Terrace Towers
- Thebarton Bioscience
- Tyndale Christian College
- UA Badger Building
- UA Boat Shed War Memorial Drive
- UA Grandstand, War Memorial Drive
- UA ITS, Gawler Place
- UA Mathematics Building
- UA National Wine Centre
- UA Plaza Building
- UA Pulteney Street
- UA Roseworthy
- UA Rundle Mall
- UA Terrace Towers
- UA Thebarton
- UniSA City East
- UniSA City West
- UniSA Flight Academy
- UniSA Magill
- UniSA Mawson Lakes
- Unley High School
- Urrbrae High School
- Urrbrae TAFE
- Valley View Secondary School
- Waite Institute
- Women's and Children's Hospital
Appendix B – Summary financial reports

The summary financial reports have been derived from the 2012-2013 Financial Report of SABRENet Ltd. These summary reports cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities for the entity as the financial report. Copies of the full audited financial reports have been presented to the Members of SABRENet Ltd.

Discussion and Analysis of the Financial Statements

For the Year Ended 30 June 2013

Income Statement

The operating result for the year was a loss of $322,232. The operating result included a depreciation expense of $826,932 reflecting network assets being amortised over their useful life. Subscriptions from members and participants and network access fees from customers totalled $519,682.

Balance Sheet

Total network assets at cost increased by $460,665 to $13,146,121 representing the further investment in the network. Accumulated depreciation of the network assets totalled $5,413,570 resulting in the current network asset of $7,732,551.

Cash Flow Statement

The cash flow for the year was a net inflow of $96,350. Cash inflows were predominantly from member subscriptions and contributions received for network construction costs. Cash outflows were for operating expenses and investment in the construction of the network.
## Financial Statements

### Income Statement

For the Years Ended 30 June 2012 and 2011

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from operating activities</td>
<td>1,034,857</td>
<td>743,678</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee costs</td>
<td>(165,703)</td>
<td>(173,432)</td>
</tr>
<tr>
<td>Professional fees</td>
<td>(41,304)</td>
<td>(39,981)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(826,932)</td>
<td>(890,646)</td>
</tr>
<tr>
<td>Insurance</td>
<td>(12,303)</td>
<td>(14,389)</td>
</tr>
<tr>
<td>Occupancy expenses</td>
<td>(12,418)</td>
<td>(16,520)</td>
</tr>
<tr>
<td>Infrastructure expenses</td>
<td>(180,000)</td>
<td>(180,000)</td>
</tr>
<tr>
<td>Write off of indefeasible right to use</td>
<td>(10,000)</td>
<td>(10,000)</td>
</tr>
<tr>
<td>Auditor's remuneration</td>
<td>(7,013)</td>
<td>(6,500)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(101,418)</td>
<td>(53,607)</td>
</tr>
<tr>
<td><strong>Profit/(loss) before income tax</strong></td>
<td>(322,232)</td>
<td>(641,396)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Surplus/(Loss) for the year</strong></td>
<td>(322,232)</td>
<td>(641,396)</td>
</tr>
</tbody>
</table>
## Statement of Financial Position

**For the Years Ended 30 June 2012 and 2011**

### Assets

**Current assets**

**Total current assets**: 1,201,870 (2013), 945,227 (2012)

**Non-current assets**
- Other financial assets: 120,000 (2013), 130,000 (2012)
- Other property, plant and equipment: 7,785 (2013), 8,993 (2012)

**Total non-current assets**: 7,860,336 (2013), 8,235,372 (2012)

**Total Assets**: 9,062,206 (2013), 9,180,599 (2012)

### Liabilities

**Current liabilities**

**Total current liabilities**: 401,445 (2013), 197,606 (2012)

**Non-current liabilities**

**Total Liabilities**: 401,445 (2013), 197,606 (2012)

### Net Assets

**Net Assets**: 8,660,761 (2013), 8,982,993 (2012)

### Equity

**Retained earnings**: 8,660,761 (2013), 8,982,993 (2012)

**Total Equity**: 8,660,761 (2013), 8,982,993 (2012)
Statement of Changes in Equity

For the Year Ended 30 June 2013

<table>
<thead>
<tr>
<th>Retained Earnings $</th>
<th>Total Equity $</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,624,389</td>
<td>9,624,389</td>
</tr>
<tr>
<td>(641,396)</td>
<td>(641,396)</td>
</tr>
</tbody>
</table>

Balance at 30 June 2011

Loss for the year

Balance at 30 June 2012

<table>
<thead>
<tr>
<th>Retained Earnings $</th>
<th>Total Equity $</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,982,993</td>
<td>8,982,993</td>
</tr>
<tr>
<td>(322,232)</td>
<td>(322,232)</td>
</tr>
</tbody>
</table>

Balance at 30 June 2013

<table>
<thead>
<tr>
<th>Retained Earnings $</th>
<th>Total Equity $</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,660,761</td>
<td>8,660,761</td>
</tr>
</tbody>
</table>
Statement of Cash Flows

For the Years Ended 30 June 2012 and 2011

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash receipts from customers (inc GST)</td>
<td>919,720</td>
<td>834,370</td>
</tr>
<tr>
<td>Interest Received</td>
<td>36,757</td>
<td>15,537</td>
</tr>
<tr>
<td>Cash paid to suppliers and employees (inc GST)</td>
<td>(590,829)</td>
<td>(576,589)</td>
</tr>
<tr>
<td>Grant funding repaid</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from operating activities</strong></td>
<td>365,648</td>
<td>273,318</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of property plant and equipment</td>
<td>(269,298)</td>
<td>(199,323)</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from investing activities</strong></td>
<td>(269,298)</td>
<td>(199,323)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by (used in)) financing activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from financing activities</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net increase in cash and cash equivalents</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>844,061</td>
<td>770,066</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td>940,411</td>
<td>844,061</td>
</tr>
</tbody>
</table>