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2014 was another strong year for Life Sciences Ontario. Our membership continued to grow as we focused on delivering strong programs and thought leadership.

More companies and individuals are choosing to join LSO and participate in our programs, strengthening our collective action. In 2014, we issued several public statements in support of the Province’s investments in innovation and closed the year with a well-attended life sciences policy forum. The event drew over 150 attendees with representation from 12 government entities at the national, provincial and municipal levels, including the Premier’s Office.

Across LSO’s wider slate of events, participation and interest continue to rise. Average attendance at our Knowledge and Networking Breakfasts was up 26 per cent from 2013, as was attendance at our Awards Gala. Approximately 400 senior leaders from across the life sciences sector, including both Minister Reza Moridi and Minister Deb Matthews, joined us for networking, dinner and the awards presentation. Our regular networking nights continue to enjoy considerable popularity with two events each attracting approximately 150 attendees to the informal, mid-week events. I’m also pleased to report that our annual golf tournament also sold out in record time.

So what’s ahead for 2015? We are researching and publishing a Life Sciences Sector Report to provide baseline data regarding the sector’s significant contributions to Ontario’s economy. In an environment where evidence-based decision and policy making is the new standard, we need strong data to be effective advocates for the life sciences sector. But the report won’t just benefit LSO. We envision it as a key reference document that will inform policy makers, bureaucrats and other life sciences organizations and advocates across Ontario’s life sciences community. By the time you read this report, the Sector Report will be available on our website.

The Sector Report’s carefully researched benchmarks give us a stronger, evidence-based advocacy message for the province about why it should deepen its recognition of life sciences as a strategic priority sector for Ontario’s economy and future prosperity.

With your support, we’ll continue to develop this valuable content to benefit our members and all life sciences stakeholders across Ontario.

Jason Field
President & CEO, Life Sciences Ontario
LSO continued to grow as Ontario’s voice for the life sciences sector throughout 2014. Beginning with our board of directors, we welcomed three new senior executives from the pharmaceutical, agri-food and bio-materials industries to our team. It’s this diversity in our senior leadership that translates into effective advocacy and thought leadership for our entire organization.

However, we recognized that there are more passionate leaders within our sector than LSO board seats. So we created a new CEO advisory committee to help engage leaders in life sciences and to ensure that their contributions and collective experience influences the strategic direction of LSO.

Strengthening LSO’s leadership in this fashion has already produced meaningful results. In October 2014, LSO issued a statement supporting the government’s decision to invest in MaRS Discovery District as a key component within the life sciences ecosystem. Minister Brad Duguid read the statement in the legislature during question period to defend the government’s support of innovation and life sciences in Ontario, allowing him the opportunity to specifically recognize LSO’s leadership role within the sector.

We will continue to demonstrate this type of leadership by raising the profile of life sciences as a strategic priority sector for Ontario’s economy and future prosperity. Our next step is publishing a detailed Life Sciences Sector Report in 2015 to provide quantitative evidence of the sector’s significant contributions to the provincial economy. This report will provide a much-needed, evidence-based benchmark to inform both life sciences advocates and policy makers.

In conclusion, LSO continues to steward a strong, aligned voice for Ontario’s life sciences sector. We will continue to be champions for collaboration and to work with government and all life sciences stakeholders to see our sector grow and thrive.

Paul Lucas,
Chair, Life Sciences Ontario
HIGHLIGHTS FROM 2014

- 7 advocacy papers published, with one read in the Ontario legislature
- 2,300 registrants during 25 LSO events in 2014
- 22% increase in Corporate members
- 150% Twitter follower growth

LSO STRATEGIC PRIORITIES

- Advocate for specific public policy action to support the growth of the sector
- Deliver value to our members through our programs
- Raise Profile of Life Sciences as a key priority sector for economic and social prosperity
The LSO Policy and Government Relations committee continues to support a strong, aligned voice for members and all life sciences stakeholders. The committee continues to grow in size as our members seek to add their voices to our sector advocacy.

In 2014, LSO produced seven key advocacy documents, including:
- A detailed response to the Industry Canada Science and Technology Consultation.
- A pre-budget submission to the Ontario Minister of Finance.
- A collaborative statement with the Ontario Chamber of Commerce, Toronto Regional Board of Trade and Rx&D on the importance of life sciences for Ontario’s economic growth and healthcare sustainability.
- A joint statement with BiopolisQuébec on the Quebec-Ontario Life Sciences Corridor’s significance.
- A statement supporting Ontario’s continued investment in MaRS Discovery District, which Minister Brad Duguid read in the legislature during question period to defend the government’s support of Ontario’s innovation and life sciences.
- A statement in support of the Ontario Health Innovation Council’s report and recommendations.

Beyond these documents, LSO continued to engage with elected officials and policy makers through these events and activities:
- **LSO Awards Gala**, which attracted elected officials from three political parties, including two cabinet ministers.
- **LSO Policy Forum**, which attracted 21 representatives from 12 government entities (national, provincial and municipal), including representatives from the Premier’s Office.
- **Pre-election messaging** for all Ontario political parties about the life sciences sector’s importance prior to the 2014 election, which we worked hard to align with our partners’ messaging.

LSO also participated on the advisory committee for the MOWAT Centre’s discussion paper “Federal Economic Agenda for Ontario” meant to inform Federal election platforms of Ontario specific needs and opportunities.

The Policy and Government Relations also met with a number of leaders in the life sciences sector. The data collected through these consultations will help inform our advocacy as we move into 2015.
The 2014 Annual Awards Gala was LSO’s most well-attended to date with 400 people attending this annual celebration of Ontario’s success.

The gala, which is LSO’s largest single fundraising event, achieved its financial target to surpass 2013 revenues thanks to the organizing committee’s efforts.

Our guests included politicians, political staff and bureaucrats from both municipal and provincial government. Health Minister Deb Matthews attended, as did Reza Moridi, Minister of Research and Innovation.

We also welcomed deputy ministers from Economic Development, Trade and Employment, Agriculture and Northern Development and Mines, along with Toronto's Deputy Mayor, Norm Kelly.
Life Sciences Ontario partnered with the Government of Ontario to help lead industry coordination for BIO. On June 4, 2014, we hosted the annual BIO Industry Kick-off Event to help Ontario delegates prepare to make BIO as meaningful and productive an experience for them as possible. Based on a survey given to attendees, over 92 per cent of people were satisfied with the event and information presented.

In San Diego, LSO had a strong presence within the Canada Café and Ontario Pavilion where we promoted the province, fielded questions and connected Ontario delegates with international visitors. Visitors to the booth were able to view our promotional video, which profiles our diverse membership and the breadth of Ontario’s life sciences industry. Jason Field and LSO Chair Paul Lucas hosted federal MP Mike Lake, Mayor Hazel McCallion and Assistant Deputy Minister Tony LaMantia at the Ontario Pavilion and provided a briefing on the valuable socioeconomic contributions of Ontario’s Life Sciences Sector.

LSO also co-hosted an event with our partners at Biopolis-Quebec, furthering our relation across the ON/QC Life Sciences Corridor, that included joint announcements with the Ontario Centres of Excellence (OCE), Ontario Brain Institute (OBI) and CQDM. Over 130 delegates attended the event, which featured two panel sessions:

1. Opportunities to work within the ON/QC Life Sciences Corridor, including Diane Gosselin, President-CEO CQDM; Martin Leblanc, President CEO, Caprion; Mark Lievonen, President, Sanofi Pasteur; and Mark Poznansky, President CEO, Ontario Genomic Institute.

2. International examples of leading life sciences clusters that collaborate beyond their geopolitical boarders, including Ursula Hultkvist Bergtsson, Executive VP, Medicon Village AB; Agnès Legoll, Directrice Europe et International, Alsace BioValley; and Dr. Susan Windham-Bannister. President CEO, Massachusetts Life Sciences.

LSO looks forward to further collaborations to highlight our sector’s strengths at BIO in 2015.
Communications

LSO’s Communications committee continued to support the needs of the organization and its sub-committees.

Notable highlights include:

• Enabling LSO’s outreach activities through webcasting. The committee, led by Janet Northan, developed a videoconferencing strategy and evaluated several technologies to make LSO Breakfast meetings available to members and non-members across Ontario, broadening the reach of this popular event series.

• Moderate growth in our digital reach, including a 19 per cent increase in unique web visit and a 150% growth in Twitter followers to 805. Twitter is responsible for 72 per cent of our social web traffic, which makes the growth in that account particularly notable.

• Initial work began on a video testimonial series to profile successful life sciences organizations in Ontario and underscore the sector’s importance as an economic driver. Watch for more in 2015.

Moving into 2015, the committee’s next priority is to conduct a communications audit and establish a robust, appropriately-resourced strategic communications plan to support LSO’s overall growth and sustainability. We have allocated additional resources to communications to improve the reach, frequency and quality of our communications in 2015.

If you have suggestions about how we can better communicate to serve your needs, please let us know.

Most popular pages on the LSO website:

• Homepage
• Events calendar
• Member directory
• About LSO
• Gala information page
• LSO’s Board
• Asset Map
• Membership
• Mentorship
LSO Knowledge and Networking Breakfast meetings provide information about a variety of relevant life sciences topics, while facilitating valuable networking opportunities. Breakfast sessions have been an integral part of LSO since the organization was founded in 1989.

In 2014, LSO hosted 10 meetings, attended by an average of 63 people per event; this marks a 20 per cent increase over 2013’s attendance, for which we thank our volunteers. The committee has made a concerted effort to plan interesting, relevant speakers and topics in easily-accessible venues.

In late 2014, we also began offering web casts for this event series through a successful pilot. Web casting is now an integral part of the breakfasts, allowing greater reach across the province and particularly beyond the Greater Toronto Area.

Sample topics included:
• Challenges and opportunities for biotechnology from a federal perspective
• The BIO 2014 International Convention
• Access to capital
• The business of agriculture
• The intersection of math and life science,
• The launch of National Biotechnology Week
• Ebola Therapy Development: Canadian Science Advances via International Partnerships
• Two member marathons, which highlight LSO member companies.

We will continue to hold meetings in both the downtown core and other locations to expand the event series’ reach and accessibility for our members.

Breakfast meetings are subsidized by membership and sponsorship. To ensure high-quality events and make the event series sustainable, we adopted a nominal fee for breakfast sessions in 2013, which was maintained in 2014. This fee has not been a deterrent to meeting attendance.
The LSO Fall Policy Forum, held on December 9, 2014 at Toronto’s Hyatt Regency hotel, focused on tangible policy and industry initiatives that can help grow Ontario’s life sciences sector. With over 150 attendees, including 21 representatives from 12 government entities (national, provincial and municipal), we feel comfortable saying the right people were in the room.

Dr. Maurice Bitran, CEO of the Ontario Science Centre, delivered a keynote on science’s important role in public policy and, specifically, the need for better communication between scientists and elected officials.

Panel discussions included CEOs and senior leaders from across Ontario’s diverse life sciences sector, including pharmaceutical, medical technologies, agri-food and industrial biotechnology companies. LSO also organized panels that were specific to emerging life sciences companies and developing the next generation of scientists.

Said LSO President and CEO Jason Field, “We were really gratified to see such a strong turnout from Ontario’s public service. I had one conversation with a senior policy representative from the Premier’s Office who said he would relay messaging and findings from the event back to Premier Wynne. We plan to publish a summary of this event’s proceedings in early 2015 and to allow the shared insight inform our advocacy messages across the coming year.”
Mentorship

Supporting the professional development of both entrepreneurs and future professionals in the life sciences remains a core activity for LSO. In 2014, the LSO Mentorship committee offered several opportunities to support the future success of program participants through the mentorship and expert roundtable discussions, including matching young professionals with an experienced mentor.

In 2014, LSO made 27 successful matches, bringing the program total to over 300 since the program’s 2009 inception. The committee is also exploring online platforms to allow increased convenience, resource support and matching efficiencies for program participants.

LSO held three expert roundtable events for young entrepreneurs, covering important topics such as:
- Market Research
- Maximizing Advantage through IP Strategy
- Lived It: Key Success Factors.
Networking Nights

LSO’s Networking Nights event series provides LSO members and non-members with a forum to meet with their life sciences colleagues in a social setting. This year, 590 people representing 410 organizations created 825 registrations for this popular series.

In 2014, LSO hosted eight events which attracted an average of 100 attendees per event, up from 50 in 2013. Our most popular event attracted over 150 people, up from 100 in 2013. Many of the events were held following LSO Board meetings to facilitate interactions between members and the Board.

Five of our events were presented with first-time community partners: the Royal Canadian Institute for the Advancement of Science, Biotech Annecto, Ontario Brain Institute, SimONE and High Performance Computing Virtual Laboratory.

We were pleased to host another summer patio event with the Centre for Imaging Technology Commercialization (CIMTEC MedTech Thursdays).

LSO gratefully acknowledges the volunteers who who facilitated small group discussions at our May roundtable on cancer drug reimbursement.

We are also grateful to Ernst & Young, OtoSim Inc., Invest in Tuscany/ITACA, Richardson GMP, and Eli Lilly for financial sponsorships to support our various networking events.
August 2014 found LSO continuing its strong annual tradition of hosting the life sciences’ sector’s “must attend” golf tournament at Kleinburg’s Copper Creek Golf Club. The sold-out tournament gave golfers the chance to network with other industry colleagues while enjoying some beautiful summer weather.

Our special guest this year was Mike Harris, Silver Medalist in Curling at the 1998 Olympics. In addition to curling, Mike is a golf professional and he graciously volunteered to participate in a special on-course competition that blended his love of curling and golf.

Other contest holes included “Meet and Out-Putt the LSO Chairman” (Paul Lucas), sponsored by the City of Toronto; “Closest to the Line” sponsored by Accuworx Inc.; “Longest Drive” and “Closest to the Pin.” New this year was “Longest and Second Longest Putt” sponsored by Cynapsus Therapeutics Inc.

Thanks to our corporate sponsors, guests enjoyed breakfast, beverages and snacks at the halfway house, a pre-lunch reception and lunch. We thank Ultima Foods for donating yogurt at breakfast, Netex Enterprises Inc. for sponsoring the golf shirts provided to each participant, and Bio Business Magazine for providing photography.

We also received many generous donations from many organizations for the Registration Gift Bag, Prize Table and Silent Auction. All of the Silent Auction proceeds have been donated to Partners in Research, a charity responsible for the Sanofi Pasteur BioGENEius Awards.
About LSO

Vision: Diversity of Members, Unity of Voice
We envision a vibrant life sciences sector that leads Ontario’s economic growth and job creation while providing solutions to the biggest social challenges facing the province and the world.

Mission
As the voice of Ontario’s life sciences community, our mission is to foster commercial success for the sector through advocacy and education while promoting the industry locally, nationally and internationally.

Values
Collaboration
Inclusivity, consultation and consensus
Unified, aligned voice
Equally, the social and economic benefits of life sciences
Science and evidence-based decisions

LSO OFFERINGS

- Economic Development
- Education and Networking
- Advocacy
- Marketing and Promotion
- Professional Development and Mentorship
Board of Directors
Executives and Officers

Paul Lucas
Chair

Matt Buist
Vice-Chair

John Kelly
Vice-Chair
Executive Vice President,
Ontario Fruit and Vegetable
Growers' Association

Jeff Graham
Secretary
Partner, Borden Ladner
Gervais LLP

Mario Piccinin
Treasurer
Partner, Ernst & Young LLP

David Allan
Chairman, AvidBiologics

Ed Dybka
President & CEO,
AstraZeneca Canada

Denis Ferkany
Director Corporate Strategy,
International Consortium on
Anti-Virals

Raphael Hofstein
President & CEO,
MaRS Innovation

Rob Kee
Vice President and Managing
Director, Ingredion Canada
Incorporated

Jason Locklin
Director, Global
Government Affairs, Alexion
Pharma Canada Corp.

Janet Northan
Director, Government
Relations, Thunder Bay
Regional Research Institute

Jayson Parker
Academic Director, Biotech
Bridging Program,
University of Toronto

Dale Patterson
President,
The Bourton Group

Benjamin Rovinski
Managing Director,
Lumira Capital

Mark Smithyes
Head, Government Affairs
and Market Access, Alcon
Canada Inc.

Alison Symington
VP, Corporate Development
and Communications,
Ontario Genomics Institute

Nancy Tout
Head, Regulatory and
Biological Assessment,
Syngenta Canada Inc.

Pat Van Gelder
Head of Sales & Marketing,
Sanofi Pasteur Limited

John van Leeuwen
Co-Founder and Chief
Executive Officer,
EcoSynthetix

Bernard West
President, Westworks
Consulting Limited

Russell Williams
President, Rx & D

Jeff Graham
Secretary
Partner, Borden Ladner
Gervais LLP

Janet Northan
Director, Government
Relations, Thunder Bay
Regional Research Institute
Thank you to the organizations who have sponsored LSO events in 2014

AstraZeneca

SANOFI PASTEUR

ATCC

Agri-Technology Commercialization Centre

Pfizer

Alcon

a Novartis company

R&D

BLG

Borden Ladner Gervais

EY

Building a better working world

TORONTO

FASKEN MARTINEAU

www.fasken.com

netex

life sciences

JACKSON-TRIGGS

NIAGARA ESTATE

SureHorizon

Noble Financial

Consultants

CYNAPSS

Greater MSP

MSP

Minneapolis Saint Paul Regional Economic Development Partnership

ITACA

invest in tuscany

Biotechnology Focus

Bioregختاري

Ottawa BioHealth

Ontario Brain Institute

Institut du Cerveau

OtoSim

Ultima

Alliments - Foods

LIFE SCIENCES ONTARIO • ANNUAL REPORT 2014
Committee Members

LSO would like to thank our Board of Directors, many volunteer members and partners, and the staff at First Stage Enterprises for their many contributions to LSO in 2014

Executive Committee
Jason Locklin
John Kelly
Matt Buist
Paul Lucas
Rafi Hofstein
Jason Field

Gala Committee
Jason Locklin (Chair)
Christine Beyaert
Matt Buist
Magda Choruzy
Jason Field
Howard Gaskin
David Greb
Bonnie Kuehl
Dale Patterson
Rhowan Sivel
Mark Smithyes
Alison Symington
Sue Munro
Brian Craig

Golf Committee
John Goudey (Co-Chair)
Matt Buist (Co-Chair)
Katelyn Dolan
Jason Field
Ron Hosking
John Kelly
Bruno Maruzzo
Kerry Mui
Louis Parisio
Sue Munro
Brian Craig

Fall Symposium Committee
John Kelly (Chair)
Matt Buist
Christine Beyaert
Jason Field
Jason Locklin
Colleen Lytton
Jayson Parker
Benjamin Rovinski
Mark Smithyes
Sue Munro
Brian Craig

Membership Committee
Paul Lucas (Chair)
Matt Buist
Jason Field
John Kelly
Jayson Parker
Mark Smithyes
Nancy Tout
Russell Williams
Sue Munro

Pub Night Committee
Andrew Yoshioka (Chair)
Nathalie Goodfellow
Luca Pisterzi
**Policy and Government Relations Committee**

Jason Locklin (Co-Chair)  
Mark Smithyes (Co-Chair)  
David Allan  
Seth Chitayat  
Paul De Zara  
Jason Field  
Jeff Graham  
Rafi Hofstein  
Pamela Kanellis  
Debbie Knifton  
Janet Northan  
Derek O’Toole  
Dale Patterson  
Dvorah Richler  
Kimberly Robinson  
James Smith  
Ron Soreanu  
Mark Sukhoo  
Alison Symington  
Bernard West  
Sue Munro  
Brian Craig

**Mentorship Committee**

Doreen D’Souza (Co-Chair)  
Pat van Gelder (Co-Chair)  
Rym Benabid  
Aqeela Bhatti  
Andrew Boston  
Amine Boudil  
Andrew Defor  
Jason Field  
Darina Frieder  
Ingrid Fung  
Isabelle Henderson  
Janet LeClair  
Richard Narayansingh  
Brenda Osler  
Jas Saggar  
Sue Munro  
Brian Craig

**Communications Committee**

Janet Northan (Chair)  
Christine Beyaert  
Megan Boyle  
Emily Easto  
Denis Ferkany  
Jason Field  
David Greb  
Tracy Hooey  
Ella Korets-Smith  
Jonathan Madriaga  
Jayson Parker  
Mark Penner  
Sue Munro  
Brian Craig

**Breakfast Committee**

Alison Symington (Chair)  
Christine Beyaert  
Jason Field  
Tracy Hooey  
Milos Milic  
Janet Northan  
Sue Munro  
Brian Craig
LIFE SCIENCES ONTARIO

FINANCIAL STATEMENTS

DECEMBER 31, 2014

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2. Statement of Financial Position


4. Statement of Cash Flows

5 - 7. Notes to Financial Statements

8. Schedule of Revenues and Expenses
INDEPENDENT AUDITORS’ REPORT

To the Members and Board of Directors,
Life Sciences Ontario
TORONTO
Ontario

Report on the Financial Statements:
We have audited the accompanying financial statements of Life Sciences Ontario which comprise the statement of financial position as at December 31, 2014 and the statements of operations and changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, these financial statements present fairly, in all material respects, the financial position of Life Sciences Ontario as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters
The financial statements of Life Sciences Ontario for the year ended December 31, 2013, were audited by another auditor who expressed an unqualified opinion on those statements on March 24, 2014.

NORTON McMULLEN LLP
Chartered Professional Accountants, Licensed Public Accountants

Markham, Canada
March 11, 2015
# LIFE SCIENCES ONTARIO

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2014 | 2013
--- | ---

### ASSETS

<table>
<thead>
<tr>
<th>Current</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$131,713</td>
<td>$59,104</td>
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<tr>
<td>Accounts receivable</td>
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<td>HST receivable</td>
<td>$40,741</td>
<td>$51,473</td>
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<tr>
<td>Prepaid expenses</td>
<td>$30,815</td>
<td>$2,414</td>
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<tr>
<td><strong>Total Current</strong></td>
<td><strong>$224,762</strong></td>
<td><strong>$148,233</strong></td>
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<tr>
<td>Capital Assets (Note 2)</td>
<td>2,280</td>
<td>1,568</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$227,042</strong></td>
<td><strong>$149,791</strong></td>
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### LIABILITIES

<table>
<thead>
<tr>
<th>Current</th>
<th>2014</th>
<th>2013</th>
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<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$38,070</td>
<td>$58,253</td>
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<tr>
<td>Deferred revenue</td>
<td>84,217</td>
<td>8,474</td>
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<td><strong>Total Current</strong></td>
<td><strong>$122,287</strong></td>
<td><strong>$66,727</strong></td>
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### NET ASSETS

<table>
<thead>
<tr>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>104,755</td>
<td>83,064</td>
</tr>
</tbody>
</table>

**Total Assets** | **$227,042** | **$149,791**

Approved by the Board:

Director

Director

See accompanying notes
## LIFE SCIENCES ONTARIO

### STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special events and meetings (Page B)</td>
<td>$262,070</td>
<td>$254,683</td>
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<tr>
<td>Membership and general sponsorship</td>
<td>$207,794</td>
<td>$208,664</td>
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<tr>
<td>Special projects (Note 3)</td>
<td>$24,088</td>
<td>$37,447</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>$493,952</td>
<td>$500,794</td>
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<tr>
<td><strong>EXPENSES</strong></td>
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<td></td>
</tr>
<tr>
<td>Office, general and projects (Note 3)</td>
<td>$296,606</td>
<td>$279,594</td>
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<tr>
<td>Special events and meetings (Page B)</td>
<td>$147,848</td>
<td>$166,441</td>
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<td>Communications</td>
<td>$10,079</td>
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<td>Industry associations</td>
<td>$8,990</td>
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<td>Bank charges</td>
<td>$8,061</td>
<td>$9,795</td>
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<td>Depreciation</td>
<td>$677</td>
<td>$850</td>
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<td><strong>Total Expenses</strong></td>
<td>$472,261</td>
<td>$474,235</td>
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<td><strong>EXCESS OF REVENUES OVER EXPENSES</strong></td>
<td>$21,691</td>
<td>$26,559</td>
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<td><strong>NET ASSETS - Beginning</strong></td>
<td>83,064</td>
<td>56,505</td>
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<tr>
<td><strong>NET ASSETS - Ending</strong></td>
<td>$104,755</td>
<td>$83,064</td>
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</tbody>
</table>

See accompanying notes.
LIFE SCIENCES ONTARIO
STATEMENT OF CASH FLOWS
For the year ended December 31, 2014 2013

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

<table>
<thead>
<tr>
<th>OPERATING ACTIVITIES</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of revenues over expenses</td>
<td>$ 21,691</td>
<td>$ 26,559</td>
</tr>
<tr>
<td>Items not affecting cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of capital assets</td>
<td>677</td>
<td>850</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td></td>
<td>$ 22,368</td>
<td>$ 27,409</td>
</tr>
</tbody>
</table>

Net change in non-cash working capital balances:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>13,749</td>
<td>(20,248)</td>
</tr>
<tr>
<td>HST receivable</td>
<td>10,732</td>
<td>(26,851)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(28,401)</td>
<td>30,353</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(20,182)</td>
<td>(27,683)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>75,743</td>
<td>(46,433)</td>
</tr>
<tr>
<td>------------------------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td></td>
<td>$ 74,009</td>
<td>$(63,453)</td>
</tr>
</tbody>
</table>

INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Purchase of capital assets</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(1,400)</td>
<td>$ -</td>
</tr>
</tbody>
</table>

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 72,609</td>
<td>$(63,453)</td>
</tr>
</tbody>
</table>

CASH AND CASH EQUIVALENTS - Beginning

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 59,104</td>
<td>$ 122,557</td>
</tr>
</tbody>
</table>

CASH AND CASH EQUIVALENTS - Ending

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 131,713</td>
<td>$ 59,104</td>
</tr>
</tbody>
</table>

See accompanying notes
LIFE SCIENCES ONTARIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NATURE OF OPERATIONS
Life Sciences Ontario (the "Organization") was incorporated on December 13, 1989 under the provisions of the Canada Corporations Act and commenced operations shortly thereafter. The Organization is a not-for-profit corporation and is therefore exempt from income taxes.

The Organization represents and promotes Ontario’s vibrant and diverse life sciences sector. The Organization collaborates with governments, academia, industry and other life science organizations in Ontario, across Canada, and globally to promote and encourage commercial success throughout this diverse sector.

1. SIGNIFICANT ACCOUNTING POLICIES
   These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:
   a) Cash and Cash Equivalents
      Cash and cash equivalents consists of cash held in a bank account only.
   b) Capital Assets
      Capital assets are recorded at cost. Amortization is being provided over the estimated useful life of the asset using the following rates and methods:

      | Rate | Method          |
      |------|----------------|
      | 30%  | declining balance |

c) Revenue Recognition - Deferral Method
   Special project revenue consists of funding to undertake specific projects. Special projects revenue is recognized as expenses are incurred. Membership fees, sponsorships, special events and meetings and government support are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Membership fees received pertaining to the subsequent period are deferred and recognized as revenue in the appropriate period.

d) Use of Estimates
   The preparation of financial statements requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.
1. **SIGNIFICANT ACCOUNTING POLICIES - Continued**
   e) **Financial Instruments**

   **Measurement of Financial Instruments**

   The Organization initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost.

   Financial assets measured at amortized cost include cash and cash equivalents, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

   The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

   **Impairment**

   Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess or deficiency of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversals is the same as if there had been no write-down. There are no impairment indicators in the current year.

2. **CAPITAL ASSETS**

   Capital assets consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th></th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated Amortization</td>
<td>Net Book Value</td>
</tr>
<tr>
<td>Computer</td>
<td>$4,232</td>
<td>$1,952</td>
<td>$2,280</td>
</tr>
</tbody>
</table>
3. SPECIAL PROJECTS

The following special projects were undertaken by the Organization in 2014. Associated expenses are included in office, general and project expenses. Revenue was recognized as follows:

<table>
<thead>
<tr>
<th>Project</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports &amp; Advocacy</td>
<td>$10,000</td>
<td>$17,443</td>
</tr>
<tr>
<td>BIO2014 Project</td>
<td>7,410</td>
<td>15,204</td>
</tr>
<tr>
<td>Member Benefits Programs</td>
<td>3,381</td>
<td>247</td>
</tr>
<tr>
<td>Ontario/Quebec Life Sciences Corridor Project</td>
<td>3,000</td>
<td>2,557</td>
</tr>
<tr>
<td>Other</td>
<td>297</td>
<td>1,996</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$24,088</strong></td>
<td><strong>$37,447</strong></td>
</tr>
</tbody>
</table>

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization’s exposure to and concentrations of risk at December 31, 2014.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause loss for the other party by failing to discharge an obligation. The Organization’s main credit risks relate to its accounts receivable. The Organization provides credit to its members and clients in the normal course of operations. There were no concentrations of credit risk as at December 31, 2014. Actual exposure to credit losses has been minimal in prior years. There is no allowance for doubtful accounts. There has been no change in the risk assessment from the prior year.

b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable. The Organization expects to meet its obligations by managing its working capital and by generating sufficient cash flows from operations. There has been no change in the risk assessment from the prior year.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Organization is not exposed to these types of market risk.
LIFE SCIENCES ONTARIO

SCHEDULE OF REVENUES AND EXPENSES

For the year ended December 31, 2014 2013

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPECIAL EVENTS AND MEETINGS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual awards gala</td>
<td>$133,275</td>
<td>$132,243</td>
</tr>
<tr>
<td>Golf tournament</td>
<td>68,460</td>
<td>70,370</td>
</tr>
<tr>
<td>Fall event</td>
<td>41,220</td>
<td>37,770</td>
</tr>
<tr>
<td>Breakfast meetings</td>
<td>7,045</td>
<td>8,817</td>
</tr>
<tr>
<td>Silent auctions</td>
<td>6,579</td>
<td>4,717</td>
</tr>
<tr>
<td>Pub nights and mentorship</td>
<td>5,491</td>
<td>766</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$262,070</strong></td>
<td><strong>$254,683</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPECIAL EVENTS AND MEETINGS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual awards gala</td>
<td>$66,288</td>
<td>$68,156</td>
</tr>
<tr>
<td>Golf tournament</td>
<td>40,189</td>
<td>35,872</td>
</tr>
<tr>
<td>Fall event</td>
<td>22,033</td>
<td>16,815</td>
</tr>
<tr>
<td>Education awards and programs</td>
<td>8,409</td>
<td>14,807</td>
</tr>
<tr>
<td>Pub nights and mentorship</td>
<td>6,062</td>
<td>1,789</td>
</tr>
<tr>
<td>Breakfast meetings</td>
<td>4,867</td>
<td>13,132</td>
</tr>
<tr>
<td>Ontario-Quebec Project Activities</td>
<td>-</td>
<td>15,870</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$147,848</strong></td>
<td><strong>$166,441</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXCESS OF SPECIAL EVENTS AND MEETINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES OVER EXPENSES</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>$114,222</td>
</tr>
</tbody>
</table>

See accompanying notes
To become a member or for information about LSO’s activities, please contact:

LSO Office
109-1 Concorde Gate
Toronto, ON M3C 3N6
P: 416-426-7293
F: 416-426-7280
admin@lifesciencesontario.ca

www.lifesciencesontario.ca
@LifeSciencesON