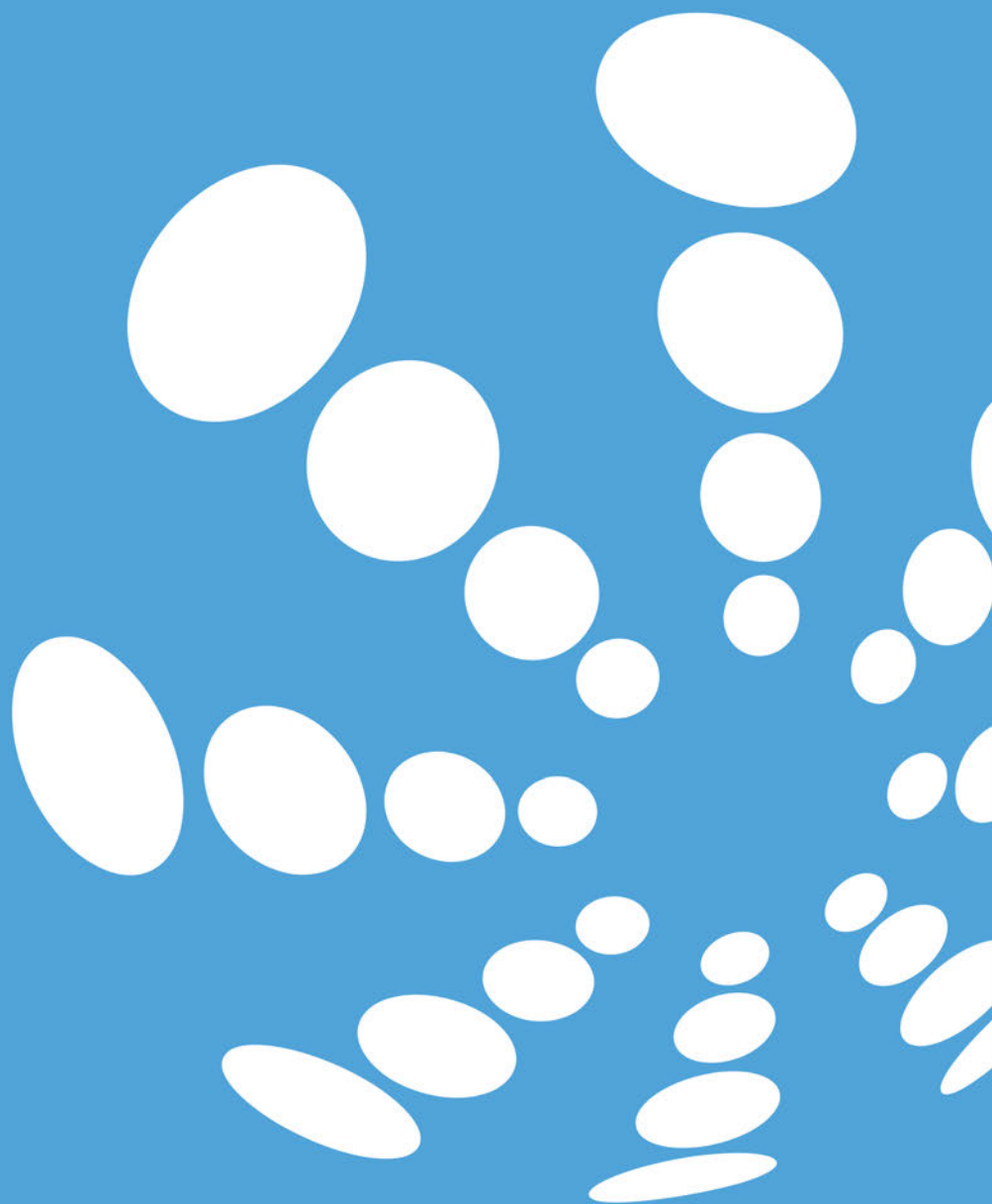


Annual Report 2014



www.biomelbourne.org

BioMelbourne Network

CURRENT BOARD MEMBERS

Mr Andrew Macdonald
Chair (Reblan)

Mr Joe Baini
Non-executive Director (Exec Factor)

Dr Ashley Bates
Non-executive Director and Treasurer (Ashley Bates Consulting)

Dr Julian Chick
Non-executive Director (Admedus)

Dr Phil Kearney
Non-executive Director (Merck Sharp Dohme Australia)

Mr Peter Lewis
Non-executive Director (Hydrix)

Dr Lorna Meldrum
Non-executive Director (bioCSL)

Mr Alun Needham
Non-executive Director (EY)

Ms Maureen O'Keefe
Non-executive Director
(Australian College of Optometry)

Ms Michelle Gallaher
Secretary and Public Officer (BioMelbourne Network)

THE SECRETARIAT

Dr Krystal Evans
Chief Executive Officer

Ms Nicole Pitcher
Administration Manager

Ms Anita Petris
Event & Program Manager

Mr Matthew Pitcher
Administration Assistant (Intern)

PHONE NUMBER

+613 9650 8800

WEBSITE

www.biomelbourne.org

ADDRESS

Milton House
Level 2
25 Flinders Lane
Melbourne
Victoria Australia 3000



@biomelb or @BioPortalVic



BioMelbourne Network Group



Victorian BioPortal



BioMelbourne Network & Victorian Medtech

HIGHLIGHTS OF 2014

This last year contained many highlights for the BioMelbourne Network ("Network"), including;

- Together with the Small Technologies Cluster (STC), the Network hosted 18 Victorian medtech companies on the 2013 Victorian Government US trade mission to Advamed (Washington), San Diego & Boston;
- The Network and STC won the Victorian Government tender to host the 2014 and 2015 trade missions to future US based Advamed conferences;
- The Network, together with PwC and the Games Developer Association of Australia (GDAA), won the Victorian Government tender to provide an industry roadmap to commercialise healthcare games as part of our broader digital health strategy;
- The Network was awarded a Victorian Government grant to deliver an industry engagement program for the Victorian medical devices and diagnostics sector over the period August 2013 to Jan 2015;
- The Network hosted its first Devices & Diagnostics (D&D) Partnering forum in October 2013 as part of the medtech industry engagement program; and
- The Network hosted the 6th "Connecting Women in Biotechnology Luncheon" attracting over 380 women from across the industry for the 6th year in a row.

MAJOR SUPPORTERS IN 2014

The Network is very grateful for the support and engagement of its members. The major sponsors in the past year have been:

- Avatar
- Victorian Government, Department of State Development, Business & Innovation (DSDBI)
- CSL
- CSIRO

Various members have also supported the Network by way of sponsorship or hosting of events over this period, and these include Brooker Consulting, City of Melbourne, Davies Collison Cave, EY, FB Rice, Grant Thornton, Griffith Hack, The Melbourne Brain Centre, Nexia Australia and Victorian Infectious Diseases Network.

MESSAGE FROM THE CHAIRMAN



Dear Members,

In its twelfth year of operation, the BioMelbourne Network remains the peak industry body for life sciences and health technology within Victoria and importantly, continues to evolve as the sector itself evolves. As part of our longer term strategy, we had previously identified a gradual convergence across the broader life sciences sector and the need to expand the composition, diversity and participation of our membership has been a significant focus.

During the year, the Network's fastest growing membership area was in medtech, with increased engagement with stakeholders from the digital health sector. At the same time, we have also delivered a broad range of programs and events to our base of biotechnology members, the details of which are described in this report.

A key initiative was the roll out of the Victorian medtech industry engagement program, supported by the DSDBI who is a key stakeholder in the activities of the Network. The program has enabled stakeholders from disparate areas to network, share peer learning and debate the critical issues facing this sector.

We have conducted a series of focussed professional development events in this area. They have included devices and diagnostics (D&D) partnering, device manufacturing and export, visits to advanced manufacturing sites, exploration of alternative sources of capital.

A forum dedicated to devices and diagnostics (D&D Lab) was very well attended and delivered a range of important outcomes. Feedback from new medtech members has also further encouraged the Network to continue to be a key industry advocate in this area.

The Network has recognised new opportunities as part of a broader digital health strategy. The State Government has awarded the Network, PwC and the GDAA a grant to foster the commercialisation of healthcare games in Victoria.

We have run a series of industry consultations to develop a roadmap identifying the opportunities, challenges and recommendations to accelerate this part of our sector. Importantly, the Network has also identified key themes in this emerging industry that are also strategically aligned with established biopharma and medtech members.

The impact of significant political changes at the federal politics has certainly been felt keenly by all of our members. With a new government in 2013 and major policy changes introduced in the May 2014 budget, there is considerable uncertainty and we view the need for strong and ongoing advocacy within the life sciences sector is critical.

This is especially important given the leadership role that the Victorian life sciences sector plays in Australia. We are home to the largest biotech cluster in Australia and have the largest bioscience research community. There are over 250 life sciences companies, 13 major medical research institutes, 11 teaching hospitals and 9 universities.

Certain of the May federal budget initiatives will have a significant, and adverse, impact on the life sciences sector looking to commercialise opportunities, including the proposed axing of Commercialisation Australia and the Innovation Investment Fund. Early stage funding is critical to our member companies and organisations and the financing options have now been further reduced.

There were other key budget announcements that are relevant to our sector and linked to the broader innovation agenda.

These include;

- the \$20B Medical Research Future Fund which is forecast to build to \$20B over time and the earnings applied to medical research; and
- the Entrepreneurs' Infrastructure Fund (EIF) budgeted at \$484M over 5 years (ie. <\$100M per year).

We remain concerned at the lack of detail and prior industry consultation around such initiatives. The Fund may play an important part in funding translational research and commercialisation but no conclusions can be drawn until specific detail is provided and the future of the legislation is confirmed by Parliament. We also await with interest the delivery of the federal innovation strategy through the Investment Competitiveness Agenda, which may provide some answers to these issues.

It is most appropriate that we recognise the wonderful job that Michelle Gallaher has done during the last six years at BioMelbourne Network as our CEO. Michelle has been a passionate advocate for the sector generally and worked tirelessly in the interests of all of our members. On behalf of the board and management, we thank Michelle for her contribution to the Network and the sector.

It has been our pleasure to have recently announced the appointment of Dr Krystal Evans as the incoming CEO of the BioMelbourne Network. As we come to the end of our last five year strategic plan and complete our new future strategic plan, we have no doubt that Krystal will provide the leadership and drive necessary to build on the sound foundations laid to date.

In conclusion, I would also like to personally thank the board and staff of the BioMelbourne Network for their exceptional contribution over the past year. Their combined efforts have been pivotal in ensuring that the Network continues to provide a professional, relevant and valuable offering to all members.

Yours sincerely,



Andrew Macdonald
Chair

INTRODUCING THE NEW CEO



Dr Krystal Evans was appointed Chief Executive Officer of the BioMelbourne Network in July 2014 and has over 15 years experience in the biomedical research sector. Krystal's skills in government affairs, stakeholder relations and business development underpin her commitment to advancing Victoria's unique position as a global destination for life sciences and health technology.

Krystal is a leading advocate for science and technology, and was a founding member and Chair of the Australian Academy of Science's Early and Mid Career Researcher Forum. A champion of the 2011 "Discoveries Need Dollars" campaign, she led the Melbourne "Rally for Research" to protect funding for medical research in Australia. Krystal is an articulate and popular spokesperson, and is a regular presenter on Melbourne community radio station 3RRRFM's science show "Einstein A-Go-Go".

Krystal has an undergraduate degree in medicinal chemistry and holds a PhD in medical biology undertaken at the Walter and Eliza Hall Institute. Formerly, Krystal led a malaria vaccine development program at the Walter and Eliza Hall Institute, which attracted funding from the Bill and Melinda Gates Foundation, the NHMRC and Commercialisation Australia. In this role she was responsible for positioning lead malaria vaccine candidates for progression into early-phase clinical trials.



September BioBriefing: 'Creating the new blockbuster therapeutic by becoming more personalised' L-R Dr Craig Neylon (RMIT), Dr Peter Hudson (Avipep), Michelle Gallaher (BioMelbourne Network), Sir Gregory Winter, Co-founder Cambridge Antibody Technology, Prof David Adams (RMIT)

WHAT IS THE BIOMELBOURNE NETWORK?

The BioMelbourne Network is the peak industry forum for leaders in the Victorian biotechnology industry.

Established thirteen years ago, the organisation has continued to grow and support the broader Victorian biotechnology industry, the nation's largest and most successful biotechnology cluster. The Network has succeeded in positioning itself and maintaining the role of premier biotechnology leadership and peer learning forum in Victoria.

At the end of the reporting period, the BioMelbourne Network had a membership of 191 organisations, engaging more than 2,000 individuals within the membership. These members are representative of the broad Victorian biotechnology, medtech and research sector, including service providers.

The Network is funded by its membership and networking activities and has been financially independent since 2005.

The BioMelbourne Network fosters strong links between companies, research organisations, financial markets and government, encouraging an environment for greater collaboration and providing a consistent platform for information sharing and gathering to support the further development of the sector.

The Network is an industry development and promotion agency. The organisation plays a specific role as a facilitator, influencer and direction setter by drawing on the collective leadership interests of the sector to achieve benefit for the industry as a whole.

Ms Michelle Gallaher has led the Network as Chief Executive Officer for the six years from 2008, and through the period in review. The board has recently appointed Dr, Krystal Evans as the new Chief Executive Officer of BioMelbourne Network and she has now commenced in the role. Current secretariat staff comprise Anita Petris (Program Manager), Nicole Pitcher (Administration Manager) and Matthew Pitcher Administration Assistant (Intern).

The BioMelbourne Network has an independent Board made up of members from the sector whom freely volunteer their service and advice. It was established by the Committee for Melbourne in 2001 and was incorporated as an independent association in 2003.

Based at Milton House, in Melbourne's central business district, the BioMelbourne Network is a "not for profit" Industry Association under the Associations Incorporation Reform Act 2012 (replacing the Associations Incorporation Act 1981).

The BioMelbourne Network is currently regulated by the new Australian Charities and Not-for-profits Commission (ACNC) although the government has announced plans to abolish the ACNC and return control to the Australian Taxation Office.



Bio21 Institute BioBreakfast 'Jobs and Industries of the Future: Innovation Driving Tomorrow's Employment'
 L-R: Mr Jurgen Schneider (Siemens One-Pacific, Ms Michelle Gallaher (BioMelbourne Network, Mr Simon Gipson (St Michael's Grammar School, Ms Mary Harney (Gardiner Foundatio), Professor Andrew Holmes (CSIRO Fellow, Bio21 Institute, University of Melbourne, Professor Margaret Sheil, Provost of the University of Melbourne, Dr Rachel David (J&J), Professor Malcolm McConville (Bio21 Institute)

STRATEGIC DIRECTION

The Network's 5 Year Strategy (the Strategy) was developed in 2010, and is tested and expanded upon each year. It sets the organisation's vision, mission and strategic goals to drive the Network into the future and consolidate its position as Victoria's premier life sciences and health technology forum offering ongoing support to the sector.

Vision

To maintain and grow Victoria's position as the premier biotechnology state and gateway to Australia's biotechnology and medtech sectors.

Mission

To **connect, support** and **enable** Victoria's biotechnology sector

Values

The BioMelbourne Network adheres to and promotes the following values:

Leadership

Demonstrating leadership on critical issues for the sector and ensure Victoria continues to be Australia's leading biotechnology state.

Responsive

To our members' needs. In providing information, assistance and access in order to address the Victorian biotechnology sector's immediate and longer term needs.

Relevance & quality

In the delivery of services that satisfy the needs of our members.

Diversity

In our membership base, embracing new frontier technologies

Accountability

Answerable to our board and broader membership. Operating transparently and at the highest professional standards.

BIOMELBOURNE NETWORK

THE YEAR IN REVIEW

The Network's business strategy has six strategic goals. These were monitored throughout the year and the following shows the BioMelbourne Network's performance against those goals.

Membership:

To develop and diversify the BioMelbourne Network's membership base.

As at 30 June 2014 the Network's membership comprised 191 members which is a record number for the Network.

The Network has continued to provide quality services to the Victorian life sciences industry. There is a sustained focus on the high impact areas relevant to our biotechnology company and service provider members whilst engaging new biotechnology entrants and simultaneously growing and catering to the membership from medical devices sector. Whilst there has been some rotation the Network has also welcomed 37 new members in the past year.

The Network's membership will continue to reflect the composition of the broader life science industry with the growth in the medtech companies and digital health players, in need of peak industry body support.

2 Advocacy:

To strengthen the BioMelbourne Network's advocacy role in the broadest sense, being timely and relevant on issues of importance to the industry.

The Network continued to promote Melbourne's biotech and research sector to national and international audiences. Regular articles in the Invest Victoria blog, the Melbourne Review, Chemistry in Australia and frequent Twitter and BioMelbourne Network LinkedIn messages highlighted Victoria's biotechnology capabilities to a national and international audience. The Network delivered multiple media interviews & backgrounders referencing the Network and highlighting a number of individual members.

Government Advocacy

BioMelbourne Network enjoys long standing relationships with Government at local, state and federal levels. The Network is constantly meeting with members from all levels of government to promote the Victorian life sciences industry. It brings Government attention to issues and challenges facing the sector and provides guidance on where Government can intervene or assist.

Victorian Government

BioMelbourne Network enjoys a longstanding and productive relationship with the Victorian State Government, particularly the Department of State Development, Business and Innovation. This is important as Victoria remains the premier biotech and medical research state in Australia.

The relationship provides a mutually beneficial platform to discuss, collaborate and implement opportunities for the Victorian life sciences sector,. Some key activities during the period included;

- Representation on the Victorian Government's Biotechnology Advisory Council. Michelle Gallaher has performed this role to date and the new CEO, Dr Krystal Evans, will assume this role going forward.
- Award of the tender by the Victorian Government to the Network to host a number of Devices & Diagnostics events in 2013-14, including the D&D Partnering event in October 2013.
- Hosting the Advamed United States trade mission to Washington, Boston and San Diego.
- Speaking at the Victorian Government Exhibit at the BIO2014 conference in San Diego.
- Working with the new Victorian Lead Scientist Ms Leonie Walsh
- Presenting at the Victorian Government briefing for AusMedtech 2014.
- Facilitation at the Ausbiotech Investment Summit in Melbourne on behalf of the Victorian Government.
- Hosting a networking function celebrating 12 years of leadership in the Victorian biotechnology sector by Dr Amanda Caples.
- Consulting with the Victorian Department of State Development, Business and Innovation on a wide number of initiatives relevant to the biotechnology industry.

City of Melbourne

The City of Melbourne has been a consistent collaborator with the BioMelbourne Network for more than a decade seeking to advance the life sciences sector in the CBD. The City of Melbourne recognises biotech as a key industry group within the city and provides significant benefits for CBD-based organisations as well as extending support to the wider life sciences industry by sponsoring and supporting local and international initiatives. The Network;

- Was involved in developing the Osaka/Melbourne sister city relationship specialising in the innovation and technology areas. The network was a key advisor and aided in the recruitment of Victorian health innovation companies to participate in the Osaka – Tianjin trade mission in March 2014.
- Presented to the Vice Mayor of Shanghai as part of the Shanghai trade mission to Melbourne in November, 2013.

Federal Government

BioMelbourne Network also interacts with Federal Ministers representing Victorian electorates with an interest in biotechnology and generates submissions to national legislative and policy issues as they arise.

The highlights this year include;

- Attending the Prime Minister's Science prize in Canberra in October.
- Invited by Opposition Leader Bill Shorten and Senator Kim Carr to attend a briefing with leaders of Australian science to champion science as the only innovation industry representative.
- The Network was one of the three judges for the Victorian Export Awards hosted by the Victorian and Commonwealth Governments and AusIndustry.
- The Network was used as part of a promotional video for the new AusTrade video on Australian biotechnology which was distributed internationally.
- Met with Dr Greg Roger, Commonwealth Government medtech advocate to discuss Victorian medtech.
- Held discussions with The Hon. Senator Kim Carr, Leader of the Opposition, Bill Shorten and Parliamentary Secretary Bob Baldwin.

3

Skills and Learning:

To work in partnership with education providers and the wider industry to foster greater peer learning and support activity that attracts and retains high quality talent in Victoria.

The Network's calendar of events, including monthly BioBreakfasts, BioBriefings, BioWorkshops and CEO Luncheons provide the local sector with a valuable "peer to peer" professional development opportunity and build critical connections across the sector.

During the year, the Network hosted 35 events.

BioBreakfasts

The Network's BioBreakfast program is a series of monthly networking and commercialisation seminars targeted at the executive managers and decision makers in Victoria's biotechnology sector.



'How to Achieve Timely & Successful Patient Recruitment for Clinical Trials'

Mr Bryce Davies

Senior Clinical Project Manager Quintiles
Dr Megan Robertson
Executive Director of Research Epworth Healthcare



"Beating Alzheimer's: Next Generation Technologies for Diagnosis & Treatment"

Professor Geoffrey Donnan

Director, The Florey Institute of Neuroscience and Mental Health
Professor Graeme Jackson
Senior Deputy Director, The Florey Institute of Neuroscience and Mental Health
Mr Geoffrey Kempler
CEO, Prana Biotechnology
Associate Professor David Darby, TREAD, The Florey Institute of Neuroscience and Mental Health
Professor Paul Maruff
Chief Scientific Officer, Cogstate



'Australian Biotechs Scoreboard' - Analysis by Deloitte'

Mr Jeremy Cooper

Partner, Deloitte
Ms Victoria Brilliant
Partner, Deloitte



'Jobs and Industries of the Future: Innovation Driving Tomorrow's Employment'

Professor Andrew Holmes

Melbourne Laureate Professor and CSIRO Fellow, Bio21 Institute, University of Melbourne

Professor Margaret Sheil

Provost of the University of Melbourne

Mr Jurgen Schneider

Head of Corporate Development, Siemens One-Pacific Ms Mary Harney, CEO, Gardiner Foundation

Dr Rachel David - previously McKinsey Consulting

Mr Simon Gipson

Head of St Michael's Grammar School



'Emerging Superbugs – why we should be worried and why we need a new approach'

Prof Elizabeth Hartland

VIIN Co-Convenor, Head of Department of Microbiology and Immunology, University of Melbourne

Prof Lindsay Grayson

Director of Infectious Diseases, Austin Health

Ms Cathy Cropp

Projects Manager, BioDiem

Ms Suzanne Schultz

University of South Australia



'Boosting Investment in Innovation - Yasser El-Ansary, Chief Executive AVCAL'

Yasser El-Ansary

Chief Executive, AVCAL



'New Initiatives Driving Australian Medtech Development & Manufacturing'

Dr Ashley Bates

National Executive, Pharmaceutical and Biotechnology, META

Professor Sally McArthur

Swinburne University of Technology



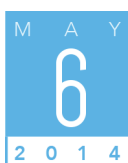
'The Revival of RNAi: The rise, fall & rise again of this technology'

Dr Peter French

Managing Director and CEO, Benitec

Dr Thilak Gunatillake

Project Leader, CSIRO



'Unique animal models for drug development'

Dr John Phelps

Director, Monash Animal Research Platform

Dr Jan Kaslin

Group Leader, FishCore

Dr Ralf Brandt

CEO vivoPharm



'What's the price of life?'

Carlo Montagner

(CEO, Specialised Therapeutics Australia)

BioWorkshops

BioWorkshops provide the sector with regular sector specific professional learning and development session covering a wide range of topics. The leadership group of the sector is invited to speak at BioWorkshops to which they volunteer their time and expertise, for the benefit of others who learn from their shared experiences. They are planned and developed over a period of time.



'Biosimilars - What you need to know about regulatory guidelines and clinical development'

Dr Dianne Jackson Matthews

Director of Regulatory Affairs, ERA Consulting (Australia)

Dr Mark McDonald

Head, Office of Laboratories and Scientific Services, Therapeutic Goods Administration

Dr Chris Holloway

Chief Scientific Officer & Owner, ERA Consulting (Germany)

Ms Cindy Warren

Business Unit Director- Immunology, Janssen- A Johnson & Johnson Company



'D&D – The Art of Partnering: How to engage with multinationals'

Sponsored by:

Department of State Development, Business & Innovation

Hosted by:

EY

Mr John Crothers

Regional Director, Abbott Diagnostics

Mr Martin Monaghan

Medical Technology Division Director, Fresenius Kabi

Dr Tim O'Meara

Research Manager ANZ, GE Healthcare Australia

Mr Robert Klupacs

Chief Executive Officer, Circadian Technologies
Professor Erol Harvey, Chief Executive Officer, MiniFab Aust Pty Ltd



'Devices & Diagnostics Laboratory'

Sponsored by:

Department of State Development, Business & Innovation CSIRO

Commercialisation Australia

Davies Collison Cave

Victorian Platform Technology Network (VPTN)

20 Speakers

BioBriefings

BioBriefings are intensive knowledge sharing sessions on issues critical to the development of the Victorian biotechnology sector. BioBriefings are developed typically as issues arise in very short time frames. The key success factor for BioBriefings is often timeliness.

JULY
30
2013

'Australian Biotech looking to make it in China? What you need to know!'

Hosted by:
FB Rice

Dr Julian Chick
Chief Operating Office, Allied Healthcare Group

AUGUST
19
2013

'Creating a new language to support open innovation'

Hosted by:
Griffith Hack

Dr Mike Hucka

SEPTEMBER
5
2013

'Creating the new blockbuster therapeutic by becoming more personalised'

Hosted by:
RMIT

Sir Gregory Winter
Co-founder Cambridge Antibody Technology

MARCH
6
2014

'Puppies vs People: debating a new area of opportunity'

Hosted by:
Davies Collison Cave

Affirmative Team (The Puppies):

Natasha Mandie
Mandie Consulting
Paul Wood
Nexvet
Stephen Cole
former founder Greencross Vets

Negative Team (The People):

Tony Radford
formerly Cellestis
Chris Nave
Brandon Capital Partners
Kerry Hegarty
Sienna Cancer Diagnostics

Advanced Manufacturing Site Visits

BioMelbourne Network members had the unique opportunity to take a 'behind the scenes' factory tour of some of the most advanced manufacturing sites in Australia.

AUGUST
30
2013

Gain access to one of Australia's premier advanced manufacturing sites.

GSK Boronia

OCTOBER
18
2013

Gain access to one of Australia's premier advanced pharmaceutical manufacturing sites.

IDT Australia

CEO Luncheon Series

The CEO luncheon series provides invaluable opportunities to meet and build relationships with decision makers at the executive level in the Victorian biotechnology sector.

JULY
16
2013

'Professor Hiroaki Kitano' The Systems Biology Institute Japan
Series Sponsor: Department of Industry, Innovation, Science, Research and Tertiary Education

Hosted by:
City of Melbourne

AUGUST
20
2013

'The End of a Journey'

Hosted by:
FB Rice

Dr Jenny Harry

OCTOBER
10
2013

'D&D - Philip Binns (Agilent)'

Sponsored by:
Department of State Development, Business & Innovation

Hosted by:
EY

NOVEMBER
13
2013

'D&D - Meet the Clinician'

Sponsored by:
Department of State Development, Business & Innovation

Hosted by:
PricewaterhouseCoopers

NOVEMBER
26
2 0 1 3

'Creative Ways to Reward and Remunerate Employees'

Hosted by:
Nexia Australia

Gary Graco
Partner Nexia Australia

DECEMBER
3
2 0 1 3

'Company Fraud: Detection and Prevention'

Hosted by:
Grant Thornton

Shane MacDonald
Grant Thornton

MARCH
28
2 0 1 4

'An Executive Luncheon – Corporate Governance & Key Learnings from AGM season'

Hosted by:
EY

MAY
20
2 0 1 4

'End of Financial Year Luncheon'

Hosted by:
EY

Mr Simon Clark
Head of Financial Markets, Bank of Melbourne
Mr Andrew Maxwell
CEO, Global Kinetics Corporation
EY Team

MAY
22
2 0 1 4

'Celebrating 12 years of leadership of the Victorian Biotechnology Industry'

Hosted by:
Minter Ellison

Dr Amanda Caples

MAY
30
2 0 1 4

'D&D - CEO lunch with Stephen Tomisich (Trajan Scientific and Medical)'

Hosted by:
Grant Thornton

6th Connecting Women in Biotechnology Luncheon

CONNECTING WOMEN *in* BIOTECHNOLOGY

A flagship event for the Network is the annual Connecting Women in Biotechnology Luncheon and this year we held our 6th gathering of women from the Victorian biotechnology sector. The Luncheon continues to be a key opportunity for women across the life sciences industry to extend their professional networks, establish mentoring relationships and inspire. The regular attendance of over 340 women for the last 5 years is a testament to this.

The format has been extremely successful and includes a series of interviews around a relevant theme. This year's theme was 'Risk' and three experienced women from the innovation sector spoke. Ms Lusie Guthrie (LBT Innovations), Ms Michelle Carr (Telezon) and Dr Jenny Harry (Ondek) all gave very candid and insightful advice to the huge benefit of the audience.

Sponsorship of this event is critical to its ongoing success and the Network is very appreciative of the many sponsors whom are long term supporters of this event. This year our sponsors were: CSL, Victorian Government, INC, Walter & Eliza Hall Institute, Phillips Ormonde Fitzpatrick, Melbourne Convention Bureau, Norton Rose and Starpharma.

Photo Below:
The Network's 2014 "Connecting Women in Biotechnology Luncheon", Mural Hall.



4 Linkages:

To develop and deepen the BioMelbourne Network's local and international linkages and connections to the benefit of the membership.

Local Linkages

The BioMelbourne Network strives to ensure Victoria is the best networked, most collaborative state for biotechnology in Australia. This goal is achieved by establishing and maintaining high quality, relevant local and international linkages.

In particular, local linkages are vital to minimise duplication of opportunities, enhance collaboration between like organisations with a similar purpose and access better use of limited resources together to deliver the greatest benefit to the local biotech and medtech sectors.

During the year, the Network has worked collaboratively with a broad range of parties to host events, attend and speak at many industry forums, train younger members of the sector, advocate to the media and to government and to share ideas and opportunities.

Amongst members of the Network and others, these parties have included AusBiotech, BioMedical Research Vic, CSIRO, STC Australia, Academy of Science, Bio21 Institute, GDAA and VCAMM.

International Linkages

The Network together with STC have been awarded the service contract by the Victorian Government to manage and host the Victorian medtech trade mission to attend Advamed 2013 in Washington with visits to San Diego and Boston.

The Network leveraged this opportunity to increase and cement its linkages to like organisations in the US including San Diego Connect and BioCom and the VGBO in California. These linkages were further reinforced during the BIO2014 conference in May in which the Network attended and presented on the Victorian Government exhibit.

Other linkages throughout the year included the German Chamber of Commerce. The Canadian Consulate to provide an industry report of the Victorian digital health sector.

5 Organisational effectiveness: To maximize organisational effectiveness.

The Network has delivered a compelling industry engagement and event program that enhances the skills and knowledge of the sector and provides multiple networking opportunities. This has been achieved by a very small but dedicated secretariat and committed board. The Network has maintained careful control of expenses throughout the year, identifying opportunities for cost savings and management of liabilities.

6 Financial sustainability: To ensure the BioMelbourne Network's financial sustainability.

The BioMelbourne Network has maintained adequate cash reserves in the past year to ensure the consistent delivery of quality services to members. A copy of the Financial Statements for the period is attached to this report.

In the coming year the Network is focused on delivering a modest profit. The Network's financial sustainability is primarily linked to continuing to develop the membership, as well as increasing the revenue it derives from functions and events, as well as grants. Over the coming months, the Network will be developing a strategic plan that will set the future direction for the Network. This plan, which will be for a three year period, will describe the strategies for ensuring the financial viability and sustainability of the BioMelbourne Network.

BIOMELBOURNE NETWORK INC

ABN 30 219 606 495

Financial Report

For the year ended 30 June 2014

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Statement of Profit or Loss and Other Comprehensive Income
 For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue	2	613,527	611,866
Office and administration expenses		74,154	77,243
Salaries and other employee benefits		354,876	368,678
Project and function expenses		159,994	154,661
Other expenses from ordinary activities		42,776	39,355
Total expenses		631,800	639,937
Profit/(Loss) before income tax expense		(18,273)	(28,071)
Income tax expense		-	-
Profit/(Loss) for the year	3	(18,273)	(28,071)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(18,273)	(28,071)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	4	114,995	181,288
Trade and other receivables	5	45,400	6,460
Other current assets	6	4,288	4,449
TOTAL CURRENT ASSETS		164,683	192,197
NON-CURRENT ASSETS			
Plant and equipment	7	8,573	11,896
TOTAL NON-CURRENT ASSETS		8,573	11,896
TOTAL ASSETS		173,256	204,093
CURRENT LIABILITIES			
Trade and other payables	8	60,874	57,510
Employee benefits	9	16,253	22,252
TOTAL CURRENT LIABILITIES		77,127	79,762
NON-CURRENT LIABILITIES			
Employee benefits	9	4,447	14,376
TOTAL NON-CURRENT LIABILITIES		4,447	14,376
TOTAL LIABILITIES		81,574	94,138
NET ASSETS		91,682	109,955
EQUITY			
Retained earnings		91,682	109,955
TOTAL EQUITY		91,682	109,955

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the year ended 30 June 2014

	Retained Earnings \$	Total \$
Balance as at 30 June 2012	138,026	138,026
Net profit/(loss) for the year	(28,071)	(28,071)
Balance as at 30 June 2013	109,955	109,955
Net profit/(loss) for the year	(18,273)	(18,273)
Balance as at 30 June 2014	91,682	91,682

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Cash flow from operating activities			
Receipts in the course of operations		699,784	714,404
Interest received		1,511	318
Payments in the course of operations		(766,850)	(688,037)
Net cash provided by/(used in) operating activities	10 (b)	(65,555)	26,685
Cash flow from investing activities			
Payment for plant and equipment		(738)	-
Net cash used in investing activities		(738)	-
Net increase/(decrease) in cash held		(66,293)	26,685
Cash at the beginning of the year	10 (a)	181,288	154,603
Cash at the end of the year	10 (a)	114,995	181,288

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the year ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Corporate Information

The financial report is for the entity BioMelbourne Network Incorporated as an individual entity. BioMelbourne Network Incorporated was incorporated on 18 September 1987 and is governed under the Association Incorporation Reform Act 2012.

The purpose of BioMelbourne Network Incorporated is to act as the peak leadership body of the Victorian biotechnology industry and in particular, to guide, promote and maintain that industry and its promotion throughout the world.

The financial report of BioMelbourne Network Incorporated was authorised for issue by the Board on the 27th August 2014.

(b) Basis of Preparation

This special purpose financial report has been prepared for distribution to members of the BioMelbourne Network Incorporated. The accounting policies used in the preparation of this report are in the opinion of the BioMelbourne Network's Committee of Management appropriate to meet the needs of its members. The financial statements have been prepared in accordance with Australian Accounting Standards and authoritative pronouncements of the Australian Accounting Standards Board with the following disclosure exceptions:

AASB 7:	Financial Instruments: Disclosures
AASB 8:	Operating Segments
AASB 116:	Property, Plant & Equipment
AASB 132:	Financial Instruments: Presentation
AASB 139:	Financial Instruments: Recognition and Measurement

New Standards and Interpretations not yet Adopted

All new standards, amendments to standards and interpretations which are mandatory for annual periods beginning before 1 July 2013 were adopted in the current year where applicable. The adoption of these standards have not had a significant effect on the entity's financial position or performance. New Standards, amendments to standards and interpretations which have been recently issued or amended but are not yet effective have not been applied to the financial report for the current period. None of these are expected to have a significant effect on the entity's financial position or performance.

The Committee has determined that the entity is not a reporting entity.

The financial report has been prepared on an accrual basis and is based on historical cost basis, modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

The following is a summary of the material accounting policies adopted by the network in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Notes to the Financial Statements For the year ended 30 June 2014

(c) Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgments and assumptions based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity. Actual results may differ from these estimates. The accounting policies detailed in Note 1 provide details of those estimates, judgments and assumptions.

(d) Cash and cash equivalents

Cash includes cash on hand and at call deposits with banks or financial institutions and net of bank overdrafts.

(e) Revenue

Membership subscriptions are brought to account on each member's renewal date.

Government grants are recognised upon receipt of the grant except in those circumstances where it is considered to be a reciprocal transfer and the obligations of the grant have not yet been met.

Revenue is recognised when the right to receive the revenue has been established.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(g) Comparative Information

Where necessary comparatives have been reclassified and repositioned for consistency with current year disclosures.

(h) Plant & Equipment

Each class of plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Notes to the Financial Statements For the year ended 30 June 2014

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the entity commencing from the time the asset is held ready for use. The average depreciation rate is 32%.

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

(i) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debt is made when there is objective evidence that the entity will not be able to collect the debts. Bad debts are written off when identified.

(j) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for services provided to the entity prior to the end of the financial year that are unpaid and arise when the entity becomes obliged to make future payments in respect of these services.

(k) Employee Benefits

Wages, Salaries and Annual Leave

Liabilities for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date. They are calculated at discounted amounts based on remuneration wage and salary rates that the entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Long-term service benefits

The entity's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Governments bonds at the reporting date which have maturity dates approximating to terms of the entity's obligations.

Superannuation

The amount charged to the Profit or Loss in respect of superannuation represents the contributions made by the entity to superannuation funds.

(l) Income tax

The BioMelbourne Network Incorporated is exempt from income tax.

Notes to the Financial Statements
For the year ended 30 June 2014

	2014	2013
	\$	\$
NOTE 2: REVENUE		
Operating activities		
- Membership subscriptions	307,038	295,722
- Project Income	113,890	71,574
- Membership functions	132,112	155,373
- Interest	1,585	318
- Sponsorship	27,864	68,500
- Sundry income	31,038	20,379
	613,527	611,866
 NOTE 3: PROFIT/(LOSS) FOR THE YEAR		
Profit / (loss) for the year has been determined after:		
(a) Expenses		
Auditor's remuneration	5,000	4,000
Bad & doubtful debts	-	1,890
	-	1,890
 NOTE 4: CASH AND CASH EQUIVALENTS		
Cash at bank	114,995	181,288
	114,995	181,288
 NOTE 5: TRADE AND OTHER RECEIVABLES		
Trade receivables	45,149	8,539
Less Allowance for impairment of receivables	-	(2,079)
Sundry debtors	251	-
	45,400	6,460
 NOTE 6: OTHER CURRENT ASSETS		
Prepayments	4,288	4,449

Notes to the Financial Statements
 For the year ended 30 June 2014

	2014	2013
	\$	\$
NOTE 7: PLANT AND EQUIPMENT		
Office equipment	45,959	45,221
Less accumulated depreciation	<u>(37,386)</u>	<u>(33,325)</u>
	<u>8,573</u>	<u>11,896</u>
(a) Movements in Carrying Amounts		
Balance at the beginning of the year	11,896	17,801
Additions	738	-
Disposals	-	-
Depreciation expense	<u>(4,061)</u>	<u>(5,905)</u>
Carrying amount at the end of the year	<u>8,573</u>	<u>11,896</u>
NOTE 8: TRADE AND OTHER PAYABLES		
Income in advance	13,810	7,685
Trade payables	12,277	24,347
Sundry payables and accrued expenses	<u>34,787</u>	<u>25,478</u>
	<u>60,874</u>	<u>57,510</u>
NOTE 9: EMPLOYEE BENEFITS		
Annual Leave Entitlements	4,442	11,352
Long Service Leave Entitlements - Current	<u>11,811</u>	<u>10,900</u>
	<u>16,253</u>	<u>36,628</u>
Long Service Leave Entitlements – Non Current	4,447	14,376

Notes to the Financial Statements
For the year ended 30 June 2014

	2014	2013
	\$	\$
<hr/>		
NOTE 10: NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash at bank	114,995	181,288
	<hr/>	<hr/>
	114,995	181,288
(b) Reconciliation of profit/(loss) after income tax to net cash provided by operating activities.		
Profit / (Loss) after income tax	(18,273)	(28,071)
Non-cash flows in profit/(loss):		
Depreciation	4,061	5,905
Doubtful Debts	-	-
Changes in assets and liabilities:		
(Increase) / Decrease in Receivables	(38,940)	19,620
(Increase) / Decrease in Prepayments	160	(1,378)
Increase / (Decrease) in Payables	(2,761)	18,571
Increase / (Decrease) in Income in Advance	6,126	4,335
Increase / (Decrease) in Provisions	(15,928)	7,703
Net cash provided by/(used in) operating activities	<hr/>	<hr/>
	(65,555)	26,685

Statement by the Board

The Board has determined that the entity is not a reporting entity. The Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Board declares that:

1. The financial statements and notes, as set out on pages 3 to 12:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements; and
 - (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the financial year ended on that date of the entity in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Board's opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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



Andrew Macdonald

Chair

Wednesday 27th August 2014



Joe Bains

Director

Wednesday 27th August 2014

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Independent Auditor's Report To the Members of BioMelbourne Network Inc.

We have audited the accompanying financial report, being a special purpose financial report, of BioMelbourne Network Inc. (the "Association"), which comprises the statement of financial position as at 30 June 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Directors of the Association.

Responsibility of the Directors for the financial report

The Directors of the Association are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial report, which form part of the financial report, are appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 (VIC) and the needs of the Members. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

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 which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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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 Association's preparation and fair presentation of the financial report 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 Association'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 applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's Opinion

In our opinion, the financial report of BioMelbourne Network Inc. presents fairly, in all material respects, the Association's and consolidated entity's financial position as at 30 June 2014 and of their performance and cash flows for the year then ended.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of meeting the requirements of the Associations Incorporation Reform Act 2012 (VIC). As a result, the financial report may not be suitable for another purpose.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M.A. Cunningham
Partner – Audit & Assurance

Melbourne, 27 August 2014.