

The year "2018" is displayed in large, bold, black-outlined numbers. The background of each number is a different micrograph of biological tissue or cells, transitioning in a gradient from green on the left to blue on the right. The "2" shows green tissue, the "0" shows green tissue with some blue, the "1" shows blue tissue, and the "8" shows blue tissue with some green.

Annual Report

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Reporting on the period from 1 July 2017 to 30 June 2018.

Sector Snapshot 2017: Australia - A thriving life sciences hub with global reach

AusBiotech commissioned research providing a comprehensive overview of the life sciences sector within Australia. The first time the sector has been calculated, this research reveals the biotechnology sector larger than previously thought, and a significant economic driver. It gathered statistically quantifiable data across the full life sciences ecosystem, including company and employment numbers, sectors, states and gender distribution.

Mapping out the wider ecosystem – including industry, government and regulatory, funding bodies, research institutes, and support services – the report clearly attests to the size of our sector. Reaching a critical mass, life sciences now employs more than 232,000 people across 1,654 organisations. Significant given the sector was almost non-existent twenty years ago.

Key findings

- Industry constitutes approximately 53 percent of companies within the life sciences sector in Australia
- New South Wales and Victoria have the largest numbers of life sciences organisations and employees. The majority of research institutes are also based in New South Wales and Victoria, predominantly engaging in health & biomedical research
- SMEs make up the overwhelming majority of companies within the life sciences industry
- Health and biomedical research is a major investment area
- On average, women represent 50 per cent of the workforce across the entire sector; however women are under-represented in industry, representing only 33 per cent of the workforce and this number deteriorates as seniority increases.

Read the full report:
ausbiotech.org/documents/item/389

LIFE SCIENCES SECTOR IN AUSTRALIA ENCOMPASSES

- Industry
- Funding bodies
- Government & regulatory
- Research institutes
- Support services

WORLD'S
TOP FIVE IN
BIOTECHNOLOGY

2017 SNAPSHOT

Provides a comprehensive overview of the life sciences sector within Australia, in terms of company and employment numbers, sectors, states and gender distribution.

140
ASX-LISTED
LIFE SCIENCES
COMPANIES



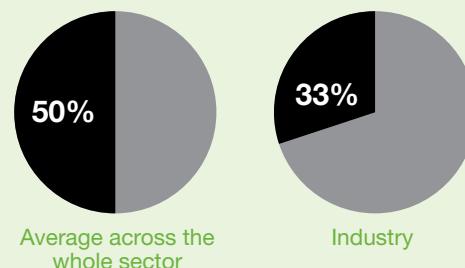
More than
\$50 BILLION
Market Capitalisation

Research institutes are the second largest employers in the sector

69%
of research is on health & biomedical research

FEMALE REPRESENTATION

Female representation decreases as seniority levels increase.



AusBiotech Board, executive and staff

Board



Julie Phillips

Chairman, AusBiotech Ltd
CEO & Executive Director,
BioDiem Ltd



Glenn Cross

Chief Executive Officer
AusBiotech Ltd (1.9.16 – 3.7.18)



Michelle Burke

Principal and Director
Indigo Advisory



Lawrence Gozlan

Chief Executive Officer
Scientia Capital



Dr Andrea Douglas

Vice President, R&D Strategy
and External Affairs
CSL Limited



Barry Thomas

Director, Cook Medical Asia
Pacific & Vice President,
Cook Inc., Cook Medical /
Cook Inc



Serg Duchini

Partner, Chief Strategy
Officer, National Leader R&D
and Government Incentives &
Co. Director
Deloitte Touche
Tohmatsu



**Professor
Jan Tennent**

Chief Executive Officer,
Biomedical Research
Victoria, (From 25.10.18)



Dr Megan Baldwin

Managing Director and Chief
Executive Officer, Opthea
Limited (From 12.18)



Lorraine Chiroiu

Deputy Chief Executive Officer
AusBiotech Ltd (CEO from 4.7.18)

Staff

Staff at 1.7.18

Chief Executive Officer
Glenn Cross

Deputy Chief Executive Officer
Lorraine Chiroiu

IT & Operations Manager
Jo Beamsley

Financial Controller
Crystal Tan

National Projects Manager
Dr Claretta Dsouza

National Programs Officer
Laurie Lee

Member Services Manager
Tanya Daw

State Membership Liaison Officer
Stephanie Cruzat

Web & Data Administrator
Harshini Bellana

National Event Operations Manager
Hayley Laing

Events Manager
Jenny Delaforce

Events Manager
Vincent Portier

Events Manager
Johnny Ni

Objectives and strategic plan 2017 - 2018

“Facilitating global development of the Australian life sciences industry”

Objectives

1. Ensure global engagement is strong in established markets in North America and Europe
 - Manage Australia's participation in key global industry events
 - Provide a strong investor platform to attract investment and partnership opportunities via AusBiotech Invest
 - Monitor international policy developments and any potential impact on the Australian industry and develop our already strong relationships with major international industry associations
2. Harness the opportunity in rising Asian biotech development demand:
 - Continue with major investment events in Asia
 - Complete projects under the Austrade 'Asian Business Engagement' (ABE) grants
3. Leverage the rapidly changing dynamics of Australian industry to raise biotechnology's profile and support from governments
 - Continue the annual Industry Position Survey and Federal Government forums
 - Member forums to determine policy priorities of the membership, to underpin and inform advocacy
 - On-going high level dialogue with federal and state governments, including face-to-face meetings and working groups
 - Foster industry sector engagement via specific advisory groups
 - Strengthen the industry with the provision of networking and information events
 - Providing crucial information to grow the industry
4. Develop a strong long-term pipeline of conferences to organise under the AusEvents™ banner

Now launched

Revised strategic plan launched 1 October 2018. During the reporting period the Board has undertaken a review of the current strategic plan.

AusBiotech's mission

AusBiotech's mission is to foster a growing, strong and profitable biotechnology and life science industry in Australia through representation, advocacy and the provision of services and benefits to its members to help the industry realise its nationally important economic potential.

AusBiotech's vision

AusBiotech's vision is to be the leading Australian industry body representing and advocating for organisations doing business in and with the global life sciences economy.

ausbiotech.org/about-us/strategic-plan

From the Chair

Ms Julie Phillips

My fourth year as Chair of AusBiotech has seen leadership changes in our Chief Executive as well as within the Board, strength in financial stability, and the development of a new strategy.



After 13 years' service and two years heading the organisation, this year saw the retirement of Glenn Cross, CEO, at the end of June 2018. Glenn's achievements are both numerous and significant, including leading roles in establishing the AusMedtech annual conference, forming AusEvents™, and building AusBiotech's Global Investment Programme. I can only applaud Glenn's passion for the organisation and its place in the Australian life sciences industry. Glenn has transitioned into a part-time contract role leading a dedicated business development effort for AusEvents™, and therefore continuing his long-standing relationship with AusBiotech. The Board is pleased that Glenn's expertise in securing new events will continue to benefit AusBiotech into the future, and we are confident that Glenn will continue to bring new initiatives to the organisation and support the growth of AusEvents™.

Following an external recruitment process, we were thrilled that Lorraine Chiroiu (BA, PDM(Mktg), MBA, GAICD) accepted the position and took over as CEO from early July 2018. Well-known to members, and previously Deputy CEO of AusBiotech, Lorraine will lead the organisation through its next phase of growth and evolution.

Lorraine's dedication to the life sciences sector has seen her passionately pursue public policy changes that have impacted the sector at state and federal levels. Since joining AusBiotech almost a decade ago, she has advocated for positive outcomes across regulation, tax incentives, patent protection, and medical research and its commercialisation.

This reporting period has also seen Board changes, with one person stepping down and two new Directors joining us, to become a team

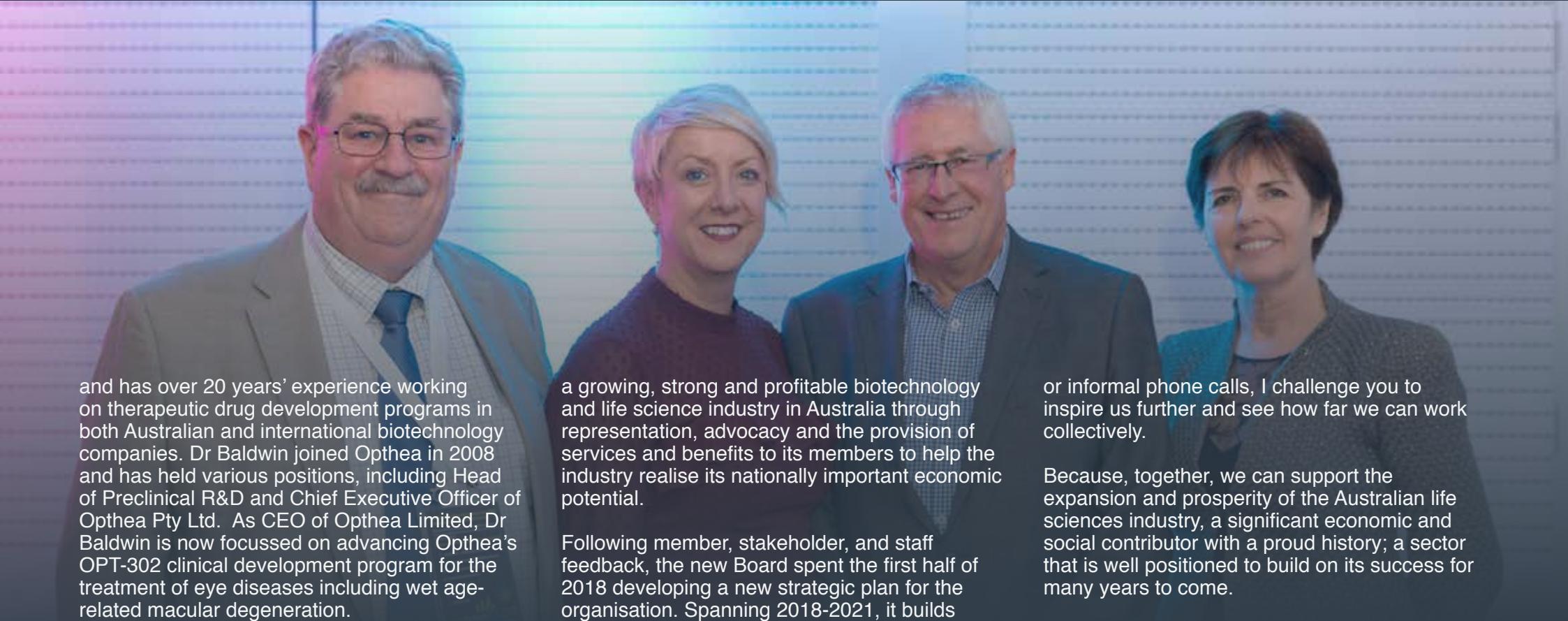
of nine. This stability has been important during AusBiotech's time of transition.

At the October 2017 AGM, AusBiotech Director, Ms Serina Cucuzza, Manager, Commercial Development & Industry Engagement, Burnet Institute, departed the Board after three years' service to AusBiotech. On behalf of the Board, I extend our sincere thanks to Serina for her valuable contribution over her Board tenure. She brought strong governance skills, and a research and early commercialisation perspective to the Board, for which we are most grateful.

At that same time, Professor Jan Tennent was elected to the Board as a Director, bringing a strong industry-research conduit to the mix. Prof. Tennent (PhD GCertMgt FASM GAICD) is a respected senior executive and networked business leader with international and national experience in the pharmaceutical, agribiotech and research sectors. She has a proven record of contribution and accomplishment in the governance and management of NFP organisations and highly-matrixed organisations including CSIRO, CSL and Pfizer. Jan is currently the CEO of Biomedical Research Victoria, the premier voice linking health and medical research with clinical care in Victoria.

Last December, Dr Megan Baldwin, CEO and Managing Director of Opthea Limited was appointed to the Board of Directors, strengthening the group with her expertise in life sciences industry leadership. The appointment was based on principles for diversity of perspective at the Board, balance in Board Director profiles and with regard to membership engagement and needs.

Dr Baldwin was appointed CEO and Managing Director of Opthea Limited in February 2014



and has over 20 years' experience working on therapeutic drug development programs in both Australian and international biotechnology companies. Dr Baldwin joined Opthea in 2008 and has held various positions, including Head of Preclinical R&D and Chief Executive Officer of Opthea Pty Ltd. As CEO of Opthea Limited, Dr Baldwin is now focussed on advancing Opthea's OPT-302 clinical development program for the treatment of eye diseases including wet age-related macular degeneration.

We have been pleased to have both Jan's and Megan's contribution to the Board this year.

It has been encouraging to see the AusBiotech financial report reflecting the strength that we are also seeing across the rest of our sector. I am pleased that we have ended the financial year with twice the retained surplus than when we began it, and with a growth in our membership – and therefore in our membership income. 2018 also saw an expansion in our federal government projects income via MTPConnect – these have been used to strengthen our leadership position and as contributions for programmes such as our investment agenda. Our conference income has also grown. This solid financial foundation allows us to walk steady in our mission: to foster

a growing, strong and profitable biotechnology and life science industry in Australia through representation, advocacy and the provision of services and benefits to its members to help the industry realise its nationally important economic potential.

Following member, stakeholder, and staff feedback, the new Board spent the first half of 2018 developing a new strategic plan for the organisation. Spanning 2018-2021, it builds on the solid stage that AusBiotech has built, evolving and adapting alongside industry's needs to address the predicted opportunities and challenges, and to help the industry realise its nationally important economic potential. With a new CEO and our firm financial position work planning for this period is underway: AusBiotech will remain a sustainable and financially-sound organisation, and always focused on delivery of members' and industry's needs.

The new plan will be released on 1 October 2018. While our goals and objectives are set, we encourage you to give us your feedback on how to achieve them best. We want, and need, to stay relevant so to serve you – the industry – the best way possible. Whether you give us your ideas and feedback through formal forums,

or informal phone calls, I challenge you to inspire us further and see how far we can work collectively.

Because, together, we can support the expansion and prosperity of the Australian life sciences industry, a significant economic and social contributor with a proud history; a sector that is well positioned to build on its success for many years to come.

My thanks in particular go to the members of the Board who give passionately of their precious time in what has been a busier year than most; Glenn Cross, whose contribution is well-known to members; to Lorraine Chiroiu who has embraced her new role and is already achieving benefits for members; and to the staff without whom AusBiotech could not have gained its internationally recognised standing.

As we move into the 2018/2019 year, I am looking forward to seeing the organisation move into a new phase: new projects, new staff and a strong sector: all indicators for a productive and effective future for Australian life sciences working in a global economy.

Ms Julie Phillips
Chair

From the CEO

Ms Lorraine Chiroiu

I am delighted to deliver my first annual report as the CEO of AusBiotech, a role which I was privileged to be appointed to earlier this year. I aim to bring the same passion and strength to the sector that others before me have shown, including Dr Anna Lavelle and Mr Glenn Cross, and build on their work.



AusBiotech has delivered significant benefits over the past year and has been instrumental in the positive business sentiment we are seeing across the industry - the strongest on record.

A convergence of industry maturity, deal flow, regulatory advances, increased capital and development programmes, makes this the most buoyant I've seen the sector in my near-decade-long tenure at AusBiotech.

I've inherited a strong organisation, with a really strong and direct sense of purpose around what it wants to achieve, and a stable financial base for which to launch. The organisation is really well placed to support the industry and to help it move to the next level. We see our role as working on reducing barriers and amplifying the enablers in the environment.

Annual Biotechnology Industry Position Survey 2018

The annual Survey showed another jump, to 77 percent, in the number of companies reporting that last year was an 'excellent' or 'good' year. The vast majority (87 per cent) expected their business to grow in 2018, a significant jump on last year's result and no respondent expected their business to contract.

A record 37 percent believe the Australian operating environment remains conducive to growing a biotechnology business, adding to 47 per cent that felt the environment was neutral.

The employment outlook for 2018 strengthened to the highest on record, with 73 percent of companies indicating an intention to hire, up from 64 percent the year prior.

With over half (58 percent) of respondent companies reporting they conducted clinical trials in 2017, it is no surprise that industry support announced in the May 2018 Federal Budget has been well received.

The measures are aimed at boosting Australia's competitive advantage in clinical trials, including a recruitment campaign, new funding, the pledge of a feasibility study for a one-stop shop for clinical trials and an exemption from the \$4 million cap on the Research and Development Tax Incentive (R&DTI).

Snapshot shows a larger sector than expected

Research commissioned by AusBiotech and launched at AusBiotech 2017, the Life Sciences Sector Snapshot 2017, revealed the magnitude of the life sciences sector for the first time, confirming that there are more than 232,000 people employed in the Australian life sciences sector, across 1,654 organisations.

The study confirms that the life sciences sector is a significant economic driver for Australia and broadly comparable with some of Australia's largest industries; it is a major employer of high-value jobs and Australia is globally competitive in the life sciences.

The Snapshot showed that 53 per cent of life sciences organisations in Australia are industry-based, with 875 companies and approximately 30 percent of the workforce in the sector is employed by industry, just over 69,000 people.

Policy and advocacy

AusBiotech has remained attuned to the major policy levers impacting industry growth, such as IP protection, tax incentives, and the tax environment, and the regulatory environment.

Skills and global talent have developed as really important drivers within the industry over the last couple of years. We're seeing a shift in the requirement for the need for people who have had global experience in a range of areas, including some of the areas that haven't yet fully developed. Skills can be rare, and are still developing across the globe let alone within Australia. So we need the capability to be able to access those skills within the Australian environment to be able to develop the industry appropriately.

The reporting period was again characterised by protection of the R&D Tax Incentive, and the May 2018 Budget saw the Government respond to the 2016 'Finkel, Ferris Fraser" Review. While we welcomed the carve-out for clinical trials from the \$4M cap, we're still concerned about the cut to the overall benefit for the refundable component. Companies will lose straight up 2.5% of their claim which will be a significant difference for organisations developing technologies in the <\$20M turnover space. At the time of going to print, the legislation had entered the Parliament and we continue to advocate for an intervention to change the character of the changes.

The year also saw multiple consultations on gene technology and by the TGA on various parts of the Review of Medicines and Medical Devices.

Report on staff and committees

The AusBiotech team has seen significant change through the reporting period and I am proud and admiring of the dedication of the team to nurture the organisation through this time of transition. I especially note the contribution of long-time staff members and thank them sincerely for their stewardship and support: Tanya Daw, Jo Beamsley, Hayley Laing and Harshini Bellana.

As at 30 June 2018, the AusBiotech team was 13 members strong, compared to 14 at the same time last year.

AusBiotech is enabled by 19 state and programme committees and advisory groups, involving more than 120 members, who give up their time to work on the industry's behalf. While every contribution is valued and important, I would especially like to note the outstanding contribution of a small number of people.

To Warren Bingham, who stepped down as Chair of the AusMedtech National Advisory Committee after many years of dedicated service; Peter Bradley, who ably Chaired and rallied the AusMedtech Programme Committee, at times while travelling overseas; Grant Bennett who Chaired the AusMedtech Regulatory Expert Panel and oversighted submissions, while setting up a new office in California; and Prof. Paul Wood, who Chaired the AusAg and Food Committee, implementing a new vision for the annual Summit that proved to be success and driving numerous submissions; an immense thank you for all that you have done.

The future

The team and I are committed to the members and their needs, advocating for the life sciences industry and its sustainable growth.

Looking forward, my immediate priority is to refresh some of the work we've been doing to place a greater importance on the policy work around the enablers and barriers around the growth of the industry. We have a strong vision for the industry to become a driver of Australia's economy, and to do that you need to enable companies to do more on their own terms. From my perspective, we want to give companies more choices in how they progress their technologies and develop these companies so we can see more of the benefit retained in Australia for Australians.

While the foundations of AusBiotech's strategic plan remain the same, we are going to see some changes in the focus on different areas: we will move to put more resourcing into policy, and to put a focus on the capabilities and opportunities in NSW, while also reviewing and improving where needed.

We will work to ensure AusBiotech is relevant: listening to members and taking direction from their expertise. Being attuned to opportunities in both the policy in this space and broadly in the macro-economic environment, the chance is ours to further build this industry towards its potential as a driver of our economy and quality of life.

Lorraine Chiroiu
Chief Executive Officer

Investing in Biotech

ausbiotech.org/investing-in-biotech

AusBiotech is dedicated to the development, growth and prosperity of the Australian biotechnology industry. Our global programmes promote investment in the Australian life science industry, including events around the globe and resources for investors and companies, therefore giving local life sciences companies a competitive advantage in attracting investment. Once again, Australian life sciences is ranked amongst the top in the world. Investor interest is strong, and backed by an array of investor avenues and opportunities.

Global Investment Event Series

Australia Biotech Invest

Australia Biotech Invest is Australia's annual life sciences investment showcase, a key initiative that promotes investment in the sector. In 2017, 29 companies pitched to 310 delegates at the Sofitel Melbourne on Collins. Our keynote speakers were Dr Sam Bakri, President of Gelexir Healthcare, United Kingdom, and Cedrus Investments' Executive Director Olivia Lam, from Hong Kong.

Broker Meets Biotech

Alongside the Global Investment Programme, AusBiotech also runs a smaller, state-wide investment series where companies can get in front of investors to pitch their companies and ideas.

AusBiotech's Global Investment Event Series also helps Australian companies connect with global capital markets and empowers them to be competitive on a global scale. See page 27, *Working with Asia*, for information on our Asian Investment Series.

Global Investment Programme

AusBiotech has continued to deliver successful results in the two-year MTPConnect Project Fund Programme. The programme caters to the needs of companies, investors and researchers in the life sciences; led by AusBiotech, we are supported by consortium partners ASX, DibbsBarker, WE Buchan and KPMG.

Guide to Life Sciences Investing

Building on the launch of *The Roadmap to a successful IPO for life sciences companies* report, and its accompanying workshops, we delivered new guidance: *The Guide to Life Sciences Investing*.

While *The Roadmap* is predominantly aimed at life sciences companies that are investor-ready or planning to become investor-ready, *The Guide* was developed for investors with little or no experience in the sector and outlines the factors particular to life sciences companies that potential investors should consider. It builds on general investment guidance and aims to equip potential investors with knowledge of the basic operations and products of life sciences companies.

Similarly to *The Roadmap*, *The Guide* has had complementary panel sessions, equipping potential investors with knowledge of the basic operations and products of life sciences companies as well as the risks and rewards.



GUIDE TO LIFE SCIENCES INVESTING

First Edition

AusBiotech
AUSTRALIA'S BIOTECHNOLOGY ORGANISATION

MTPConnect
MedTech and Pharma Growth Centre

Australian Government
Department of Industry,
Innovation and Science

Industry
Growth
Centres

KPMG

WE BUCHAN

DENTONS

ASX



Biotechnology

INDUSTRY POSITION SURVEY 2018

Biotech is booming

This year's Industry Position Survey reveals the strongest ever business sentiment across the sector.

We are in boom times; good times," said the CEO of an SME medical technology development company, during the consultation this year. And the results reveal this industry leader is not alone.

Business sentiment across the industry is the strongest on record. The survey shows a jump to 77 percent in the number of companies reporting that last year (2017) was an 'excellent' or 'good' year. In 2016 that number was 72 percent, and in 2015 just 60 percent. Eighty-seven percent - the vast majority – also expect their business to grow in 2018, a significant jump on last year's result (77 percent), and no respondent expected their business to contract – also a first to date.

"A convergence of industry maturity, deal flow, regulatory advances, increased capital and development programmes makes this the most buoyant I've seen the sector in my near-decade-long tenure at AusBiotech. The survey data agrees. The opportunity is ours to further build this industry towards its potential as a driver of our economy and quality of life."

Lorraine Chiroiu
Chief Executive Officer (from 4.7.2018),
AusBiotech

The number who described the business environment as conducive to growing a biotechnology company rose to 37 percent - almost returning to 2016 levels (41 percent) - after falling to 29 percent last year in response to uncertainty over the future of the Research & Development (R&D) Tax Incentive (see page 14). This year also showed 47 percent felt the environment was neutral – showing an overwhelming majority.

Despite the highest record for employment outlook to date – strengthening from 64 percent in 2017 to 73 percent in 2018 – the strongest theme to come from the roundtable discussions conducted as part of this survey was industry-specific skills and experience, and talent attraction and retention. The gaps indicated are in research and senior industry executives who are highly-skilled or experienced jobs that upskill the local talent pool.

This survey attracted significant awareness of the sector through positive media attention, with Lorraine Chiroiu, AusBiotech, and Michael Cunningham, Grant Thornton, being interviewed on SkyNews.

This is the eighth Biotechnology Industry Position Survey conducted by AusBiotech and supported by Grant Thornton. The survey was conducted via mail/email during February 2018 and was followed by roundtable focus groups in February and March 2018. The survey was open to all ASX-listed and unlisted biotechnology companies, including AusBiotech members.

Read the full report here:
ausbiotech.org/policyadvocacy/ceo-survey



87%
of respondents expected
business growth in 2018

73%
of respondents expected
to hire more staff

77%
of respondents reported
an excellent or good year

Policy and Advocacy

Finding Australian life sciences strengths

During the 2017-2018 reporting period, AusBiotech has led and contributed to key campaigns and made a difference for our sector: ensuring that the voice of Australian life science is recognised by government as a key economic and social driver.

R&D Tax Incentive

We actively advocated for our sector against the propositions in the 2016 'Ferris, Finkel, Fraser' review of the R&D Tax Incentive and the proposal in the ISA 2030 report. Following our campaign to Government, we warmly welcomed the positive news that clinical trials will be exempted from a \$4 million cap for the refundable component. We also saw the plan for a no lifetime cap for the refunds abandoned, which is great news for the sector.

Thank you to all of our members who worked with us and contributed to the campaign.

This year's survey, conducted before the 2018-19 Budget that included changes to the programme, showed that over 90 percent of survey respondents consider policy stability on the R&D Tax Incentive is 'very important' or 'important'.

The survey reveals there is no room for complacency, with 80 percent survey respondents reporting concerns over the long-term future of the Incentive. The survey has, once again, highlighted how respondents do not believe individual components of this eco-system exist in

isolation of each other. AusBiotech will continue to monitor the incentive and advocate for our industry.

Access to global talent

The industry saw extensive damage done by sudden and shock changes to the skilled migration programme announced in April 2017.

Having participated in significant advocacy activity on behalf of the industry to right the situation, AusBiotech welcomed the restoration of key occupations for the medical technology, biotechnology, research and pharmaceutical sector to the skilled migration visa list. This was an important demonstration towards continued support for Australia's competitive advantage in life sciences innovation. The revised list has provided assurance that important recruitment of outstanding talent can continue consistent with the Australian National Innovation and Science Agenda.

AusBiotech issued a joint statement welcoming the restoration, alongside AAMRI, BioMelbourne Network, Medicines Australia, MTAA, and Research Australia. Together, we represent the entirety of the life sciences research and commercialisation 'ecosystem', including biotechnology, pharmaceutical and medical technology companies, ranging from start-ups to mature multinationals, research institutes, universities and specialist service professionals.

Clinical trials

With over half (58 percent) of survey respondent companies reporting they conducted clinical trials in 2017, it is no surprise that industry support announced in the May 2018 Federal Budget has been well received. Alongside the exemption from the R&D tax incentive cap, the 2018 Federal budget delivered a range of measures aimed at boosting Australia's competitive advantage in clinical trials, including a recruitment campaign, new funding, and the pledge of a feasibility study for a one-stop shop for clinical trials.

As a focus of advocacy efforts for almost a decade, AusBiotech warmly welcomed the initiative to consider the feasibility of creating a one-stop shop for clinical trials. The AusBiotech Clinical Trial Advisory Group (ABCtag) will be active over the coming months to support this initiative.

Regenerative medicine an emerging strength

In October 2017, AusBiotech's Regenerative Medicine Advisory Group launched a six-page publication with facts and figures that provides an overview of the new sector (academia, industry and regulatory ecosystem) as well as the benefits of partnering with Australia.

AusBiotech also strengthened its international partnerships in regenerative medicine, signing a memorandum of understanding (MoU) with Japan's peak regenerative medicine body, Forum for Innovative Regenerative Medicine (FIRM). FIRM has more than 220 members of Japanese companies. (See *Working with Asia*, page 27.)

Submissions

AusBiotech has participated in working groups and ad hoc roundtables and consultation meetings, making at least 11 submissions during the 2017/2018 reporting period.

2018		
25 May	Joint AusBiotech, MTA, IVDA, ADIA policy submission on unique device identification implementation in Australia	TGA
24 May	AusBiotech submission in response to the Third Review of the National Gene Technology Scheme (Phase 3 Consultation)	Department of Health
19 April	AusBiotech submission in response to the Food Standards Australia and New Zealand Consultation Paper	Food Standards Australia and New Zealand
21 February	AusBiotech response to the Regulation Impact Statement for Consultation: Updating Gene Technology Regulation in Australia and the draft amendments to the Gene Technology Regulations (GT Regulations)	The Office of the Gene Technology Regulator
16 February	Murdoch University, AusBiotech, WA State Agricultural Biotechnology Centre joint submission: Inquiry into mechanisms for compensation for economic loss to farmers in Western Australia caused by contamination by genetically modified material	Standing Committee on Environment and Public Affairs
17 January	AusBiotech's response to draft policy on the provision of electronic instructions for use (eIFU) for professional users of medical devices (including IVDs)	TGA
12 January	AusBiotech submission to the Senate Inquiry regarding the Therapeutic Goods Amendment (2017 Measures No.1) Bill 2017 and the Therapeutic Goods (Charges) Amendment Bill 2017	Senate Community Affairs Legislation Committee
2017		
22 December	AusBiotech response to Sunsetting of the Therapeutic Goods Regulations and Therapeutic Goods (Medical Devices) Regulations	TGA
17 November	AusBiotech response to 'Amending inventive step requirements for Australian patents (August 2017)' and to 'Introducing an objects clause into the Patents Act 1990 (August 2017)'	IP Australia
10 October	AusBiotech response to TGA alignment with European medical device regulatory framework – up-classification of surgical mesh & patient implant cards	TGA
15 September	AusBiotech Submission: Third Review of the Gene Technology Regulatory Scheme	Department of Health

Fostering industry sector engagement



AusBiotech's national conference 2017, Australia's life sciences conference

The annual AusBiotech conference has brought together Australian and international biotech leaders and stakeholders for more than three decades, creating a forum to reflect on the sector's achievements and exchange ideas to further advance the sector's standing both nationally and globally. This financial year, the national conference was held at the Adelaide Convention Centre, South Australia on 25 -27 October, and was officially opened by the then Premier of South Australia, the Hon. Jay Weatherill MP.

Demonstrating the buoyancy of our sector, the conference attracted over 1,150 delegates from across 18 countries to network, collaborate and discuss sector successes and issues. The largest delegations arrived from China, Japan, NZ, Singapore and South Korea, UK and the USA.

During the conference, AusBiotech released the report *Australian life sciences sector – a snapshot of 2017*, presenting new sector statistics and showcasing the significance of our sector (see page 3), and also welcomed a new round of Federal grants, including a new MTPConnect project - the Australia-China Life Sciences Partnership Programme (China Programme), (see page 27).

The programme featured speakers such as:

- Dr Glenn Begley, Chief Executive Officer, Bucurate Pty Ltd, as the 2017 Millis Orator
- Barbara Sosnowski, Vice President of External Science & Innovation (ES&I), Pfizer, US, *Forming innovative partnerships to treat human diseases*
- Dr Silviu Itescu, Chief Executive Officer and Managing Director, Mesoblast, *Building a global biotech from Australia*
- Dr Charlie Day, Chief Executive Officer, Office of Innovation and Science Australia, *Update on Innovation Science and Research (ISR) system review/2030 strategic plan*
- Dr Tim Oldham, Chief Executive Officer, Cell Therapies, *Inventing supply chains for 21st century cures - implications for product development*
- Peter Molloy, Chief Executive Officer, Race Oncology, *Performance of the Australian biotech sector with a focus on drug development companies*, and
- Dr Craig Rayner, President, d3 Medicine, *Drug development in fast forward*.

In addition to presenting a vast and stimulating programme of speakers, AusBiotech facilitated more than 1,100 scheduled meetings between participants via the business partnering system, strengthening connections between industry, academia, investment and other key stakeholders across the full life sciences ecosystem.

AusBiotech would like to thank our state host partner, the South Australian Government and TechinSA, in addition to the supporters, partners and exhibitors whose support made this event possible.

Images from top left:

1. *The Hon. Jay Weatherill MP, Premier of South Australia, opening the conference*
2. *Student volunteers*
3. *Millis Oration speaker: Dr C. Glenn Begley, Chief Executive Officer, Biocurate Pty Ltd*
4. *Delegates at national conference*
5. *Conference dinner*
6. *Speaker panel: Jenny Petering, Of Council, FB Rice, with Stephen Rodda, Chief Executive Officer, UniSA Ventures Pty Ltd, and Geraldine Farrell, Nexvet Integration Project Manager, Nexvet Biopharma plc, part of Zoetis*



2017 Industry Excellence Awards

Recognising the leading lights of Australia's world-class biotechnology, medical technology and healthcare sectors.

The AusBiotech and Johnson & Johnson Innovation Industry Excellence Awards are presented at our annual AusBiotech national conference, recognising and celebrating the highest achievers in Australian life sciences.

AusBiotech would like to thank Johnson & Johnson Innovation's continued support of these awards.





Industry Leadership Award

Mrs Lusia Guthrie Chair, Clever Culture Systems

Mrs Lusia Guthrie is the chair of Clever Culture Systems AG, LBT Innovations' joint venture based in Zurich, with over 35 years in the pharmaceutical, medtech and bioscience industries. She holds Board positions with the BioMelbourne Network and ANDHealth and was recently appointed chair of the Medicines Manufacturing Innovation Centre at Monash Institute of Pharmaceutical Sciences. Mrs Guthrie also holds industry advisory committee positions with the Australian Centre for Visual Technology at the University of Adelaide and the Australian Regenerative Medicine Institute at Monash University.



Australian Company of the Year Planet Innovation

Accepted by Dr Sacha Dopheide and Dr Ian Macfarlane

Planet Innovation (PI), over the last 12 months, has raised the profile of the Australian biotechnology industry through sustained company success, breakthrough innovations and proactive thought-leadership. During this time, PI doubled its company revenue, created over 100 new jobs for the Australian biotechnology sector, and more than tripled its manufacturing export revenues of biomed and life-science products.



Australian Emerging Company of the Year CancerAid

Accepted by Andrew Harvey

CancerAid has developed a smartphone application for cancer patients, caregivers and clinicians. This digital health tool is designed to address key issues faced in oncology to provide value-added services. Launched last year, the App has quickly become the number one cancer app in Australia, the US and the UK.



AusAg and Foodtech Summit 2017, Turning science into business

2017's Summit welcomed over 180 representatives to our successful two-day AusAg & Foodtech Summit, held in August at the Adelaide Convention Centre. Critical issues to the development, access, and investment were examined, in order to accelerate technology translation and the adoption of advanced agricultural and food biotechnology innovations.

This year we changed the model of the summit, giving SMEs and startups the opportunity to immerse themselves in the agritech and foodtech sector, drawing key stakeholders such as investors, multinational and established companies, industry leaders, researchers, and potential partners into one space. Active investors met and heard about the latest innovations, building relationships and partnerships with companies, and also had the chance to educate others on investment trends too.



The opening address was given by Dr Leanna Read, Chief Scientist South Australia, and followed up by strong speakers delivering robust and relevant discussions. Including:

- Michael Dean, Co-Founder & CIO, AgFunder: What makes a good investment decision and what type of deal are investors seeking to fund?
- Prof Steve Swain, Research Director, CSIRO: Behind the scenes intel from researchers and developers driving innovation in this sphere. How did they navigate the early stages to achieve engagement with commercial entities?
- Robert Poole, Partner, Advisory, KPMG (Tax), and Mary Turonek, Senior Associate, FB Rice (IP): What are the common mistakes, how to leverage finances, and how to navigate the regulatory landscape in agritech and foodtech
- Sam Trethewey, General Manager, SproutX, and Dr Judy Halliday, Director Industry Development, TechInSA: What programmes and initiatives are available to enable and support young companies?
- Steve Marafioti, Managing Director, Sundrop Farms: What does success look like?

90 percent of registrants considered the topics covered good or excellent.

Alongside keynote speakers and panel discussions, the conference included Perfect Pitching workshops, a dinner, and The Marketplace: a dedicated exhibition space for networking and partnering opportunities during the day.

agfoodtech.com.au



Submissions

This year, the Ag and Food committee has been busy responding to regulatory papers affecting the sector – in particular, helping Australia strengthen its global competitive by participating in the three-phase consultation process around the National Gene Technology Scheme. The framework aims to protect the health and safety of people and the environment by identifying and managing risks associated with gene technology.

The first review in five years, consultation ran from July 2017 – March 2018 and aimed at identifying key issues for consideration, collaboratively exploring policy solutions to these issues, and finally providing an opportunity to comment on the findings. We look forward to seeing the final report when it is released.

The Committee also responded to the *Inquiry into mechanisms for compensation for economic loss to farmers in Western Australia caused by contamination by genetically modified (GM) material*, submitting in partnership with the WA State Agricultural Biotechnology Centre, Murdoch University. As of June 2018, this is still undergoing its inquiry with an ongoing hearing.

See page 15 for the full list of AusBiotech submissions over this reporting year.



SEARCH



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TUE 12:30 PM

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AusMedtech 2018, Australia's medtech conference

Medtech is a major strength pillar within the Australian life sciences ecosystem, and the AusBiotech annual medtech conference, AusMedtech, is an important opportunity to foster community engagement within this constantly evolving area.

The 2018 conference brought together over 330 key stakeholders of the Australian and global medical devices and diagnostics sector, with over 265 delegates attending four satellite events in addition.

Held in March 2018 at the Adelaide Conference Centre, we had a leading line-up of speakers: Digital health was explored by Anand Iyer, Co-Founder & Chief Strategy Officer, WellDoc; Clinician led-innovation was discussed by Dr Judy Halliday, Director, Industry Development, TechInSA; and panels talked on technology convergence, and attracting talent and building a team. We were proud to host Vincent Garvey, Chairman and Chief Executive of Ellen Medical Devices and winner of the 2016 Global Affordable Dialysis Prize, who presented on his invention: the world's first affordable dialysis system, which will help save millions of lives.

As he steps down as Chair, Warren's leadership, passion, and constant contributions of time, effort and expertise have been recognised as invaluable to the AusMedtech National Advisory Group.

A special thanks to the programme committee, and in particular Peter Bradley as Chair, for which the conference would not be nearly as engaging without. Also thank you to the South Australian Government and TechInSA, and all exhibitors and partners for your support in making this event possible.

ausmedtech.com.au



AusMedtech programme committee (missing: Peter Bradley); Warren Bingham, with Lorraine Chiroiu, Julie Phillips, and Glenn Cross (AusBiotech)

Advancing partnerships and connections

Events to strengthen the industry

Alongside fostering industry engagement via our annual flagship industry conference (the AusBiotech national conference), the second largest event (AusMedtech), and the AusAg and Food Summit, we also hold numerous international investment and trade delegations, and state-based events. In 2017-2018, AusBiotech held more than 65 events, attracting more than 9,000 delegates.

Our Events



Over
65
events;



More than
9,000
delegates,



4
international
missions



The delegates of the 2018 International Council of Biotechnology Associations

Women in the Life Sciences Luncheons

The annual Women in Life Sciences Luncheons fosters a supportive community for women working in the life sciences, and inspires women to pursue professional goals and build their own success stories. This year, we held two events: one in Brisbane where over 200 delegates gathered, and one in Sydney where an additional 300 drew.

2018 focused on the theme of Sisters in Life Sciences: the power of 'sisterhood' and how this bond amongst women can further

galvanise diversity in life sciences as an underpinning to building a successful sector – a position supported regardless of gender. As women demand the respect they deserve, the winds of change are palpable.

We heard from sisters, Professor Ranjeny Thomas (Professor of Rheumatology at University of Queensland) and Associate Professor Helen Thomas (Senior Research Fellow at St Vincent's Institute in Melbourne) in Brisbane, and from sisters Dr Jenny Harry (CEO, Ondek) and Dr Liz Harry (Professor of Biology and Director of the ithree institute (infection,

immunology and innovation) at the University of Technology, Sydney (UTS). All four presented their views from their respective successful careers that traverse research and industry.

The 'Big Sisters' programme was proudly launched, supporting and encouraging women in early stages of their careers in life sciences. The programme invited women advanced in their careers in the sector to sponsor a student to attend the event. 18 women students were sponsored to attend the luncheons and receive a one-year membership of AusBiotech.

State events

AusBiotech held 24 BioCheers, seven BioBriefings/Roundtables, three Broker Meets Biotech, three Pitching to investors workshops, and one Senior Executive breakfast around the country (Victoria, New South Wales, Queensland, South Australia and Western Australia) during the reporting period. The roundtables were used to dive deeper into the policy issues (see pages 14-15). Thirteen life sciences companies were profiled during the Broker Meets Biotech series in Brisbane, Perth and Adelaide.



Global engagement

AusBiotech arranged and participated in a number of international life sciences missions, with a particular focus on the US and Asia. Dedicated to the development, growth and prosperity of the Australian biotechnology industry, we provide initiatives to drive sustainability and growth, outreach and access to markets, and representation and support for members nationally and around the world.

- Our global investment programme promotes investment in the Australian life science industry, including events around the globe and resources for investors and companies.
- The Australian Life Science Innovation Directory contains a database of companies to inform global potential partnerships.
- We advocate for policy reform in tax, clinical trials, intellectual property, regulation, attracting global skills, and more to sustain Australia's global competitive advantage in the life sciences.

BIO International Convention

AusBiotech – with support from MTP Connect, the Federal Government, and Victorian and Queensland State governments – led an Australian delegation to the world's largest and most influential global biotechnology meeting. 2018's BIO Convention was held in Boston,

Massachusetts and, once again, Australia was proud to be amongst the top 10 largest international delegations in attendance with over 300 attendees and 40 exhibiting companies.

BIO draws more than 18,000 biotechnology and pharma leaders annually including 1,800 exhibitors and 1,000 speakers.

Key 2018 BIO highlights:

- Australia's representation was headlined by the presence of Australian Federal Health Minister, the Honourable Greg Hunt MP. He attended a programme of high-level meetings, including the Global Leader's Reception and participated in a bilateral round table ideas for collaboration, discussing Australia's innovation ecosystem, clinical trials and further opportunities for growth with prominent USA biomed companies.
- Queensland Premier Annastacia Palaszczuk and Queensland Minister for Innovation and Tourism Industry Development and Minister for the Commonwealth Games, Kate Jones MP led the Queensland delegation and regularly visited the Australia pavilion.
- Austrade organised a post-BIO mission to Philadelphia and Houston. Eighteen delegates joined us to visit the Jefferson University, GSK and participate in various meetings and networking events.
- Over 96% of respondent's supported that the Australia pavilion contributed to Australia's presence at BIO, commenting it was a great place to interact with Australian partners and showcase to clients Australian biotechnology capability

and opportunities. The majority of companies reported they each held in excess of 20 meetings during BIO 2018 with potential partners, with a total of over 260 high-quality leads identified, equating to an estimated total value of business as a result of these leads of over AU\$20 million.

International Council of Biotechnology Associations (ICBA)

AusBiotech is a member of the International Council of Biotechnology Associations (ICBA): a coalition of non-profit, national biotechnology trade associations formed to promote public understanding of, and to advocate for, public policies that support the growth of the innovative biotechnology industries. We are a part of the global voice of our industry in international fora, with the goal of promoting continued innovation in the human health, agriculture, and industrial and environmental sectors. The ICBA launched its new website to aid the work of this global council.

internationalbiotech.org/



Lorraine Chiroiu, AusBiotech, The Hon. Greg Hunt MP, Elizabeth de Somer, Medicines Australia, Sandhya Tewari, MTPConnect, Daniel Grant, La Trobe University



Working with Asia

Harnessing the rising opportunities from Asia for biotechnology has been an important objective for the organisation, and is a key cog within AusBiotech's strategic approach.

Asian Investment Series

Asia is rapidly emerging as a driver of growth in biotechnology research and investment. This series proved to be an important opportunity for 15 Australian life science companies to connect to international investors by presenting their business case to over 450 delegates in two major investment hubs. The events were held in Hong Kong and Shanghai in mid-March 2018.

AusBiotech will continue this programme in 2018/2019.

Australia-China Life Sciences Partnership Programme (China Programme)

Following the successful outcome of this year's Asian Investment Series, AusBiotech has now commenced the China Programme with a grant from MTP Connect.

Australia is a potential globally-competitive partner of choice. This programme will increase awareness and opportunities for communication, collaboration and commercialisation between the life sciences sector in Australia and China. It will deliver high-quality, collaborative research and industry projects as well as valuable data analytics on commercial engagement between the two countries. China BlueSky Partners will represent AusBiotech to Chinese investors and potential collaborators.

This project is in its infancy. Alongside consortium partners, in-market knowledge and expertise will be used to develop an interactive

online platform, capability development training programme and the organisation of a bilateral symposium (either in Australia or China).

The programme will increase the capability of Australian life sciences sector to engage with Chinese investors and partners with the aim to benefit early-stage start-ups through seed funding and SMEs seeking growth via access to the China market.

Regenerative Medicine Directory

For the first time, the Forum for Innovative Regenerative Medicine (FIRM), Japan and AusBiotech have been collaborating to create a list of regenerative medicine companies and services in Australia and Japan. The list of member companies will be available from October 2018 and held in the members section of our websites. There is an MoU in place between FIRM, Japan and AusBiotech.

Advancing partnerships and connections to industry

Other programmes, and developing AusEvents™

AusBiotech leads and is involved in a number of other programmes that advance the partnerships and connections to industry, and enhance the capabilities of Australian biotech's talent.

IMNIS: a PhD mentoring programme

The Industry Mentoring Network in STEM (IMNIS) seeks to develop a new generation of industry-savvy PhD graduates who can engage with industry, kick-start collaborations and transition between sectors. IMNIS is an initiative of the Australian Academy of Technology and Engineering (ATSE), with AusBiotech a consortium partner; the programme connects motivated second year PhD students (mentees) with outstanding industry leaders (mentor), to extend their industry knowledge and to extend their professional network.

The initial programme was expanded across the country in 2015-2016, and in 2016-2017 it is encouraging to see it grow again with both work streams (medtech and pharma, and energy and

minerals) now offered in all states. The overall student intake has grown by 25% from its inception.

An ongoing work programme, we have delivered 18 networking, career development, and knowledge sharing events over this reporting period, providing crucial information to grow and strengthen the industry.

ANDHealth

ANDHealth is a national digital health initiative bringing together participants from the medtech and pharmaceutical sectors to strengthen the Australian digital health ecosystem and minimise the risk innovations in digital health.

It aims to create an integrated and connected ecosystem for the development & commercialisation of evidence-based digital health products, which as a consortium partner, aligns with our organisational goals. Successful 2018 participants are supported by an advisory board comprised of leading industry experts with a proven track record in digital health product development and commercialisation. In addition,

companies receive up to \$60,000 of specialist third party services and activities to address their specific clinical and commercial validation challenge, and up to \$150,000 of in kind support from ANDHealth's members and partner network, to enhance their ability to penetrate global markets and/ or raise significant growth capital.

BridgeTech programme

BridgeTech is a national, online professional development programme enabling Australia to more effectively capitalise on its world class medical technology-medical device research sector by providing mid-career entrepreneurs and scientists with relevant, specific commercialisation training. AusBiotech are consortium partners; the project is led by the Queensland University of Technology.

Developing AusEvents™

AusBiotech has continued its commitment to developing strong events, organised under the AusEvents™ banner. The professional conference organiser for life science and technology events, AusEvents™ successfully delivers conferences, conventions, summits, trade exhibitions, investment meetings and professional development courses to the biotechnology and technology sectors.

AusEvents™ supported a community-wide discussion about cancer with over 630 delegates at the 2017 Graeme Clark Oration, Australia's most prestigious free public science event, held in October at the Melbourne Convention and Exhibition Centre. We had the privilege of hosting Dr Harold Varmus, a world cancer authority to discuss our new understanding of cancer and its treatments. Dr Varmus shared the Nobel Prize for Physiology or Medicine in 1989 for his research on retroviruses and the genetic basis of cancer.

The inaugural Australia Industrial Hemp Conference took place in February 2018 in Geelong. There was a strong turn-out across the industry, with many researchers, government representatives, primary producers and start ups amongst the 236 delegates in attendance. There was strong engagement across the conference, with over 70% of attendees indicating that they will be back again in 2020.

For the fifth year running, AusEvents™ organised TTS Australia: the premier meeting of technology transfer. Held in April 2018 in Brisbane, the summit promoted research commercialisation in Australia's life science sector, offering delegates strengthened connections between researchers and industry.



Informing the industry

News and media

AusBiotech increased its media release distribution to 14, attracting media mentions and being featured in print and on screen. Providing fresh perspectives on policy, funding, political and sector matters, we have received positive feedback on our positioning and leadership for the industry. In particular, the launch of the Industry Position Survey led to a prime news interview on *SkyNews*, and the R&D Tax reform campaign was the topic in a number of opinion articles and features in the *Australian Financial Review*, *The Australian*, *Stockhead*, and trade publications and journals. We also continue delivering valuable industry news to our members twice weekly via *Biotech Dispatch*.

Australasian Biotechnology Journal

AusBiotech has redeveloped its website launching the new website in June Executive Media produced and distributed three editions of the AusBiotech journal *Australasian Biotechnology* during this reporting period. Over 1,000 journals were distributed to AusBiotech members as part of their membership benefits.

2017/2018 featured investment and funding, a special national conference edition, and women in life sciences.

If you're a member, you can find previous editions of this journal when you log into ausbiotech.org.

Social networks

AusBiotech uses Twitter and LinkedIn, alongside its new website, to maintain community engagement with our members and the wider life sciences sector. Our three major conferences, in particular, foster industry networks by utilising the hashtags #AusBio17, #AusMedtech18 and #AusAgFood18, with high volumes of mentions and recognition during their respective conference dates.

Social media	Platform	Name	No. of followers
	Twitter	@AusBiotech	3,169
	LinkedIn	AusBiotech	3,100
	LinkedIn groups	AusBiotech	3,512
		AusMedtech	1,848

Partners and supporters

AusBiotech's strength comes from the participation and support of more than 1,000 companies and organisations, representing the diversity of the life sciences field, including therapeutics, medical technology (devices and diagnostics), food technology and agricultural, environmental and industrial sectors. They include start-ups, major players, institutions, service providers – and more than 600 academic and sole trader members.





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KPMG

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Australian Nuclear Science and Technology Organisation (ANSTO)
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Hudson Institute of Medical Research

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Innovfusion Pte Ltd
Institute for Glycomics
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Johnson & Johnson Innovation
Johnson Matthey (Aust) Ltd
Jumpstart Fertility Pty Ltd
Kazia Therapeutics Limited
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La Trobe University, Innovation & Commercialisation
LBT Innovations Ltd
Liberty Medical Pty Ltd (Hollister/Dansac)
Life Biosciences, Inc.
Linear Clinical Research Ltd
Lucid Health Consulting Pty Ltd
Luina Bio Pty Ltd
Macquarie University - Faculty of Medicine & Health Sciences
Madderns Patent & Trade Mark Attorneys
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Neuroscience Trials Australia
Neurosciences Victoria Ltd
NeuroScientific Biopharmaceuticals Pty Ltd
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Pronto Software Limited
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Research Australia Limited
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Sayco Pty Ltd
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Shimadzu Scientific Instruments (Oceania) Pty Ltd
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Sonic Clinical Trials Pty Ltd
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TGR Biosciences Pty Ltd
Thailand Board of Investment, Australia (BOI Sydney Office)
The iQ Group Global
The University of Newcastle, Newcastle Innovation Division
The University of Sydney, Commercial Development & Industry Partnerships
The University of Western Australia, Office of Research Enterprise
The Walter & Eliza Hall Institute of Medical Research
Therapeutic Innovation Australia
Tonsley Innovation District
Translational Research Institute Australia
TruScreen Pty Ltd
UniQuest Pty Ltd
Universal Biosensors Pty Ltd
University of South Australia, Research & Innovation
University of Sydney, Engineering and Information Technologies
University of Wollongong - Innovation & Commercial Research (ICR)
UNSW - School of Biotechnology and Biomolecular Sciences
UNSW Knowledge Exchange
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WE Buchan Consulting
West Pharmaceutical Services
World Courier (Australia) Pty Ltd
Wrays
Zelda Therapeutics Pty Ltd

Life Members

Title	First Name	Last Name
Dr	Anna	Lavelle
Dr	Martin	Playne
Dr	Peter	Riddles

State branches and national advisory committees

AusBiotech's 16 state branches and national advisory committees are important mechanisms for our 102 experts, representing over 3,000 members, to highlight sector issues facing our biotechnology sector. Their work assists us in forming our policy responses and submissions, and we thank our committee members for their significant contribution of voluntary time and knowledge.

- AusBiotech state committees x 6
- Clinical Trials Advisory Group
- Regenerative Medicine Advisory Group
- Stoma Industry Group
- Intellectual Property Expert Panel
- AusAg & Foodtech Committee
- AusMedtech National Advisory Group
 - AusMedtech Regulatory Expert Panel
 - AusMedtech Health Economics Expert Panel
- AusMedtech NSW
- AusMedtech VIC

State branches

AusBiotech works closely with its representatives in each Australian state, providing a national network supporting members and promoting commercialisation, investment and understanding of Australian life sciences.

NSW	Dr Phil Kearney	Merck Sharp & Dohme
QLD	Dr Ryan Parlett	Patheon Biologics
SA	Mathew Palmer	Syneos Health
TAS	A/Prof Anthony Koutoulis	University of Tasmania
VIC	Helen Fisher	Sienna Cancer Diagnostics
WA	Dr Samantha South	University of Western Australia

National advisory committees

Clinical Trial Advisory Group	Lorraine Chiroiu	AusBiotech
Regenerative Medicine Advisory Group	Silvio Tiziani	Australian Regenerative Medicine Institute (ARMI)
Stoma Industry Group	Lorraine Chiroiu	AusBiotech
Intellectual Property Expert Panel	Dr Brett Lunn	FB Rice
AusAg & Foodtech Committee	Dr Paul Wood	Monash University
AusMedtech National Advisory Group	Warren Bingham (until 1.5.18) David Cain (1.5.18 – 15.7.18)	Future Asset Management International Johnson & Johnson Innovation
AusMedtech Regulatory Expert Panel	Grant Bennett	Brandwood Biomedical
AusMedtech Health Economics Expert Panel	Sarah Griffin	Medtechnique Consulting
AusMedtech NSW	Lis Boyce	Dentons
AusMedtech VIC	Paul Caboon	Hydrix

For the Year Ended 30 June 2018

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2018.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ms Julie Phillips
Ms Lorraine Chiroiu (appointed 4 July 2018)
Ms Michelle Burke
Mr Lawrence Gozlan
Dr Andrea Douglas
Mr Barry Thomas

Mr Serg Duchini
Prof Jan Tennent (appointed 25 October 2017)
Dr Megan Baldwin (appointed 12 December 2017)
Mr Glenn Cross (resigned 3 July 2018)
Ms Serina Cucuzza (resigned 25 October 2017)

Principal Activities

AusBiotech's mission is to foster a growing, strong and profitable biotechnology and life science industry in Australia through representation, advocacy and the provision of member services and benefits to help the industry realise its nationally important economic potential.

AusBiotech's vision is to be the leading Australian industry body representing and advocating for organisations doing business in and with the global life sciences economy.

The company's goals are to:

- Strengthen AusBiotech's reputation as the voice of biotechnology in Australia.
- Enjoy growing support from members through knowledge of what our members want and the ability to deliver on their expectations.
- Be recognised as Australia's primary facilitator of investment partnerships and effective government relationships in biotechnology/life sciences.
- Ensure the biotechnology industry is increasingly perceived by government as a key and growing economic and social driver.
- Lead the development of industry policy in Australia.
- Be a sustainable and financially-sound organisation and position AusBiotech for long-term growth, recognising the importance of its people.

Key Performance Measures

The Directors monitor the Company's performance through the use of both quantitative and qualitative benchmarks. These benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short and long-term objectives are being achieved.

For the Year Ended 30 June 2018

Information on Directors

Name: **Ms Julie Phillips**
Title: Chair (Non-Executive) - appointed 30 October 2014
Qualifications: BPharm, MSc, MBA

Experience and expertise:
Appointed as a Director of AusBiotech since October 2013, Julie has more than 25 years' experience in regulatory, pharmacoeconomics and government affairs in the biopharmaceutical industry. For the last 15 years she has had CEO and director roles in Australian start-up companies. Ms Phillips is currently CEO and director of BioDiem Ltd, director of Opal Biosciences Ltd and a director of MTP Connect, the Federal Government's medtech and pharma industry growth centre. Julie is also a member of the government's R&D Incentives Committee.

Special Responsibilities:
Ms Phillips also serves as a member of the Remuneration and Nomination Committee.

Name: **Ms Lorraine Chiroiu**
Title: Executive Director and Chief Executive Officer – appointed 4 July 2018
Qualifications: BA (PR), PDM (Mktg), GAICD, MBA

Experience and expertise:
Prior to being appointed the Chief Executive Officer, Lorraine previously served as Deputy CEO, Chief Industry Affairs Officer and National Communications and Media Manager at AusBiotech. Lorraine has been an advocate for the biotechnology sector for close to a decade and has previously worked in corporate and public affairs roles for Pharmacy Guild of Australia, the University of Melbourne and for a (mental) health consumer organisation as an advocate.

Ms Chiroiu is a director of the Agricultural Biotechnology Council of Australia, Deputy-Chair of the Australia China Business Council's (VIC) Health and Medical Research Committee, Early Phase Clinical Trials Oversight Committee for NSW Health and sits on Swinburne's Advisory Board for the Centre for Human Psychopharmacology. She also sits on the Federal Government's Clinical Trials Collaborative Forum.

Special Responsibilities:
Ms Chiroiu also serves as a member of the Risk and Audit Committee.

Name: **Ms Michelle Burke**
Title: Director
Qualifications: BSc (Hons)
Experience and expertise:
Appointed as a Director of AusBiotech since November 2012, Michelle has 20 years' experience in the pharmaceutical industry including director roles at Bristol-Myers Squibb until early 2017. Today she is the Principal and Director of Indigo Advisory, an advisory consultancy for life sciences companies in Australia and internationally. Michelle is the industry nominated member of the Pharmaceutical Benefits Advisory Committee (PBAC), serves on the Strategic Advisory Group of the Australian Brain Cancer Mission, and is a member of ANU Industry Advisory Board.

Special Responsibilities:
Ms Burke also serves as a member of the Risk & Audit Committee and the Remuneration and Nominations Committee.

Name: **Mr Lawrence Gozlan**
Title: Director
Qualifications: BSc (Hons)

Experience and expertise:
Appointed as a Director of AusBiotech since February 2013, Lawrence has worked in corporate finance at Deloitte, senior biotechnology analyst at Foster Stockbroking and buy-side biotech analyst at QIC. Mr Gozlan is currently CEO and Founder of Scientia Capital

Special Responsibilities:
Mr Gozlan is the Chair of the Remuneration and Nomination Committee and served as a member of the Risk & Audit Committee until December 2017.

Name: **Dr Andrea Douglas**
Title: Director
Qualifications: BSc (Hons), PhD, MHA, GAICD

Experience and expertise:
Appointed as a Director of AusBiotech November 2013, Andrea has been a senior manager in the biopharmaceutical and biomedical research industries with over 20 years' experience. She is currently the Vice President, R&D Strategy and External Affairs at CSL Ltd.

For the Year Ended 30 June 2018

Name: **Mr Barry Thomas**
Title: Director
Qualifications: BCom

Experience and expertise:

Appointed as a Director of AusBiotech since October 2014, Barry has more than two decades of international leadership and expertise in the pharmaceutical and medical device industries. Mr Thomas is also director of Cook Medical Asia Pacific & Vice President, Cook Inc., Cook Medical/Cook Inc.

Special Responsibilities:

Mr Thomas serves as a member of the Remuneration and Nomination Committee.

Name: **Mr Serg Duchini**
Title: Director
Qualifications: BCom and M Taxation

Experience and expertise:

Appointed as a Director of AusBiotech since October 2014, Serg has over 25 years' experience in taxation consulting with an individual specialisation in the R&D tax concession and Industry assistance zs.

Special Responsibilities:

Mr Duchini also serves as Chair of the Risk & Audit Committee.

Name: **Prof Jan Tennent**
Title: Director
Qualifications: PhD GCertMgt, FASM, GAICD

Experience and expertise:

Appointed as a Director of AusBiotech since October 2017, Jan is a senior executive with international and national experience in pharmaceutical, agribiotech and research sectors. Prof Tennent is currently the CEO of Biomedical Research Victoria and a Non-Executive Director of Apiam Animal Health Pty Limited. Jan is an alumnus of Monash and Deakin universities, Collaborative Professor at the University of Osaka, Principal Fellow at The University of Melbourne and a Fellow of the Australian Society for Microbiology and Graduate of the Australian Institute of Company Directors.

Special Responsibilities:

Prof Tennent also serves as a member of the Risk & Audit Committee.

Name: **Dr Megan Baldwin**
Title: Director
Qualifications: PhD

Experience and expertise:

Appointed as a Director of AusBiotech since December 2017, Megan has over 20 years of experience focusing on angiogenesis and therapeutic strategies for cancer and ophthalmic indications. Dr Baldwin is currently CEO and Managing Director of Opthea Limited and held a number of senior positions and developed extensive commercial and scientific knowledge in anti-angiogenic and oncology drug development.

Name: **Mr Glenn Cross**
Title: Executive Director and Chief Executive Officer – resigned 3 July 2018

Experience and expertise:

He has over 30 years' experience in the life sciences sector and has held senior executive roles in both multi-national and Australian companies.

Special Responsibilities:

Mr Cross served as a member of the Risk & Audit Sub-Committee.

Name: **Ms Serina Cucuzza**
Title: Director - resigned 25 October 2017
Qualifications: BSc (Hons), B Com, GAICD

Experience and expertise:

Serina has Business Development expertise in medical research sector including licensing and partnering, managing spin-out the companies and consortia; and, product development.

Ms Cucuzza is currently Executive GM Commercial Strategy, IP and External Affairs at the Burnet Institute.

Special Responsibilities:

Ms Cucuzza served as a member of the Risk & Audit Committee.

For the Year Ended 30 June 2018

Meeting of Directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Directors' meetings		Risk and Audit Sub-Committee		Remuneration and Nomination Sub-Committee	
	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend
Ms Julie Phillips	6	6	-	-	3	3
Ms Michelle Burke	6	6	3	4	3	3
Mr Lawrence Gozlan	5	6	1	2	3	3
Dr Andrea Douglas	4	6	-	-	-	-
Mr Barry Thomas	3	6	-	-	3	3
Mr Serg Duchini	6	6	4	4	-	-
Prof Jan Tennent	5	5	3	3	-	-
Ms Megan Baldwin	4	4	-	-	-	-
Mr Glenn Cross	5	6	4	4	-	-
Ms Serina Cucuzza	1	1	1	1	-	-

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At June 30th 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$6,220 (2017: \$6,110).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

M V Anderson & Co continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.
 On behalf of the directors


 Ms Julie Phillips
 Director
 29 August 2018


 Mr Serg Duchini
 Director

AusBiotech Ltd
ABN 87 006 509 726
Statement of profit or loss and other comprehensive income

For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue			
Membership fees		1,126,529	1,020,532
Conferences		1,995,285	2,152,647
Branch income		145,613	117,525
Communications		3,268	4,640
Federal government project - Education, NCRIS		-	32,800
Federal government projects - MTP, ACBE		480,931	170,000
Export market development grants		-	45,487
Other revenue	5	<u>95,881</u>	<u>123,066</u>
Interest received		3,847,507	3,666,697
		22,807	21,819
		<u>3,870,314</u>	<u>3,688,516</u>
Expenses			
Employee benefits expense	4	(574,338)	(884,644)
Depreciation and amortisation expenses		(43,217)	(31,509)
Conferences		(1,593,232)	(1,663,884)
Federal government project expenditure - NCRIS		-	(17,170)
Federal government project - MTP, ACBE		(552,119)	(251,270)
Rent		(137,588)	(115,650)
Travelling		(136,704)	(146,357)
Professional fees		(274,289)	(155,739)
IT Support		(84,404)	(72,253)
Other expenses		(138,348)	(172,179)
		<u>3,534,239</u>	<u>3,510,655</u>
Current year surplus before income tax expense		336,075	177,861
Income tax expense		-	-
Net current year surplus	18	336,075	177,861
Other comprehensive income for the year		-	-
Net current year surplus attributable to the members of the entity		<u>336,075</u>	<u>177,861</u>

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

AusBiotech Ltd
ABN 87 006 509 726
Statement of Financial Position

As at 30 June 2018

	Note	2018 \$	2017 \$
Assets			
Current Assets			
Cash and cash equivalents	7	1,925,502	1,464,767
Trade and other receivables	8	78,334	146,413
Deposits and prepayments	10	121,086	136,915
Current tax assets		<u>9,763</u>	<u>9,297</u>
Total current assets		<u>2,134,685</u>	<u>1,757,392</u>
Non-Current Assets			
Property, plant and equipment	11	93,634	119,311
Total non-current assets		<u>93,634</u>	<u>119,311</u>
Total Assets		<u>2,228,319</u>	<u>1,876,703</u>
Liabilities			
Current Liabilities			
Trade and other payables	13	62,487	72,868
Provisions	14	183,441	242,481
Current tax liabilities	15	59,838	56,923
Other	16	<u>1,251,091</u>	<u>1,120,393</u>
Total current liabilities		<u>1,556,857</u>	<u>1,492,665</u>
Non-Current Liabilities			
Provisions	17	-	48,651
Total non-current liabilities		<u>-</u>	<u>48,651</u>
Total liabilities		<u>1,556,857</u>	<u>1,541,316</u>
Net Assets		<u>671,462</u>	<u>335,387</u>
Equity			
Retained surplus	18	671,462	335,387
Total equity		<u>671,462</u>	<u>335,387</u>

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

AusBiotech Ltd
ABN 87 006 509 726
Statement of Changes in Equity

For the Year Ended 30 June 2018

	Retained surplus \$	Total equity \$
Balance at 1 July 2016	157,526	157,526
Surplus attributable to the entity for the year ended 30 June 2017	177,861	177,861
Balance at 30 June 2017	<u>335,387</u>	<u>335,387</u>
Balance at 1 July 2017	335,387	335,387
Surplus attributable to the entity for the year ended 30 June 2018	336,075	336,075
Balance at 30 June 2018	<u>671,462</u>	<u>671,462</u>

Statement of Cash Flows

For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,866,795	3,491,679
Payments to suppliers (inclusive of GST)		<u>(3,411,329)</u>	<u>(3,398,422)</u>
Interest received		455,466	93,257
Net cash from operating activities	27	<u>22,807</u>	<u>21,819</u>
		<u>478,273</u>	<u>115,076</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(17,538)	(73,295)
Net cash used in investing activities		<u>(17,538)</u>	<u>(73,295)</u>
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		460,735	41,781
Cash and cash equivalents at the beginning of the financial year	7	<u>1,464,767</u>	<u>1,422,986</u>
Cash and cash equivalents at the end of the financial year	7	<u>1,925,502</u>	<u>1,464,767</u>

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

Note 1. General Information

The financial statements cover AusBiotech Ltd as an individual entity, incorporated and domiciled in Australia. AusBiotech is an unlisted company limited by guarantee.

The financial statements were authorised for issue on 29 August 2018 by the directors of the company.

Note 2. Significant accounting policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs,

modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Employee Provisions

Short-term employee provisions
Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense. The company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Impairment of assets

At the end of each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and

intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Foreign currency transactions and balances

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

Income tax

The company is exempt from income tax.

Goods and Services Tax ('GST') and other similar taxes

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

Comparative figures

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

Presentation and functional currency

The financial statements are prepared and presented in Australian dollars, which is AusBiotech Ltd's functional and presentation currency.

Rounding of amounts

The amounts contained in this Annual report have been rounded to the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2018. The company's assessment of the impact of these new or amended Accounting Standards

and Interpretations, most relevant to the company, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected

credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The company will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the company.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when

each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the company.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of

operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or

financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the

company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

For the purposes of measurement of employee benefits provisions, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of annual reporting period in which the employees render the related services. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned. However, this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Note 4. Employee Benefit Expense

Employee Benefit Expense

	2018 \$	2017 \$
The total amount of employee benefits expense prior to part re-classification is:	<u>1,442,770</u>	<u>1,759,616</u>
Included under Conferences	654,823	676,593
Included under Government Funded Project - NCRIS	-	17,170
Included under Government Funded projects - ACBE and MTP Connect	213,609	181,209
Remaining under employee benefits expense	<u>574,338</u>	<u>884,644</u>
Total employee benefit expense	<u>1,442,770</u>	<u>1,759,616</u>

Note 5. Revenue and other income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Membership fees revenue is apportioned over the applicable period.

Revenue from the rendering of a service is recognized upon the delivery of the service to the customers.

Grants and sponsorship revenue are recognized when the entity has control and all conditions satisfied.

Other revenue includes government grants, journal subscriptions, commission and other miscellaneous income.

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

For the Year Ended 30 June 2018

Note 6. Surplus/(Deficit)

Net Surplus/(Deficit) from ordinary activities before income tax expense has been determined after accounting for:

	2018 \$	2017 \$
Charging as expense		
- Depreciation of property, plant and equipment	43,217	31,509
- Audit & review of financial reports	20,971	20,000
Total expense charged	<u>64,188</u>	<u>51,509</u>
Crediting as income		
Interest from:		
- Other corporations	<u>22,807</u>	<u>21,819</u>

Note 7. Current assets - Cash and cash equivalents

	2018 \$	2017 \$
Cash at bank	1,871,502	1,410,767
Bank guarantees	54,000	54,000
	<u>1,925,502</u>	<u>1,464,767</u>

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. The company has no bank overdrafts.

Note 8. Current assets - Trade and other receivables

Note 8. Current assets - Trade and other receivables

	2018	2017
	\$	\$
Trade debtors	<u>78,334</u>	<u>146,413</u>

These represent the principal amounts due at the balance sheet date. These are non-interest bearing and collectable on 30-90 day terms.

The company does not have any material credit risk exposure to any single receivable or group of receivables.

Note 9. Current assets - Financial instruments

Initial recognition and measurement

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

Classification and subsequent measurement

Financial Assets

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Financial Assets at Fair Value through Profit and Loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Financial Instruments: Recognition and Measurement. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. The company has no such loans.

(iii) Held to Maturity Investments

These investments have fixed maturities. The company has no held to maturity investments.

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation. The company has no such financial liabilities.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised costs, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter into bankruptcy or other financial reorganization; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if management establishes that the varying amount cannot be recovered by any means, at that point the written-off amount are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When terms of financial assets that would otherwise have been past due to impairment have been renegotiated, the company recognizes the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

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

For the Year Ended 30 June 2018

Note 10. Current assets - Deposits and prepayments

	2018 \$	2017 \$
Prepayments	<u>121,086</u>	<u>136,915</u>

Note 11. Non-current assets - Property, plant and equipment

	2018 \$	2017 \$
Computer equipment	96,382	92,583
Less: Accumulated depreciation	<u>(84,427)</u>	<u>(75,262)</u>
	<u>11,955</u>	<u>17,321</u>
Computer systems & software	204,308	190,568
Less: Accumulated depreciation	<u>(141,390)</u>	<u>(126,500)</u>
	<u>62,918</u>	<u>64,068</u>
Office equipment	5,482	5,481
Less: Accumulated depreciation	<u>(5,276)</u>	<u>(4,954)</u>
	<u>206</u>	<u>527</u>
Furniture and fittings	116,112	116,112
Less: Accumulated depreciation	<u>(97,557)</u>	<u>(78,717)</u>
	<u>18,555</u>	<u>37,395</u>
	<hr/> <u>93,634</u>	<hr/> <u>119,311</u>

Accounting policy for property, plant and equipment

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

The company has no freehold land and buildings.

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The estimated effective lives used for each class of depreciable assets are:

Buildings	Not applicable - company has no buildings
Computer software	2-3 years
Computer hardware	3-4 years
Office furniture and equipment	5-10 years

The assets carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Note 12. Non-current assets - Intangibles

Software

Software is carried at cost. It has a finite life and is carried cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

Note 13. Current liabilities - Trade and other payables

Trade creditors
Other creditors

	2018	2017
	\$	\$
Trade creditors	33,553	36,275
Other creditors	28,934	36,593
	<hr/> <u>62,487</u>	<hr/> <u>72,868</u>

Accounting policy for trade and other payables

These represent the principal amounts outstanding at the balance sheet date. These are non-interest bearing and are at cost.

Note 14. Current liabilities - Provisions

Provision for annual leave
Provision for long service leave

	2018	2017
	\$	\$
Provision for annual leave	53,770	127,442
Provision for long service leave	129,671	115,039
	<hr/> <u>183,441</u>	<hr/> <u>242,481</u>

Provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision include the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have been vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances, classified as current liabilities, to be settled within next 12 months. However, these amounts must be classified as current liabilities since the company does not have unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

For the Year Ended 30 June 2018

Note 15. Current liabilities - Current tax liabilities

GST collected

	2018	2017
	\$	\$
GST collected	<u>59,838</u>	<u>56,923</u>

Note 16. Current liabilities - Other

Current:

Prepaid memberships / grants / sponsorships / conferences

	2018	2017
	\$	\$
Prepaid memberships / grants / sponsorships / conferences	<u>1,251,091</u>	<u>1,120,393</u>

Note 17. Non-current liabilities - Provisions

Long service leave

	2018	2017
	\$	\$
Long service leave	<u>-</u>	<u>48,651</u>

This provision constitutes as the non-current portion of the amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 18. Equity - Retained surplus

Retained surplus at the beginning of the financial year
Net surplus after income tax expense for the year

Retained surplus at the end of the financial year

	2018	2017
	\$	\$
Retained surplus at the beginning of the financial year	335,387	157,526
Net surplus after income tax expense for the year	336,075	177,861
Retained surplus at the end of the financial year	<u>671,462</u>	<u>335,387</u>

Note 19. Financial Risk Management

Financial Risk Management Policies

Management and directors are responsible for monitoring and managing of the company's compliance with its risk management strategy. The overall risk management strategy is to assist the company in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the directors on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk in relation to interest rate risk.

There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the board's objectives, policies and processes for managing the risks from the previous period.

The company's financial instruments consist mainly of deposits with banks and receivables and payables.

The carrying amounts for each category of financial instruments are measured in accordance with AASB 139.

The details are as follows:

	2018	2017
	\$	\$
Financial Assets		
Cash and cash equivalents	1,925,502	1,464,767
Trade and other receivables	78,334	146,413
Current tax assets	9,763	9,297
Total financial assets	<u>2,013,599</u>	<u>1,620,477</u>
Financial liabilities		
- Trade and other payables	<u>122,325</u>	<u>129,791</u>

Specific financial risk exposure and management

(a) Credit risk

The company does not have any material credit risk exposure.

(b) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations.

Liquidity risk is monitored to ensure sufficient monies are available to meet the company's contractual obligations as and when they fall due. This process involves the updating of cash flow forecasts, profit forecasts and regular reviews by management and those in governance.

AusBiotech Ltd
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Notes to the Financial Statements

For the Year Ended 30 June 2018

	Within one year 2018 \$	Within one year 2017 \$	Over one year 2018 \$	Over one year 2017 \$
Financial liabilities due for payment				
Account payables (excluding estimated annual leave and deferred income)	122,325	129,791	-	-
Financial assets - cash flows realisable				
Cash on hand	1,925,502	1,464,767	-	-
Account receivables and other debtors	78,334	146,413	-	-
Other financial assets	9,763	9,297	-	-
Total anticipated inflows	2,013,599	1,620,477	-	-

(c) Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

The company manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

Sensitivity analysis

The following table illustrates sensitivities to the company exposure to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

2018	Surplus & Equity +/- \$	Total \$
	<u>38,510</u>	<u>38,510</u>
2017	Surplus & Equity +/- \$	Total \$
	<u>29,295</u>	<u>29,295</u>

No sensitivity has been performed on foreign exchange risk as the company has no material exposure to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity from the prior year.

Fair value estimation

The fair value of financial assets and financial liabilities approximate their carrying value due to their short-term to maturity and are not held at fixed interest rates.

Note 20. Fair value of assets and liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between dependent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

Note 21. Members' guarantee

The company is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the company. The number of members is 622 (2017: 610)

Note 22. Auditor's remuneration

During the financial year the following fees were paid or payable for services provided by M V Anderson & Co, the auditor of the company:

	2018	2017
<i>Audit services - M V Anderson & Co</i>	\$	\$
<i>Audit or review of the financial statements</i>	20,971	20,000

Note 23. Key management personnel

Directors' remuneration

There is no income and benefits received or due and receivable by directors of the company other than the CEO, who must be a director under the constitution. The income and benefits received or due and receivable by the key management of the company (inclusive of the CEO), and including insurance premiums to indemnify liabilities are:

	2018 \$	2017 \$
Total compensation		
Short term benefits	658,800	626,354
Other long term benefits	85,611	32,772
Total	744,411	659,126

Note 24. Contingent liabilities

	2018 \$	2017 \$
Bank guarantee in favour of third party for rental of premises	54,000	54,000

Note 25. Operating lease commitments

Non-cancellable operating leases contracted but not recognised in the financial statements:

	2018 \$	2017 \$
Payable - Minimum lease payments:		
Within one year	135,096	83,467
One to five years	-	83,467
	135,096	166,934

The property lease commitments are non-cancellable operating lease contracted for but not recognised in the financial statements with a five year term. Increase in lease commitments may occur in line with conditions of the lease agreement.

Currently, the property lease commitment term is expected for completion on 30 June 2019.

Note 26. Events after the reporting period

The directors are not aware of any significant events since the end of the reporting period.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 27. Reconciliation of surplus after income tax to net cash from operating activities

	2018	2017
	\$	\$
Surplus after income tax expense for the year	336,075	177,861
Adjustments for non-cash components in the Statement of Profit or Loss:		
Depreciation and amortisation	43,217	31,509
Net loss on disposal of property, plant and equipment	-	150
Change in operating assets and liabilities:		
(Increase)/decrease in Trade and other receivables	83,442	74,996
Increase/(decrease) in trade and other payables	123,232	(204,938)
Increase/(decrease) in provisions	(107,693)	35,498
Net cash inflow from operating activities	<hr/> 478,273	<hr/> 115,076

Note 28. Capital management

Management controls the capacity of the entity to ensure that adequate cash flows are generated to fund its operations. The directors ensure that the overall risk management strategy is in line with this objective.

Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's financial risks and responding to changes in these risks and in the market. These responses include the consideration of debt levels.

AusBiotech Ltd
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Directors' Declaration

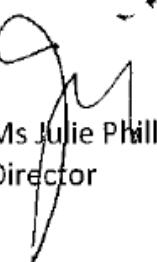
For the Year Ended 30 June 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Ms Julie Phillips
Director



Mr Serg Duchini
Director

29 August 2018



AUSBIOTECH LIMITED
(A.B.N. 87 006 509 726)

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

TO THE DIRECTORS OF AUSBIOTECH LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and,
- (ii) any applicable code of professional conduct in relation to the audit.

M V Anderson & Co

M V ANDERSON & CO
Chartered Accountants
Level 5, North Tower
485 La Trobe Street,
Melbourne Vic 3000

GRAEME S. DAY
Partner

Dated:

AUSBIOTECH LIMITED
(A.B.N. 87 006 509 726)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF AUSBIOTECH LIMITED

Opinion

We have audited the financial report of Ausbiotech Ltd (the company), which comprises the statement of financial position as at 30 June 2018, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Ausbiotech Ltd is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- b. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our

**Independent Audit Report
to the Members of AusBiotech Ltd**

responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Audit Report
to the Members of AusBiotech Ltd

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

M V Anderson & Co

M V ANDERSON & CO
Chartered Accountants
Level 5, North Tower
485 La Trobe Street,
Melbourne Vic 3000



GRAEAME S. DAY
Partner

Dated:

