



AusBiotech

AUSTRALIA'S BIOTECHNOLOGY ORGANISATION



ANNUAL REPORT 08





> CONTENTS

Board Members	>	1
From the Chair	>	2
From the CEO	>	3
2007/2008 AusBiotech Highlights	>	5
FINANCIALS		
Income Statement	>	13
Balance Sheet	>	14
Cash Flow Statement	>	15
Notes to the Financial Statements	>	16
Auditors Independence Declaration	>	21
Directors Report	>	22
Directors Declaration	>	24
Independent Audit Report	>	25
AusBiotech Staff and Office Bearers	>	27

> BOARD MEMBERS

Dr. Anna Lavelle
CEO, AusBiotech Ltd



Prof. Susan Pond
Chairman, AusBiotech Ltd;
Managing Director, Johnson & Johnson Research
Pty Ltd

Prof. Simon Carroll
Vice-Chairman, AusBiotech Ltd;
Industry Consultant, Simon Carroll Consulting



Dr. David Crump
Industry Consultant, David Crump Consulting

Mr. Michael Gilbert
General Manager, Australian Centre for Plant
Function Genomics



Dr. Mikael Hirsch
Resigned May 2008
Coordinator, CSIRO Biotechnology Group

Dr. David Irving
Manager (Acting) National Research and Business
Development, Australian Red Cross Blood Service



Ms. Sue MacLeman
CEO, Benitec Limited

Dr. Greg Roger
Managing Director,
Advanced Surgical Design & Manufacture Ltd





Dr Susan Pond
AusBiotech Chair

> FROM THE CHAIR

I am pleased to report that AusBiotech Limited has continued to deliver consistent and sustainable benefits to its members and to the bioeconomy during the last 12 months. The Annual Report describes in detail the company's financial performance for the year. The company has maintained a good position through strong revenue flow and careful management of costs.

The Board is focused on developing strategies to ensure the leadership, growth and prosperity of AusBiotech and the Australian biotechnology industry. The Board priorities during the year have been to: establish a strong, sustainable governance and business model; increase and improve member benefits; expand the influence of AusBiotech members internationally; provide strategic input into the development of government policy; contribute significantly to the several reviews commissioned since the change of Federal government; and increasing investment in the sector.

I would like to acknowledge the contributions of the Directors during the year. Our Board meetings every 6-8 weeks have been well attended and provided a forum for forthright debate, discussion and decision making. The non-executive Directors hold these positions on a voluntary basis and should be thanked by all members for their substantial commitment. Simon Carroll has served as Deputy Chair and Michael Gilbert as Chair of the Risk & Audit Subcommittee. All Directors have taken on ad hoc roles as required. Sue MacLeman represented AusBiotech on the Pharmaceuticals Industry Council committee and Greg Roger represented AusBiotech on the committee of the Technical Expert Reference Group on Medical Devices.

Sue MacLeman and David Irving will be leaving the Board after this AGM. Mikael Hirsch served as a Director for a good part of the year before his responsibilities at CSIRO took up even more of his time and led to his resignation. On behalf of the Board and AusBiotech members, I thank all three of them very much for their important contributions.

The nominations and elections have proceeded according to the Constitution and the results will be announced at the meeting. The new Directors will join Simon Carroll, Michael Gilbert, David Crump, Greg Roger and Anna Lavelle. The company is in very good hands.

On behalf of the Board, I thank Anna Lavelle, our CEO, and all of the staff of AusBiotech for their wonderful achievements during the year. We also thank our Branch chairs and committees whose tireless efforts underpin so much of the success of the organization.

It has been a pleasure to serve on the Board as a Director for five years and Chairman for two. During this time, AusBiotech has undergone significant change in its structure, administration and leadership role. AusBiotech has grown and matured into a vibrant organization with international reach and recognition. I thank you, the members of AusBiotech and the engine room for biotechnology innovation, for providing me the opportunity and support required to lead and take the organization forward so far and so fast. As I step down from the Board after this AGM, I look forward to continuing to contribute to Australian biotechnology and to great success for all of you.

Dr Susan Pond
Chairman



Dr Anna Lavelle
AusBiotech CEO

> FROM THE CEO

AusBiotech Ltd has grown steadily since the last reporting period and continues to consolidate gains made in recent years.

The organisation has built upon previous strategic initiatives by partnering with government to employ new measures dedicated to key areas. In addition to growing the organisation and hence providing new services to members, the financial position of the organisation has also strengthened

In this report you will see a number of achievements directed at advocating for industry, providing tailored training and networking opportunities and responding to the identified needs of groups within the membership. The volume of activity and the consistent quality could not be achieved without the volunteer time of many in the industry who participate on committees and provide valuable advice. Involvement and relationships with key stakeholders has aided greatly our efforts to influence policy makers and deliver needed services.

I and the Board remain passionate about supporting this vital industry which represents future wealth creation and addresses the key 'big picture' challenges facing humanity around the world. Notwithstanding current global financial pressures and policy challenges – innovation and translation of discovery into solutions will always be essential. Therefore, AusBiotech is positioned to build upon the results described in this report and is optimistic about the future possibilities for the sector.

Submissions

The AusBiotech Submission to the Federal Government's National Innovation Review

On 30th April 2008, AusBiotech Ltd prepared a detailed submission, following consultation with members and other stakeholders.

On 24th June 2008, AusBiotech worked with The Australian Private Equity & Venture Capital Association Limited (AVCAL), and Research Australia to prepare a joint supplementary submission to the Innovation Review, in addition to AusBiotech's supplementary submission focusing on the impact of axing the Commercial Ready Program and the need for government to be actively involved with industry support initiatives.

Staff

The staff at AusBiotech continue to be passionate and committed to the advancement of the biotechnology industry in Australia. Over the past year, AusBiotech has increased its staff base and has diversified its collective skill set even further with the appointment of staff who bring with them a wealth of knowledge from different sectors within the industry.

New appointments during the year included:

Joanne Beamsley – Executive Assistant
Chris Booth – Program Manager, Biotechnology Strategic Development Plan
Scott Carpenter – Program Manager, Agricultural, Environmental & Industrial Biotechnology
Tanya Daw – Membership & Marketing Officer
Renae Guy – Media & Communications Manager
Christopher Ozga – Manager, AusMedtech, Victoria

Metani Rooms – Program Manager, BioNet Asia Pacific

Wendy Stevens – Events Co-ordinator

Shirley Yuan – Finance Assistant

Financial Overview

The financial results and detailed notes of the audited accounts for 2007/2008 are attached and were prepared by Proctor Major and Co Pty Ltd.

The financial report is in accordance with the Corporations Act 2007. The accounts comply with the International Reporting Standards (IFRS).

Financial Statement of the Year Ended 30 June 2008

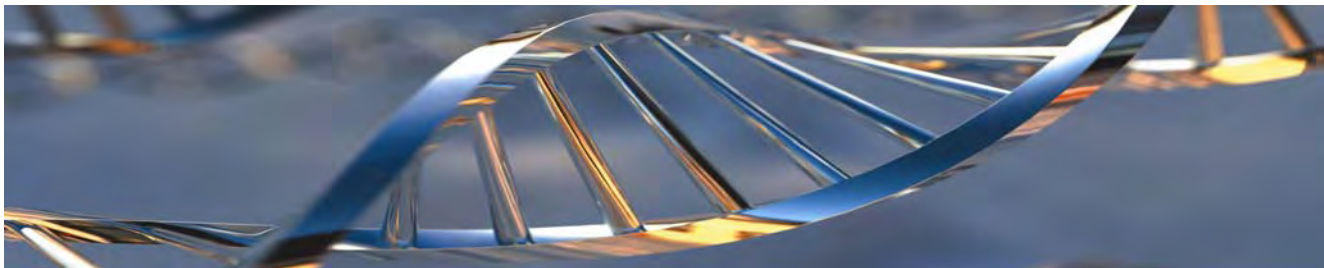
AusBiotech Ltd shows a surplus for this financial year of \$39,993.05.

The funds have been well managed, with revenue and expenses being consistent with the previous year. Corporate Sponsorship and the government funded project – NCRIS – contributed to the revenue target, offsetting reduced revenue from events. In 2006/07 AusBiotech managed the Agricultural Biotechnology International Conference (ABIC 2006) as well as its national conference, which resulted in increased revenue from events.

Balance Sheet as at the 30 June 2008

The balance sheet reflects an increase in net assets from \$191,680 in 2006/07 to \$231,673 in 2007/08. Cash at Bank improved from \$1,038,000 in 2006/07 to \$3,071,561 in 2007/08.

Dr Anna Lavelle
Chief Executive Officer



> 2007 / 2008 AUSBIOTECH HIGHLIGHTS



Chairman's Awards, October 2007

The annual AusBiotech Chairman's Awards are awarded to individuals who, through their leadership, have made and continue to make exceptional contributions to the progress of the Australian Biotechnology industry.

The 2007 awards were as follows:-

Chairman's Public Sector Award

Presented to Dr Marilyn Sleigh, Managing Director, EvoGenix Ltd

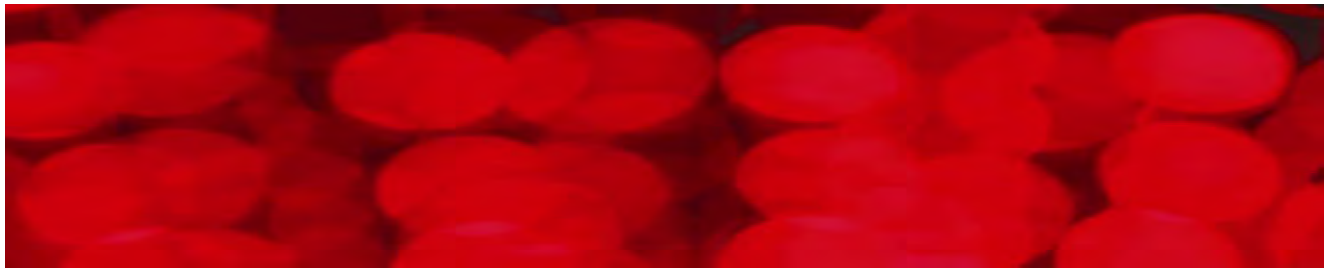
Outstanding Contribution to the Australian Biotechnology Industry

Presented to the Hon Peter Beattie, Ex-Premier, Queensland



Representation to Government on key issues for the biotech industry

- April 2008 - Comprehensive submission (48 recommendations) to the Federal Government's National Innovation System Review following widespread consultation with members and industry stakeholders
- May 2008 – Undertook strong media campaign in response to Federal Budget decision to discontinue the Commercial Ready and Commercial Ready Plus programs; advocating strongly on behalf of members for an urgent review and re-introduction of replacement programs
- June 2008 – Supplementary submission to the National Innovation System Review focusing on recommendations regarding the decision to discontinue the Commercial Ready program
- June 2008 – Initiated joint letter with AVCAL (Australian Private Equity & Venture Capital Association) and Research Australia to Dr Terry Cutler, Chair of the Innovation Review Panel; the Prime Minister and other senior Ministers, to protest against the axing of the Commercial Ready programs
- On June 30th, 2008 AusBiotech responded to a Victorian Government Green Paper entitled "Land and biodiversity at a time of climate change" and addressed questions of interest to members, including benefit sharing and the management of permits
- July 2008 - National Health Amendment (Pharmaceutical and Other Benefits – Cost Recovery) Bill 2008
- GM Crops – series of press releases urging the West Australian government to remove the moratorium on the planting of GM crops



2007 / 2008 AUSBIOTECH HIGHLIGHTS

Pharmaceuticals Industry Council *Local priority – Global partner*

AusBiotech Involvement with Peak Bodies for Pharmaceutical Sector

AusBiotech, along with partners Medicines Australia and GMiA have formed the Pharmaceuticals Industry Council (PIC) and it has subsequently formed significant working groups, including the Pharmaceuticals Industry Development Taskforce (PIDT), Chaired by Sue MacLeman (Director of AusBiotech) and the Pharmaceuticals Education Council (PEC), Chaired by Prof Graham MacDonald. The PEC has completed a report entitled "Identifying and Addressing Skills Gaps in the Pharmaceutical and Biopharmaceuticals Industries".



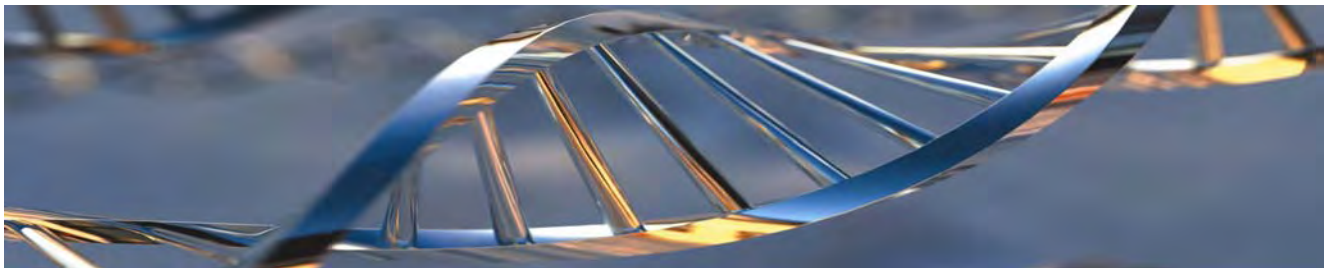
AusBiotech Journal – Australasian Biotechnology

The AusBiotech Journal was released quarterly over the 07/08 financial year, publishing issues in September 07, December 07, March 08 and June 08. One of our main features this year was the launch of AusMedtech, the national medical technology industry group. Other topics highlighted have included Biologics, Biofuels, Environmental and Industrial biotechnology and clinical Trials.



Australian Directory of Biotechnology

- The Australian Directory of Biotechnology was completely rebuilt and updated - 1100 companies listed
- The new Directory allows an interactive online management facility for users, previously not available



> 2007 / 2008 AUSBIOTECH HIGHLIGHTS



Australian Pavilion

International engagement – BIO, San Diego, June 2008

- Ensured a strong presence of our local biotechnology industry at the world's largest biotechnology conference by representing 40 Australian biotechnology companies
- Successful management of the Australian Pavilion at Bio 2008, on behalf of the Committee for Marketing Australian Biotechnology (CMAB)
- 400 Australians attended

BioMedical Asia, Singapore, 15-18 April 2008

CEO was invited to present and outline opportunities for biotechnology in the region and in particular, Australia.



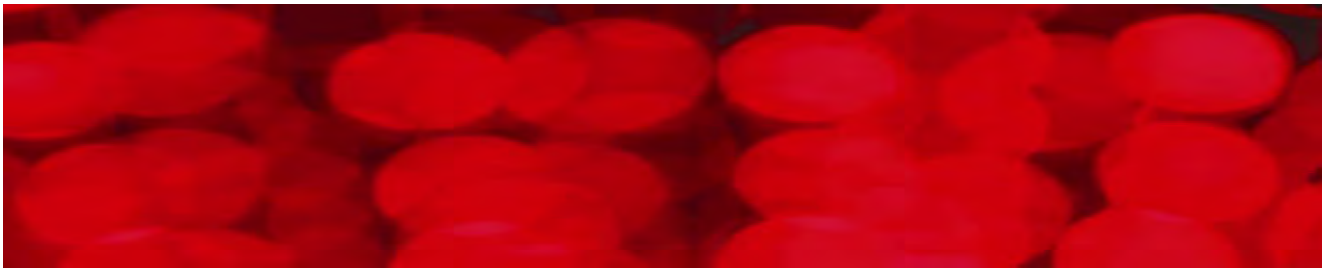
Business Mission to Pacific Rim Summit on Industrial Biotechnology and BioEnergy, November 2007

- With funding support from the Australian Government, Department of Industry Tourism and Resources, AusBiotech led an Australian delegation to the Second Annual Pacific Rim Summit (Honolulu, 14th - 16th November 2007) on Industrial Biotechnology and BioEnergy
- 25 Australians attended and 10 presented on various issues relevant to sustainable energy
- AusBiotech provided an Australian booth and provided networking opportunities for delegates in the form of an international welcome reception



Business Mission to India: BioBangalore, 20 – 26 April 2008

- With funding support from the Australian Government, Department of Industry Tourism and Resources, AusBiotech led, for the second year, an Australian delegation which incorporated BioBangalore
- A delegation of 20 Australians attended
- The delegation visited Hyderabad and then Bangalore
- At both destinations AusBiotech provided site visits to major biotechnology parks, along with business seminars, high level meetings and networking receptions
- AusBiotech, together with the State of Victoria, managed a large Australian exhibit that enabled good promotional opportunities



2007 / 2008 AUSBIOTECH HIGHLIGHTS



AusBiotech 2007, Brisbane

- October 2007 - AusBiotech National Conference held in Brisbane, was the largest conference to date and exceeded expectations
- Almost 1400 delegates – including more than 500 national and international executives – attended
- Over 500 International delegates
- 17 of 20 of the world's top global pharmaceutical companies were represented
- 1500 business matching meetings occurred
- The conference included addresses from the Premier of Queensland; the Australian Government Minister for Industry, Tourism and Resources; the Shadow Minister for Industry, Innovation, Science and Research; and was conference attended by Victorian, New South Wales and Queensland innovation/science Ministers
- AusBiotech would like to extend its thanks to the Host State, the Queensland government



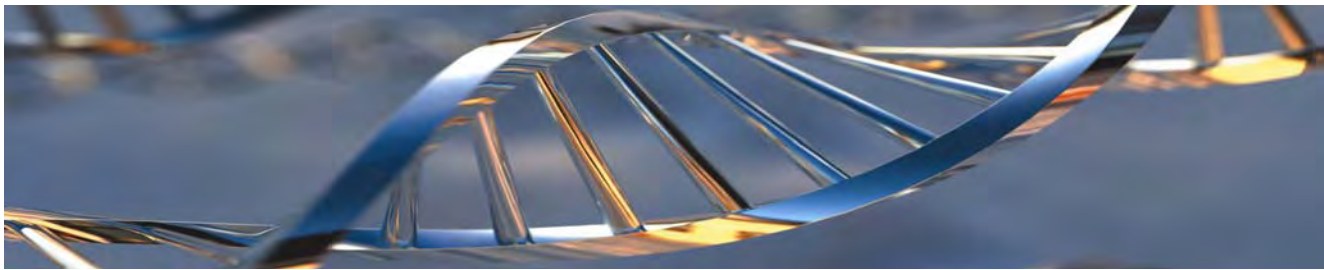
Inaugural National AusMedtech Conference: an Event for the Medical Devices and Diagnostics Industry

- May 2008 – Inaugural National AusMedtech conference held in Sydney, with over 230 registrations
- Major partner New South Wales Government, Department of State and Regional Development
- Favorable industry response to inaugural AusMedtech08 Conference focusing on Export and Commercialisation of Australian Medical Technology held in Sydney during May 2008, attended by 230 delegates



Events and Strong State Branches

- AusBiotech owned and managed over 80 events in the financial year 2007-08
- AusBiotech owned, managed and co-branded 130 events
- Plus more than 160 other events supported by AusBiotech
- February 2008 was the second annual Business Development Forum and Workshop in conjunction with BioInnovation SA, over 100 delegates attended
- Successful State flagship events included Victoria's BioForum (supported by the Victorian government) and Queensland's ClubBio
- Two breakfasts were held in Queensland in second half of 2007 and two held first half of 2008, averaging 120 registrations each event
- Queensland held four Executive Briefings in 2007, averaging 60 registrations per event



> 2007 / 2008 AUSBIOTECH HIGHLIGHTS



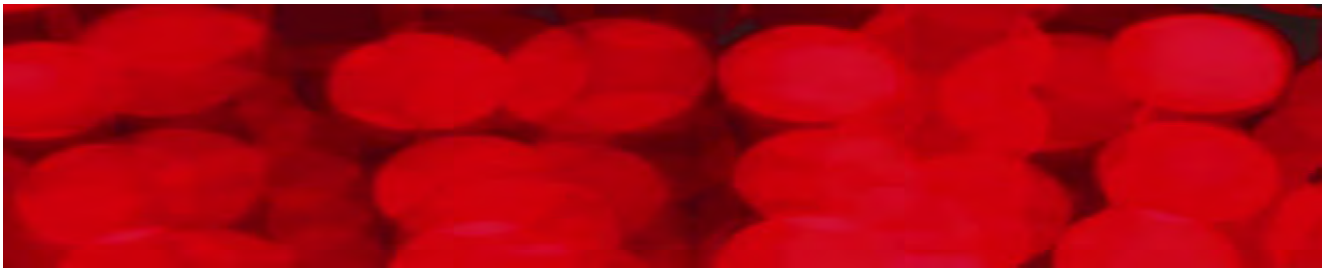
Encouraging Biotechnology Students - ABSA

- The 2007 AusBiotech-GSK Student Excellence Awards launched at the inaugural "research to revenue" events in New South Wales, South Australia, Tasmania, West Australia, Queensland and Victoria
 - Over 40 applications were received Australia-wide and the six state winners were:
Joseph Jeffries
Therese Seldon
Abbey S Bestall
Mandeep Kaur
Gorjana Kisa
Mahesh Dharmakumara
- Biofutures July 2007 – A Queensland run event, in collaboration with the University of Queensland, attracted over 70 attendees from Queensland, New South Wales and New Zealand
- BioCareers - 350 attendees at the Queensland event with Guest Speaker Prof Ian Frazer
- BioCareers held in South Australia with over 250 students attending
- Inaugural AusBiotech Student Volunteers Program at the AusBiotech national conference, offering students the opportunity to participate in the organisational aspects of the Conference
- Launched Biotech at the Bar in South Australia and Victoria
- ABSA Victoria branch student committee reformed



AusMedtech

- Re-branding the Medical Device Network as AusMedtech
- Joint funding by Victorian Government and AusBiotech for a Victorian Medical Device Industry Development Officer
- Medical Devices and Diagnostics Strategy Plan developed
- Establishing the National AusMedtech Committee with Dr. Colin Sutton appointed as Chairperson
- Establishing a Queensland AusMedtech committee
- New South Wales, Victoria and Queensland have now all established local branches for AusMedtech – focusing on Medical Devices & Diagnostics
- Deeper involvement with TGA, following the Transition to the new regulatory environment, presenting the Australian industry perspective of the regulatory environment for Medical Devices in Australia



2007 / 2008 AUSBIOTECH HIGHLIGHTS



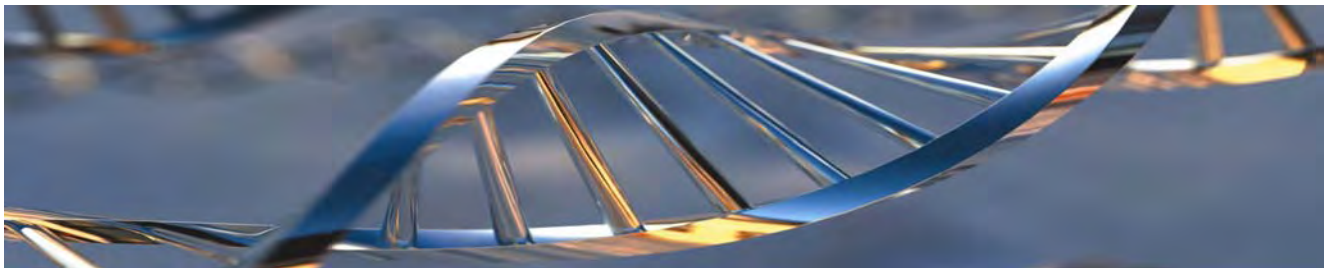
The Victorian Biotechnology Strategic Development Plan (BSDP) – “Action in Partnership: Building our Biotechnology Future”

- The BSDP is a collaborative program, funded by the Victorian government, Department of Innovation, Industry and Regional Development, and involving significant engagement with industry representatives, AusBiotech and BioMelbourne Network
- The BSDP has four main action areas. These actions are implemented through four working groups, each consisting of members from across industry, government and academia; and chaired by an industry figure
 1. ‘Competitive Business Environment’ (CBE) working group for investment, industry development and regulation
 2. ‘Building a Bioeconomy’ working group for tackling problems facing society and the environment, through integration of biotechnologies into the broader economy
 3. ‘Skills and Public Support’ working group for making Victoria a preferred place to live, work and learn
 4. ‘Infrastructure’ working group for building critical mass in key biotechnology areas and ensuring access to state-of-the-art platform technologies
- Working groups established in early 2008
- Program Manager for the CBE and Bioeconomy working groups recruited to AusBiotech in mid-May 2008
- AusBiotech responsible for supporting the ‘Competitive Business Environment’ and the ‘Building a Bioeconomy’ working groups



Input at various Government forums related to Agriculture and Energy

- January 2008 - Letter written to NEW SOUTH WALES government in support of Pioneer’s activities
- April 2008 - Presented the industry’s case at State Government reviews of gene technology in Tasmania
- June 2008 - Responded to Victorian Government’s Green Paper “Land and biodiversity at a time of climate change”, addressing relevant questions such as benefit sharing and the management of permits
- AusBiotech Advocated for the lifting of the GM Moratorium in the States that had enacted legislation
- Wrote to all State Ministers for Health and Agriculture to support Bayer CropScience application for Liberty Link rice which was held up at the Ministerial Council level of Food Standards Australia New Zealand following a positive review from the Agency
- AusBiotech developed Policy positions on GM food labeling; tolerances for adventitious presence; biofuels; and nanotechnology
- Participation in the development of a ‘Bio-energy Road Map’ of Australia



> 2007 / 2008 AUSBIOTECH HIGHLIGHTS



National Collaborative Research Infrastructure Strategy (NCRIS)

The National Collaborative Research Infrastructure Strategy (NCRIS) provides researchers with major research facilities, supporting infrastructure and networks necessary for world class research. AusBiotech is the lead agency for two NCRIS projects under Capability 5.5 Biotechnology Products.

These projects involve the development of research and manufacturing facilities to assist in the production of pre-commercial quantities of recombinant proteins and biofuels. Through subsidized access to these leading facilities eligible Australian researchers will be more able to develop pre-commercial quantities of these types of biotechnology products.

AusBiotech will oversee the development of facilities at 11 sites around Australia and it will be responsible for the allocation of 23.5 million dollars of federal funding. The overall project value when State government and institutional contributions are considered totals 62 million dollars. AusBiotech will monitor and report on the development of the project to the Federal government and it will seek to use its existing position in the industry to encourage the utilization of the facilities.

Progress over the last year is detailed below:

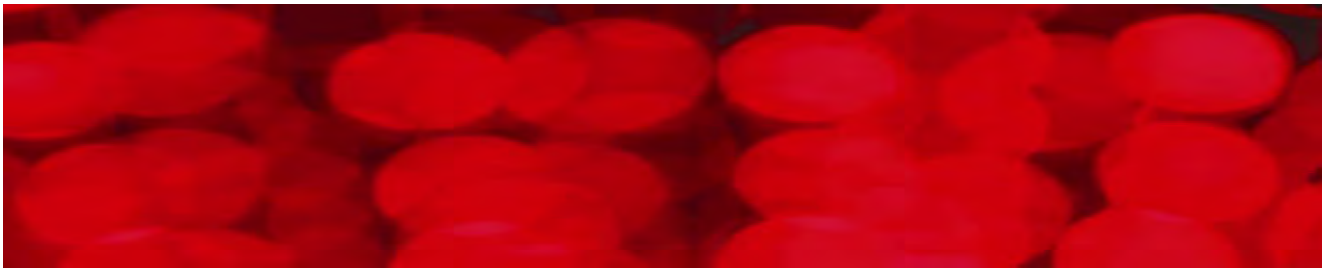
- Negotiated the NCRIS Funding Agreement with the Commonwealth, Department of Education, Science and Technology
- Negotiated and executed 10 subcontracts between AusBiotech and NCRIS Consortium Participants
- Facilitated the formation of Bioscience Australia
- Established two Access and Strategy Committees for each of the two NCRIS sub-projects (Biofuels and Recombinant Protein Manufacture)
- Consulted with over 500 people in relation to the NCRIS project
- Facilitated numerous publications on the AusBiotech NCRIS project including publications in The Business Review Weekly

In the past year, over 30 clients have utilized the facilities on offer through these two projects. This number is expected to increase significantly as more of our facilities complete their development programs.



Biodiscovery

- Assisted with delegations from China and Chile
- The first Chinese business mission delegation was a business mission to examine agricultural research activities in Victoria
- The second Chinese delegation was examining food safety and regulation in Australia
- The Chilean delegation was focused on capability building in agbiotech and the associated regulation



2007 / 2008 AUSBIOTECH HIGHLIGHTS



BioNet
Asia Pacific

BioNet Asia Pacific (BNAP)

- BNAP Program Manager appointed in March 2008 – position 50% funded by Victorian government and 50% funded by AusBiotech
- Committed to expanding Australia's influence and interests in the Asia-Pacific region with the organisation's leadership of a new network of 10 countries in the Asia Pacific region
- Negotiated support from the BNAP members and the Victorian government for AusBiotech to host the first regional conference for members of BNAP in 2009
- BioNet Asia Pacific e-newsletter (first edition of quarterly publication) distributed - May 2008
- Increased population of AusBiotech managed, BNAP database by inclusion of more companies in the Asia-Pacific region

**Income Statement
For the Year ended 30 June 2008**

	Note	2008 \$	2007 \$
Revenues from Ordinary Activities	2	4,938,274.54	4,929,059.30
Expenses from Ordinary Activities, excluding Finance Costs	3	4,898,281.49	4,880,888.03
Profit before Income Tax	4	<u>39,993.05</u>	<u>48,171.27</u>
Income Tax Expense		-	-
Profit After Income Tax		<u><u>39,993.05</u></u>	<u><u>48,171.27</u></u>

Balance Sheet
As at 30 June 2008

	Note	2008 \$	2007 \$
Current Assets			
Cash and Cash Equivalents	5	3,071,561.02	1,038,381.01
Trade and Other Receivables	7	505,773.75	254,746.88
Total Current Assets		3,577,334.77	1,293,127.89
Non-Current Assets			
Property, Plant and Equipment	9	65,753.96	51,291.49
Total Non-Current Assets		65,753.96	51,291.49
Total Assets		3,643,088.73	1,344,419.38
Current Liabilities			
Trade and Other Payables	10	261,132.38	326,979.29
Current Tax Liabilities	8	15,564.95	21,129.15
Provisions	11	56,786.34	42,497.89
Other	12	3,077,931.74	762,132.78
Total Current Liabilities		3,411,415.41	1,152,739.11
Total Liabilities		3,411,415.41	1,152,739.11
Net Assets		231,673.32	191,680.27
Equity			
Retained Earnings	13	231,673.32	191,680.27
Total Equity		231,673.32	191,680.27

**Cash Flow Statement
For the Year ended 30 June 2008**

	Note	2008 \$	2007 \$
Cash Flows from Operating Activities			
Receipts from Customers		4,622,454.28	5,210,490.59
Payments to Suppliers and Employees		(2,621,991.40)	(4,646,296.78)
Interest Received		68,485.82	45,659.83
Net Cash Inflow (Outflow) from Operating Activities	6	<u>2,068,948.70</u>	<u>609,853.64</u>
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		(41,391.69)	(32,899.63)
Sale of Property, Plant and Equipment		5,623.00	-
Net Cash Inflow (Outflow) from Investing Activities		<u>(35,768.69)</u>	<u>(32,899.63)</u>
Cash Flows from Financing Activities			
Net Cash Inflow (Outflow) from Financing Activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		<u>2,033,180.01</u>	<u>576,954.01</u>
Cash and cash equivalents as at 1 July 2007		1,038,381.01	461,427.00
Cash and cash equivalents as at 30 June 2008		<u><u>3,071,561.02</u></u>	<u><u>1,038,381.01</u></u>

**Notes to the Financial Statements
For the Year ended 30th June 2008**

	2008	2007
	\$	\$
2. Revenue from Ordinary Activities		
Operating Revenue		
Membership Fees	572,221.89	595,169.99
Conferences	2,844,864.69	3,552,903.47
Branch Income	194,887.06	183,872.28
Corporate Sponsorship	110,000.00	-
Journal Sales and Meetings	67,306.53	48,338.30
Government Funded Projects - NCRIS	626,000.00	-
Government Funded Projects - Other	458,384.62	503,115.43
	4,873,664.79	4,883,399.47
Non-operating Revenue		
Interest Received	68,485.82	45,659.83
Profit/(loss) on Sale of Non-current Assets	(3,876.07)	-
	64,609.75	45,659.83
	4,938,274.54	4,929,059.30
3. Expenses from Ordinary Activities		
Employee Benefits Expense	711,793.53	693,856.91
Depreciation and Amortisation Expenses	29,485.52	26,233.14
Conferences	2,291,341.60	3,123,547.25
Government Funded Projects Expend. - NCRIS	625,004.60	-
Government Funded Projects Expend. - Other	334,018.92	-
Rent	113,327.34	118,072.40
Travelling Expenses	194,502.36	200,840.32
Other Expenses	598,807.62	718,338.01
	4,898,281.49	4,880,888.03
4. Profit		
Profit from ordinary activities before income tax expense has been determined after accounting for;		
Charging as Expense		
Movements in Provision		
Depreciation		
- Depreciation of Property, Plant and Equipment	29,485.52	26,233.14
Net Expenses Resulting from Movement in Provisions	29,485.52	26,233.14

**Notes to the Financial Statements
For the Year ended 30th June 2008**

	2008	2007
	\$	\$
Bad & Doubtful Debts:-		
- Bad debts written off	3,807.70	2,779.56
	<u>3,807.70</u>	<u>2,779.56</u>
Remuneration of the Auditor:-		
- Audit & review of financial reports	17,888.64	18,648.15
	<u>17,888.64</u>	<u>18,648.15</u>
Crediting as Income:		
Interest from :		
- Other Corporations	68,485.82	45,659.83
Total Interest Revenue	<u>68,485.82</u>	<u>45,659.83</u>

5. CASH AND CASH EQUIVALENTS

Cash at Bank (note 5(b))	1,526,350.37	1,002,321.35
Bank guarantee	36,059.66	36,059.66
Cash at Bank - NCRIS (note 5(a))	1,509,150.99	-
	<u>3,071,561.02</u>	<u>1,038,381.01</u>

(a)

Cash at Bank NCRIS (National Collaborative Research Infrastructure Strategy) is a specific Govt funding account for the NCRIS project.

Funds received (Including bank interest)	\$9,418,250.99
Funds Expended - Participants & management fees	<u>\$7,909,100.00</u>
	<u>\$1,509,150.99</u>

(b)

Cash at Bank includes funds held of \$250,858/- (2007 \$212,139/-), in a separate account, exclusively towards BIO 2009 (USA) convention activities. None of these funds are brought to Income Account.

Cash Reconciliation

Cash and Cash Equivalents	3,071,561.02	1,038,381.01
	<u>3,071,561.02</u>	<u>1,038,381.01</u>

**Notes to the Financial Statements
For the Year ended 30th June 2008**

	2008	2007
	\$	\$
6. Cash Flow Information		
a. Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit/(loss) after Income Tax	39,993.05	48,171.27
Adjustments for Non-Cash Components in Profit:		
Depreciation	29,485.52	26,233.14
Net Loss on Disposal of Property, Plant and Equipment	3,876.07	-
Changes in Assets and Liabilities		
(increase)/decrease in Trade and Other Receivables	(256,591.07)	272,688.27
Increase/(decrease) in Trade and Other Payables	2,237,896.68	252,862.07
Increase/(decrease) in Provisions	14,288.45	9,898.89
Net Cash Increase (Decrease) in Cash Held	2,068,948.70	609,853.64
7. Trade and Other Receivables		
Current		
Trade Debtors	505,773.75	254,746.88
Total Trade and Other Receivables	505,773.75	254,746.88
8. TAX ASSETS AND LIABILITIES		
Current Liabilities		
Provision for GST	15,564.95	21,129.15
	15,564.95	21,129.15
9. Property, Plant & Equipment		
Plant & Equipment		
Computer Equipment	96,786.51	97,515.80
Less Accumulated Depreciation	80,818.78	80,535.10
	15,967.73	16,980.70
Computer Software	11,644.60	22,972.85
Less Accumulated Depreciation	7,349.23	20,326.25
	4,295.37	2,646.60
Office Equipment	35,453.15	27,931.75
Less Accumulated Depreciation	14,631.43	12,747.43
	20,821.72	15,184.32
Furniture & Fittings	29,129.27	18,541.45
Less Accumulated Depreciation	4,460.13	2,061.58
	24,669.14	16,479.87

**Notes to the Financial Statements
For the Year ended 30th June 2008**

	2008	2007
	\$	\$
Website Development	17,127.00	17,127.00
Less Accumulated Depreciation	17,127.00	17,127.00
Total Plant & Equipment	65,753.96	51,291.49
 10. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	142,082.11	293,452.49
Other Creditors	100,431.40	27,598.67
Superannuation Payable	18,618.87	5,928.13
	261,132.38	326,979.29
 11. Provisions		
Current		
Provision for Annual Leave	56,786.34	42,497.89
Total Provisions	56,786.34	42,497.89
 12. Other		
Current		
Deposits Received	-	2,012.73
Prepaid Memberships / Grants / Sponsorships / Conferences	1,568,780.75	760,120.05
NCRIS Prepaid Gov Funds	1,365,000.00	-
NCRIS Bank Interest - No Entitlement	144,150.99	-
	3,077,931.74	762,132.78
 13. Retained Earnings		
Retained Earnings at the Beginning of the Financial Year	191,680.27	143,509.00
Add		
Net profit after tax	39,993.05	48,171.27
Retained Earnings at the End of the Financial Year	231,673.32	191,680.27

(a) 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 \$4 each towards meeting any outstanding obligations of the company.

**Notes to the Financial Statements
For the Year ended 30th June 2008**

	2008	2007
	\$	\$
14. Auditors Remuneration		
Proctor Major & Co Pty Ltd were the auditors of AusBiotech Ltd		
- Audit & review of financial reports	17,888.64	18,648.15
	17,888.64	18,648.15
15. Contingent Liabilities		
Bank guarantee in favour of third party, re rental premises	36,059.66	36,059.66
	36,059.66	36,059.66
16. Company Details		

The registered office of the company is:
 AusBiotech Ltd
 Level 1, 322 Glenferrie Road, Malvern Vic 3144
 The principal place of business is:
 AusBiotech Ltd
 Level 1, 322 Glenferrie Road, Malvern Vic 3144

The principal activities of the business include:
 Developing biotechnology in Australia and Globally

**Auditors Independence Declaration
Under Section 307C of the Corporations Act 2001**

To the Directors of AusBiotech Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of AusBiotech Ltd for the year ended 30 June 2008 there have been;

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Kevin Frederick Proctor - Registered Company Auditor
Proctor Major & Co Pty Ltd
164 Waverley Road, Malvern East VIC 3145

Dated this 29th day of September 2008

**Directors Report
for the Year Ended 30 June 2008**

Your directors present their report on the company for the financial year ended 30 June 2008.

The names of the directors in office at any time during, or since the end of, the year are:

Mr Michael Gilbert	
Dr Simon Carroll	
Dr David Irving	
Dr Michael Hirsch	Resigned May 2008
Dr Susan Pond	
Dr Anna Lavelle	
Dr David Crump	
Ms Sue Macleman	
Dr Greg Roger	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The number of Directors' meetings and sub committee meetings attended by each of the Directors of the Company during the financial year are:

	Board of Directors	Risk & Audit Sub Committee	Planning Sessions
No. of Meetings Held	10	6	2
Mr Michael Gilbert	10	6	2
Dr Simon Carroll	10	-	2
Dr David Irving	9	-	2
Dr Michael Hirsch	8	2	1
Dr Susan Pond	10	1	2
Dr Anna Lavelle	10	-	2
Dr David Crump	9	6	2
Ms Sue Macleman	8	4	2
Dr Greg Roger	7	-	2

The profit of the company for the financial year after providing for income tax amounted to \$39,993.
The company is exempt from paying income tax.

No significant changes in the company's state of affairs occurred during the financial year.

The principal activity of the company during the financial year was the provision of services and activities in developing biotechnology in Australia and globally. No significant change in the nature of these activities occurred during the year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely developments in the operations of the company and the expected result of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The company is limited by guarantee and acts in accordance with the constitution.

The Company indemnifies every officer and former officers of the Company in respect of all acts done by a person while an officer of the Company against all liabilities to another person that may arise; unless the liability arises out of conduct involving a lack of good faith. The Company may make a payment in respect of such liabilities including costs, damages and expenses. As at the date of this report the Company maintains an appropriate Insurance Liability Package for Non-profit organizations to cover any such liabilities arising.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration, as required under section 307C of the *Corporation Act 2001* is set out on page 19.

This report is made in accordance with the resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Mr Michael Gilbert
Director



Dr Susan Pond
Chairman



Dated this 29th day of September 2008

Directors Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out in the financial report present fairly the company's financial position as at 30 June 2008 and its performance for the year ended on that date in accordance with the Accounting Standards and other mandatory professional reporting requirements; and
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Mr Michael Gilbert
Director



Dr Susan Pond
Director

Dated this 29th day of September 2008

Independent Audit Report

AusBiotech Ltd

Report on the Financial Report

We have audited the accompanying financial report of AusBiotech Ltd (the company), which comprises the balance sheet as at 30 June 2008 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Act 2001 and the company's constitution. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: "Presentation of Financial Statements"; the financial report of AusBiotech Ltd complies with all International Financial Reporting Standards (IFRS) in their entirety.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Independent Audit Report

AusBiotech Ltd

Audit Opinion

In our opinion:

- a. the financial report of AusBiotech Ltd
is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at
30 June 2008 and of its performance for the year ended on that date;
and
 - ii. complying with Australian Accounting Standards (including the Australian
Accounting Interpretations) and the Corporations Regulations 2001.

- b. The financial report also complies with International Financial Reporting
Standards
as
disclosed in Note 1.



Kevin Frederick Proctor
Registered Company Auditor
Proctor Major & Co Pty Ltd
164 Waverley Rd, East Malvern, VIC, 3145

Dated this 29th day of September 2008

> AUSBIOTECH STAFF AND OFFICE BEARERS

Chair	Dr Susan Pond (Johnson & Johnson Research) Tel: (02) 8396 5800 Email: spond@medau.jnj.com
Deputy Chair	Dr Simon Carroll (Biotech Consultant) Tel: 0419 304 906 Email: simon.carroll@westnet.com.au
Directors	Dr David Irving (Diabetes Vaccine Dev. Centre) Tel: (03) 8344 0753 Email: dirving@dvdc.org.au
	Mr Michael Gilbert (Aust Ctr Plant Functional Genomics) Tel: (08) 8303 6740 Email: michael.gilbert@acpfg.com.au
	Ms Sue MacLeman (Benitec Limited) Tel: 03 9811 9974 Email: smacleman@benitec.com
	Dr David Crump (CNSBio Pty Ltd) Tel: +61 (0)419 322 912 Email: david.crump@CNSBio.com
	Dr Greg Roger (Advanced Surgical Design & Manufacture Ltd) Tel: (02) 9439 4448 Email: greg@asdm.com.au
Chief Executive Officer	Dr Anna Lavelle Tel: (03) 9828 1400 Email: alavelle@ausbiotech.org
Chief Operating Officer	Mr Glenn Cross Tel: (03) 9828 1402 Email: gcross@ausbiotech.org
Media & Communications Manager	Ms Renae Guy Tel: (03) 9828 1414 Email: rguy@ausbiotech.org
National Events Manager	Mr George Parkyn Tel: (03) 9828 1435 Email: gparkyn@ausbiotech.org
BIO Project Manager	Ms Shevaun Duncan Tel: (03) 9828 1407 Email: sduncan@ausbiotech.org
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AusMedtech Victoria Manager	Mr Christopher Ozga Tel: (03) 9828 1428 Email: cozga@ausbiotech.org
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Stakeholder & Alliance Officer	Ms Bianca Autunno Tel: (03) 9828 1432 Email: bautunno@ausbiotech.org
BRANCH CHAIRS	
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West Australia Branch	TBA
Tasmania Branch	Dr Anthony Koutoulis (University of Tasmania) Tel: (03) 6226-2737 Email: Anthony.Koutoulis@utas.edu.au
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South Australia Branch	Dr Olgatina Bucco, Industry Development Officer and ASBA Coordinator Tel: 08 8217 6499 Email: obucco@ausbiotech.org
Victoria Branch	c/o Dr Ric DeGaris (Kendle) Tel: 9567 7600 Email: degaris.ric@kendle.com
West Australia Branch	TBA
Tasmania Branch	Ms Diana Weston, Industry Development Officer Tel: (03) 6233 5743 Email: diana.weston@development.tas.gov.au
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