WHERE INNOVATION LIVES AND ENTREPRENEURS THRIVE

Opening in 2002, as a not-for-profit company owned by The University of the Sunshine Coast, the Innovation Centre Sunshine Coast (ICSC) is a major hub for innovators, entrepreneurial startups and high growth companies.
With an extensive network of local and international connections, the Innovation Centre provides a highly supportive ecosystem that enables members to take a viable product or service to the world with confidence.

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01. INNOVATION CENTRE SUNSHINE COAST DIRECTOR’S REPORT:

This report, by the Directors of the Innovation Centre Sunshine Coast Pty Ltd (ICSC), is prepared in accordance with the Corporations Act 2001 for the year ended 31 December 2017 and is accompanied by the Financial Statements for the period. The primary users of this report are:

- The Board of Directors of the ICSC;
- The University of the Sunshine Coast;
- The Queensland & Commonwealth Government; and
- ICSC partners, members and alumni.

DIRECTORS:

The names of the Directors of the ICSC in office during the reporting year are as follows:

<table>
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<tr>
<th>DIRECTOR</th>
<th>PERIOD</th>
<th>EXPERIENCE</th>
</tr>
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<tbody>
<tr>
<td>Dr Peter Isdale AM, PhD (JCU), BA (Hons) (JCU), MAICD. ICSC Chairman from 1 January 2017.</td>
<td>From: 01/09/2016 From: 18/02/2010 To: 05/02/2017</td>
<td>Former scientist, corporate CEO, Chair or Deputy of eight organisations, professional company director</td>
</tr>
<tr>
<td>Professor Mike Hefferan, PhD (QUT), MAppSci (QUT), GradDipMgmt (CQU), BA (UQ)</td>
<td>From: 07/12/2010</td>
<td>Certified Practising Valuer, former ICSC Chairman</td>
</tr>
<tr>
<td>Ms Julie-Anne Mee, BBus (CQU); MAdmin, (GU); FCPA, Company Secretary (ICSC)</td>
<td>From: 19/06/2012</td>
<td>Qualified accountant, member of the USC Council</td>
</tr>
<tr>
<td>Dr Kirsten Baulch, MBBS FRACGP (UQ); GCBA (QUT)</td>
<td>From: 24/02/2015</td>
<td>Qualified general practitioner, Founder and Medical Director of Medimobile P/L</td>
</tr>
<tr>
<td>Professor Roland De Marco, PhD (La Trobe), MSc / BSc (RMIT), MRACI</td>
<td>From: 24/02/2016 To: 22/07/2017</td>
<td>Deputy Vice-Chancellor (Research and Innovation), USC</td>
</tr>
<tr>
<td>Professor Mike Clements, PhD Lincoln, BCom (Hons) GAICD</td>
<td>From: 24/02/2016 To: 22/07/2017</td>
<td>Head of School (Business), USC</td>
</tr>
<tr>
<td>Mr David Foster, B.AppSci, MBA, SFFin, FAIM, GAICD.</td>
<td>From: 24/02/2016</td>
<td>Chairman, Sunshine Coast Economic Futures Board, Member USC Council, USC Planning &amp; Resources Committee</td>
</tr>
<tr>
<td>Mr Mark Ferris, Bbus, MBA</td>
<td>From: 21/02/2017</td>
<td>Commercial lawyer, startup founder, business development, strategy, angel investor, business mentor.</td>
</tr>
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</table>
02. ICSC MEETINGS & DIRECTORS ATTENDANCE:

Six (6) meetings of the ICSC Board were held in 2017 with meetings attended by each director:

<table>
<thead>
<tr>
<th>Director</th>
<th>Eligible to Attend</th>
<th>Attended</th>
<th>Location</th>
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<tr>
<td>Dr Peter Isdale</td>
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<td>5</td>
<td>ICSC</td>
</tr>
<tr>
<td>Professor Roland De Marco</td>
<td>5</td>
<td>3</td>
<td>ICSC</td>
</tr>
<tr>
<td>Ms Julie-Anne Mee</td>
<td>5</td>
<td>5</td>
<td>ICSC</td>
</tr>
<tr>
<td>Dr Kirsten Baulch</td>
<td>5</td>
<td>4</td>
<td>ICSC</td>
</tr>
<tr>
<td>Mr David Foster</td>
<td>5</td>
<td>4</td>
<td>ICSC</td>
</tr>
<tr>
<td>Mr Mark Ferris</td>
<td>4</td>
<td>5</td>
<td>ICSC</td>
</tr>
<tr>
<td>Professor Mike Clements</td>
<td>3</td>
<td>1</td>
<td>ICSC</td>
</tr>
<tr>
<td>Professor Michael Hefferan</td>
<td>1</td>
<td>1</td>
<td>ICSC</td>
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Directors’ interests in shares and options of the Company at 31 December 2017 were nil (2016: nil). The Chief Executive Officer reports directly to the ICSC Board and attended all six (6) meetings.

03. PRINCIPAL ACTIVITIES:

The University of the Sunshine Coast (USC) established the ICSC on 26 October 2000, under the University of the Sunshine Coast Act 1998 Part 2(6) with a free standing Board. With financial backing from the State and Commonwealth Government, the ICSC became operational in 2002 with a mission to support the start-up and growth of knowledge-based businesses, and to promote beneficial interaction between these businesses and USC. The ICSC operates a 1,700-square metre business incubator and accelerator facility on the USC campus. The ICSC provides business development programs, high-quality mentoring, investment readiness, pathways and connections to early stage capital, extensive networking opportunities, high-speed fibre/wireless connections, flexible office space, video studio, prototyping / design lab, and collaborative links to USC research, staff and students.
ICSC VISION

The ICSC, Where Innovation Lives & Entrepreneurs Thrive

Helping to create a dynamic, entrepreneurial, sustainable region with rewarding, high quality enterprise and career opportunities.

ICSC MISSION

• Provide catalytic capacity building programs, support and connections for local innovators
• Deliver high caliber facilities, services and programs to startup members and stakeholders
• Facilitate and support USC R&D translation pathways to business
• Enhance IC / USC regional profile, partnerships and outreach

ICSC VALUES

INNOVATE
it's a mindset and part of our DNA

STEP UP, AIM HIGH
make a difference, rise & shine

KEEP IT REAL
do good for IC members and USC

CONNECT & BUILD CAPACITY
for the IC, USC & ecosystem

TEAMWORK
respect, passion, confidence and collaborations all thrive at the IC

ACCOUNTABLE
over-deliver, under promise and follow up

DISCOVERY
learning and collaborative engagement

INTEGRITY
quality and trust in all that we do

HAVE FUN
work hard, play hard – enjoy what we do
KPI DASHBOARD
JAN - DEC 2017

**Memberships**
- 156 Innovation Enquiries
- 30 New Members
- 98% Occupancy (average rate)

**Employment**
- 63 members companies at the Innovation Centre
- 152 staff employed by member companies
- 67 students employed in member companies

**Growth**
- 53 Business Events hosted at the Innovation Centre
- $6.1M in Export Sales by member companies
- $10.8M in investments and $5.2 million in grant applications
- 873 Mentor Hours provided by IC staff, members and visiting entrepreneurs
- 254 new collaboration opportunities between IC members
For the year ended 31 December 2017, the ICSC had total income of $1,055,274 ($1,023,955 in 2016) and a net operating profit of $16,720 ($18,408 in 2016).

The IC remains well positioned to assist local entrepreneurs, innovators, new ventures, enterprising researchers and students. Since 2002 the ICSC has been home to over 200 startup and high growth businesses which have created over 860 jobs, 220 student placements and $60 million in economic value for the Sunshine Coast. The ICSC activities, services, members and partners are fully detailed at www.innovationcentre.com.au.

In 2017, the ICSC attracted 30 new member companies (23 in 2016), and both Terragen Biotech and Servatus Biopharmaceuticals have signed mutually beneficial research agreements with USC.

2017 saw the successful introduction the new ICSC food and beverage accelerator program (Grow Coastal) in which 12 companies benefited from a customised four-month business capacity building program. ICSC has partnered with USC, the Food & Agribusiness Network and secured Advance Queensland funding over three years to deliver this innovative program. The program is specifically designed for producers looking to scale fast, bring their vision to life and deliver new food and beverage innovations to the world.

Aggregated feedback from the 2017 cohort shows that the Grow Coastal Program has made a significant difference with a total of 17 new staff employed, a 273% increase in customer numbers, a 140% increase in revenue with two companies more than doubling their revenue in the 12 months to December 2017. The Grow Coastal participants gain from industry experts and mentors covering topics like: lean startup, market research, customer engagement,

My team has really benefited from the ICSC Grow Coastal Program and I’m now a more confident entrepreneur – it’s really helped to catapult our business to the next level.

2017 Grow Coastal graduate - Lauren Brisbane, Founder of QCamel
commercialisation and business planning, financial management, public relations and marketing, legal and intellectual property, distribution and fulfilment, exporting, pitching and securing early stage capital. The program is also fueling a collaborative, regional ecosystem of foodpreneurs cultivating progressive business growth, exports and high value employment on the Sunshine Coast.

The year also saw the successful delivery of the ICSC DemoDay series (five events linked to high value sectors) and the Pitch 4 Investment event (which has also helped to establish and formalise the local SunCoast Angel Investment Network). The ICSC also contributed to important USC related events (such as Senior Staff Forums, Research Week, Horizons Festival, Remix, Enactus, etc) and various Startup Week events and numerous innovation related Meet-Up Groups. The ICSC was also part of the local consortium that secured $0.5M from Advance Queensland (new matched funding to help support regional innovation capacity building over the next three years).
05. ICSC & MEMBER HIGHLIGHTS:

The ICSC celebrated its 15th Anniversary on 8th December 2017 with its many partners, sponsors, mentors, members, alumni, the ICSC Board members and USC executives, staff and students.

(left to right) Dr Peter Isdale AM, Chairman ICSC, Professor Greg Hill, USC Vice Chancellor and Chancellor Air Chief Marshal Sir Angus Houston AK, AFC (Ret’d).

IC board members accompanied by USC Vice Chancellor, Chancellor Air Chief Marshal Sir Angus Houston AK, AFC (Ret’d) and Mayor Wellington.

The ICSC was very proud to receive the 2017 Australia Day Award (winner of the 2017 Community based organisation – top photo), recognising our success and effectiveness as a capacity building organisation. ICSC team celebrate at the Australia Day morning tea (bottom photo).
06. OTHER 2017 HIGHLIGHTS:

- The ICSC was home to three overseas based companies: Turbulent, Medisen and Wazlo (via the State Governments HotDesQ Program). This program has proven to be beneficial, with international founders sharing their skills and knowledge with our local members whilst scaling their business into the Asia Pacific region.

- Five ICSC members featured in the November 2017 Profile Magazine (Innovation feature).

- Alumni member iDcare secures significant new cyber security contracts with the Department of Defence (in both Australia and the USA).

- ICSC secured a new silver sponsor; Elypsys Fibre Networks (a successful IC alumni member).

- Terragen Biotech (IC Member with 11 staff partnering with USC and Soils First) received $1 million CRC funding as the lead participant in a three-year research project.

- ICSC entrepreneurial capacity building support for USC International Development short business courses (delivered in Port Moresby, PNG and at the ICSC).

“The Innovation Centre has fundamentally improved our business and provided a platform for us to grow and realise our true potential.”

TRENT MACLEOD, DIRECTOR
GREEN CLOUD CONSULTING
Queensland Innovation Minister, Leeanne Enoch announced $500,000 in funding over three years for the region under the Government’s Advancing Regional Innovation Program with funding successfully matched by the local business community. Photo (left to right) Mark Paddenburg, Mayor Tony Wellington, Minister Leeanne Enoch, Mayor Mark Jamieson.

Team Guzu wins International RED Dot Design Concept Award 2017 (Founder Tim Mobbs 2nd left). Guzu’s BlindSnakeTM electrical plugin product wins the prestigious International RED Dot Design Concept Award 2017 and they doubled their number of staff to 10 since 2015.
The ICSC Board and CEO would specifically like to acknowledge the strong financial and in-kind support during the year from USC, ICSC Mentor Panel members, ICSC Partners (Redchip Lawyers, RADBE Consulting, Poole Group, Elypsys), ICSC Board Members, all three levels of Government, the RDA Sunshine Coast and finally ICSC alumni members which continue to grow and become our ideal ambassadors - providing valuable referrals and dynamic connections.
“When you start a business, there is so much to do and so little time to get everything done! By locating to the Innovation Centre, all of the small stuff is taken care of (offices, fit-out, internet, phone system) and there is help available for all of the big stuff (planning, strategy, fundraising, execution, legal and finance). It’s like having a full team on day one without the costs.”

Nigal Hall
Bonza Business & Franchise Sales
Image 1: Creative Industries Demo Day Finalists (left to right) Mic Black, Tory Richards, Melissa Lanham, Andy Vendy, Nicole Voevodin-Cash, Wyn Vogel, Taran Croxton and Tim Loydell.


Image 2: State Innovation Minister Leeanne Enoch with RoboKings world champions at the ICSC.

Image 4: Third place winner and HotDesq Participant, Joshua Brown, cofounder Wazlo with Minister Leeanne Enoch.
07. ICSC FUTURE DIRECTION:

While the Australian innovation landscape continues to change - the USC and ICSC remain committed to playing an active part in assisting innovators and entrepreneurs to scale and thrive. ICSC members and its entrepreneurial network provide valuable USC student job placements, internships, networking, events and research related connections. ICSC members have a demonstrated track record of delivering new innovations and commercialised products to the global market. The benefits of innovation often go well beyond economic benefits, impacting on the quality of our day-to-day lives.

The ICSC programs and operations are funded from membership fees, commercial sponsorships, partnerships, a USC grant and government program contributions. The ICSC will continue to diversify its revenue base via increased funding from the corporate sector, private sponsors and philanthropists.

IN QUARTER 4 OF 2018 THE ICSC WILL BE INTRODUCING A HEALTH, WELLBEING AND MED-TECH ACCELERATOR

In 2018, the ICSC will continue to provide catalytic programs, support and connections for innovative ventures. Additionally, we will have a far stronger focus on mature startups and scaleups, particularly those that actively connect with USC (via research projects, student placements and adding capability to USC flagship areas of opportunity).

In Q4 2018, the ICSC will be introducing a health, wellbeing and med-tech accelerator in partnership with USC and SCHI to assist 10 ambitious businesses in the region via the skills, connections and opportunities they need to take their business to the next level. Expressions of interest are currently open via: https://innovationcentre.com.au/healthaccelerator/
08. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS:

In 2017, the ICSC and USC applied for and were granted an exemption from The Queensland Audit Office (QAO) for a full QAO Audit (an earlier requirement of a Queensland Government funding grant). The ICSC is a small proprietary company under the Corporations Act (Section 49.1 of the Auditor General Act) which requires written financial records of a standard that would satisfy an audit to be kept, but does not require an audit to actually occur.

Notwithstanding the QAO exemption, USC will continue to receive appropriately certified ICSC Annual Financial Statements, albeit not audited by QAO.

There were no other significant changes in the state of affairs of the ICSC during the 2017 year.

Key IC Partners include:

[Logos of various partners]
09. LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS:
The ICSC has government funding agreements in place to facilitate enhanced programs and extra mentoring capacity to be delivered for the region. The Board and CEO continue to actively review and target other corporate funding opportunities as part of the ICSC Business Plan.

10. ENVIRONMENTAL REGULATIONS:
ICSC operations are undertaken in accordance with relevant environmental regulations of the Commonwealth, State and Local Governments.

11. DIRECTORS’ REMUNERATION:
In 2017 no director of the ICSC has received or become entitled to receive a benefit by reason of a contract made by the ICSC or a related corporation (excluding those directors with employment contracts with USC) with a director or firm of which a director is associated.
12. ICSC 15 YEAR CELEBRATION:
13. INDEMNIFICATION OF OFFICERS AND AUDITORS:

During the year, USC paid a premium to insure officers (including Directors) of the ICSC. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the ICSC, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the ICSC. The ICSC has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnity any current or former officer or auditor of the ICSC against a liability incurred as such by an officer or auditor.

14. LEGAL PROCEEDINGS:

There are no current legal proceedings involving the ICSC and the ICSC was not party to any such proceedings during the year.

15. ROUNDED OF AMOUNTS:

Amounts in the Financial Statements and Directors’ Report have been rounded to the nearest dollar unless stated to be otherwise.

16. DIRECTORS DECLARATION:

Signatures:

Dr Peter Isdale AM
Chairman of Directors
Dated: 7/2/2018

Mr Mark Paddenburg
Chief Executive Officer
Dated: 7/2/2018

at Sippy Downs, Queensland, Australia.
“The Innovation Centre has fundamentally improved our business and has provided a platform for us to grow and take a huge step towards realising our true potential.”

TRENT MACLEOD, DIRECTOR
GREEN CLOUD CONSULTING

“Great meeting and events facilities, welcoming and professional staff and a great atmosphere, environment and culture – cant recommend enough!”

MICHI TYSON
AGILE ATTITUDE

“I was part of the 2017 Grow Coastal program. I was stoked with the level of professionalism and knowledge I gained from the Innovation Centre in those 12 weeks. Thank you for boosting my local business.”

MATT HEPBURN
YOUR MATES BREWING CO
WHERE INNOVATION LIVES AND ENTREPRENEURS THRIVE

“Interning at the Innovation Centre gave me so many invaluable networking opportunities and industry experience that enabled me to, not only grow, but also secure paid work in London. I will forever be grateful for the lessons I have learnt and the mentoring that I received.”

JESS CURRENRI
USC STUDENT

“The Innovation Centre has helped me significantly in building both my social capital and capacity to scale my venture in a collaborative environment”

RENEE COMAN
DISTANCE ASSISTANCE
Premium Service Providers: