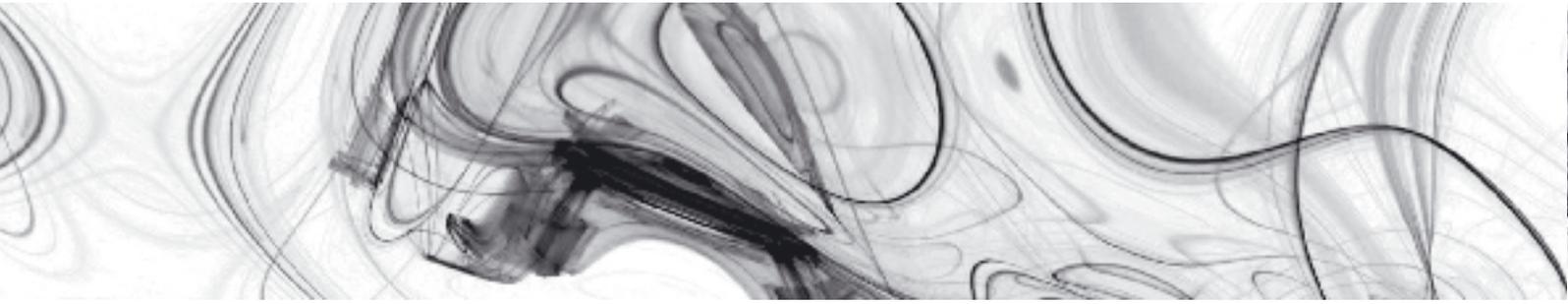




2007 **2008** ANNUAL **REPORT**



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CHAIRMAN **AND** CEO **REPORT**

On behalf of the Board of Neurosciences Victoria we are very pleased to provide you with this report on the Company's eighth year of activities. 2007/08 has been an exceptional year of consolidation of the Company's financial performance and expansion of its operational activities, both of which will ensure NSV's long term viability and associated benefit to its member organisations.

The Company has built on last year's strong financial performance, with revenues in 2007/08 of \$1.28 million, a profit for the year of \$274,000 and equity now totaling \$2.11 million. Taking a longer term viewpoint of the Company, since its inception in 2000 NSV has generated revenues in excess of \$63 million, which corresponds to a leverage of over four times the funding provided by the Victorian Government in establishing the Company.

Our performance provides us with the stability to focus on both short and long term opportunities, being confident that we have the requisite financial underpinning to follow through on these activities.

Our longer term operational activities will be boosted by the expansion of our membership base to include the major Victorian hospitals. This is important for the ongoing activities of NSV because it will give us a stronger balance of basic and clinical capabilities. This is in turn important to our major industry and government customers who often seek innovation or services which are more clinically focused. Expansion of our membership base requires a new constitution for the Company, which we anticipate will be finalised and implemented over the next few months.

One example of a longer term initiative by NSV in 2007/08 was the development of a strategic plan for Victorian neuroscience to the year 2020. This was undertaken due to a growing concern within the Victorian neuroscience community of the increased burden of disease and health system cost outcomes associated with the rapidly ageing demographic profile of the Victorian population. The expertise which can make a substantial and positive impact on these diseases already exists in the neuroscience community; the challenge is to quantify and prioritise the areas of concern and then focus this expertise into areas where the best benefit/cost payoff can be achieved. The strategic plan has been used to identify key areas in stroke, depression and dementia in which we feel the Victorian neuroscience community could take a major role in addressing, and we are discussing these opportunities with the Victorian Government.

We anticipate that 2008/09 will prove to be another strong year for NSV. We look forward to a continued strong affiliation of NSV with the neuroscience community as we grow our relationships with key industry and government customers. We would like to thank all of our fellow Directors, NSV's staff as well as the members of our Scientific Advisory Council for their continued support.



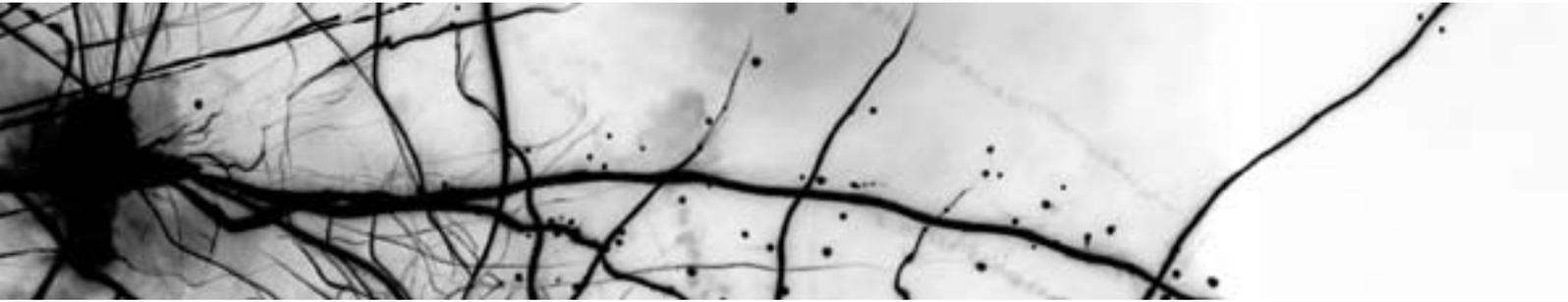
A handwritten signature in black ink, appearing to read 'Bill Burdett'.

Bill Burdett
CHAIRMAN



A handwritten signature in black ink, appearing to read 'Andrew Milner'.

Andrew Milner PhD
CHIEF EXECUTIVE OFFICER



Neurosciences Victoria is the marketing organisation for an Australian world-class neuroscience cluster. We offer a single access point to a series of neuroscience technology-based platforms and disease specialisations, backed by leading neurology and psychiatry resources and clinical expertise. One of our main aims is to facilitate seamless contractual relationships between industry, government and the neuroscience cluster of universities, medical research institutes and major hospitals. To date, NSV has generated in excess of \$50m in revenues for the neuroscience cluster.

The principal products and services of NSV relate to the pre-clinical and clinical neuroscience expertise in pharmaceuticals, diagnostics and medical devices relevant to the global marketplace which reside within its Member organisations. The major product opportunities relate to contract services in which revenue is generated from external customers who access the skills and infrastructure within the Member organisations.

NSV typically acts as a conduit for external customers for large scale, multi-institute programs. Existing pro-forma agreements between NSV and its Members mean that the customer only needs to enter into a single commercial agreement, with NSV, to perform the required program. This ability to act as a 'one-stop shop' is one of the key competitive advantages of NSV, both within Australia and internationally.

NSV also provides advice and leadership to other business activities within its membership such as providing high-level management and assistance in financing activities to spin out companies.

NSV operates as a self sustaining business, growing revenues and controlling costs to ensure its viability for the foreseeable future.

NSV Capabilities and Disease Specialisations

NSV markets the following Technology Platforms.

- **Integrative Neuroscience Facility**
Facilities include Rodent Surgical Techniques, Advance Morphology and Microscopy, *in vivo* pre-clinical testing and Behavioural Phenotyping.
- **Cell Physiology, Histology and Imaging**
Facilities include the Confocal Microscope, Electrophysiological Testing, Evaluation of Channels as Targets, Immunohistochemistry and Histology.
- **Neuroscience Trials Australia**
Facilities include Clinical Trial Design (assessment of feasibility, assistance with human ethics approvals, matching study sponsors with suitable investigators) and Databases (design and management, access to existing databases and data collection).
- **Neuroimaging and Informatics**
Facilities include PET, Large Bore MRI, Small animal MRI and Informatics.
- **Australian Brain Bank Network**
Facilities include Application Specific Brain Banks, Research Material, Neuropathologic Diagnostic Service and a Brain Donor program.
- **Neurogenomics and Neuroproteomics**
Facilities include Genomics Sequencing and Genotyping, Real Time PCR, Protein Arrays and Expression, SELDI, HPLC and Bioinformatics.
- **Clinical Psychiatry**
Facilities include EEG/ERP systems, a GAITrite gait analysis system, an Eyelink video eye tracking system and a Transcranial Direct Current Stimulator.

NSV works with the following Disease Specialisations.

- Epilepsy
- Multiple Sclerosis
- Parkinson's disease
- Stroke
- Alzheimer's disease
- ALS/Motor Neurone Disease
- Huntington's disease
- Depression
- Schizophrenia
- Bipolar affective disorder
- Neurotrauma

THE BOARD OF DIRECTORS

The Board of Directors of NSV brings together a balance of scientific, public policy and commercial expertise. Mr Bill Burdett chairs the Board, which consists of the Chief Executive Officer, two nominees from each Research Node, a nominee from each Member University and independent representatives.



Mr Bill Burdett
BSc (Hons), ASIA, AAICD
CHAIRMAN

Mr Burdett graduated in geology at the University of Western Australia and worked in oil exploration for nine years before moving to Melbourne

to start a mining research department for the stockbroking firm of A.C. Goode & Co.

In 1988 Bill was the Founding Chairman and Chief Executive of Burdett, Buckenridge & Young, an institutional stockbroker. He is currently a director of Investment Technology Group, Inc. (ITG), a global company listed on the New York Stock Exchange, and IRESS Market Technology Limited, listed on the ASX. He is also a director of the Victorian Neurotrauma Initiative Pty Ltd and Australian International Health Institute, a not-for-profit company of the University of Melbourne which aims to build capacity in public health services in the Asia-Pacific.



Ms Kate Spargo
BA, LLB (Hons) FAICD
DEPUTY CHAIR

Ms Spargo is an experienced company director and business consultant based in Melbourne. She received a Bachelor of Law with honours and a Bachelor of Arts, both at the University of Adelaide in 1977. She spent a number of years in legal practice following five years as a histopathology technician working in various mortuaries.

Kate provides advice and presents in the corporate governance area. Some of her current directorships include Pacific Hydro Ltd, Investec Bank (Australia) Ltd, Colinvest, IOOF Holdings Ltd, Australian Pork Ltd, Transfield Services Infrastructure Ltd and the Accounting Professional and Ethical Standards Board (Chairman). She is a Fellow of the Australian Institute of Company Directors (AICD), a Member of the International Corporate Governance Network and a Councillor of the Victorian AICD.



Professor Ed Byrne AO
DSc, MD, MBA, FRACP, FRCPE,
FRCP (Lond)

Professor Byrne has had an active career in clinical neurology and basic neurological research. He received his MBBS with first

class honours from the University of Tasmania in 1974 and moved to Adelaide the following year, becoming Neurology Registrar in 1977. During the years 1980/1982, he was the Muscular Dystrophy Research Fellow at Queen Square in London. In 1983, he returned to Australia as the Director of Neurology at St Vincent's Hospital Melbourne and from 1992, was Professor/Director.

Ed was awarded the degree of Doctor of Science from the University of Melbourne in 1995. He was the Founding Director of the Melbourne Neuromuscular Research Institute and the Founding Director of the Centre for Neuroscience and Professor of Experimental Neurology at the University of Melbourne. As Director of the Centre for Neuroscience, he played a major role in driving the establishment of Neurosciences Victoria and Neurosciences Australia. He is a Board member of BUPA Pty and Cochlear Pty Ltd and immediate past Editor-in-Chief of the Internal Medicine Journal.

He is a member of the Neuromuscular Steering Group of the World Federation of Neurology. He was Secretary General and Chair of the program committee of the 9th International Neuromuscular Congress. He has served as a Governor of BHP Billiton Charitable Trustees and Board Member of Baker Heart Research Institute, Prince Henry's Institute of Medical Science, McFarlane Burnet Centre for Medical Research, Monash Institute of Medical Research and Southern Health. He was awarded the Queen's Square prize for Neurological Research (1982), the Bethlehem Griffiths Research Medal (2003) and the Sir Louis Pyke Award for contribution to Multiple Sclerosis (2004). He was awarded an Officer of the Order of Australia in the 2006 Australia Day Honours List. Professor Byrne was recently Dean of Medicine, Nursing and Health Sciences at Monash University and is now Executive Dean of Biomedicine, University College London and Head of the Royal Free University College Medical School and Vice Provost at University College London.



Professor Geoffrey Donnan
MD, FRACP, FRCP

Professor Donnan is Professor of Neurology, University of Melbourne, Austin Hospital, Director of the National Stroke Research Institute and a director of the Florey Neuroscience Institutes.

Geoff's research interest is clinical stroke management and he was co-founder of the Australian Stroke Trials Network. He is President of the World Stroke Organisation and received the American Stroke Association William Feinberg award for excellence in clinical stroke research in 2007.



Professor John Furness
MSc, PhD, FAA

Professor Furness is best known for the chemical coding hypothesis that has strongly influenced studies of the organisation of nerve circuits, for his work in unravelling the intrinsic circuits in the digestive tract and for the discovery and characterisation of sensory neurons intrinsic to the digestive tract.

The major focuses of John's current work are on visceral sensory neurons, the investigation of drugs that reduce visceral pain and on the control of ion channels that determine the excitabilities of neurons. Professor Furness was elected a Fellow of the Australian Academy of Science in 1989. He received the Janssen International Research Award in 1993, the Davenport Medal of the American Physiological Society in 1997, the Distinguished Achievement Award of the Australian Neuroscience Society in 2003 and a Centenary Medal in 2003. He was elected Fellow of the Academy of Science of Bologna (L'accademia delle scienze dell'istituto di Bologna), the world's second oldest scientific academy, in 2005.



Professor Graeme Jackson
BSc (Hons), MD, FRACP

Professor Jackson is the Director of the Brain Research Institute, a subsidiary of the Florey Neuroscience Institutes of which he is also a Director. His primary research interest

is the application of Magnetic Resonance Imaging (MRI) techniques to the understanding of epilepsy and brain function. Graeme is also a Neurologist at the Austin Hospital, a Professorial Fellow of the Department of Medicine at Austin Health, and an Adjunct Professor of Radiology, University of Melbourne.



Mr Bruce Kean AM
Dip ChemE, FIEAus, FTS,
FAICD, FRSA

Mr Kean was educated in Melbourne, studying Chemical Engineering and Economics. He is a director of Folkestone Ltd and has served on the

boards of many public companies, including as Managing Director of Boral Ltd (1987/94) and a director of AMP (1989/2000).

In community affairs, Bruce was Chair of CEDA (1994/2002), Chair of The Sir David Martin Foundation (1994/98) and is currently Chair of The Mental Health Research Institute of Victoria. He was a member of the Prime Minister's Economic and Planning Committee (1992/94), and Chair of the Commonwealth Government's Committee of Inquiry into the Standards and Conformance Infrastructure of Australia (1994/95). In 1994 he was awarded the Order of Australia and later the Governor General's Centenary Medal.



Professor Trevor Kilpatrick
MBBS, PhD, FRACP

Professor Kilpatrick is a clinician scientist whose basic research focuses on the neurobiology of multiple sclerosis, in particular oligodendrocytic biology and

upon regenerative medicine.

Trevor has initiated a number of productive clinical research projects and established multicentre collaborations to study the genetics and epidemiology of MS and is developing translational platforms for therapeutics that target neurodegenerative diseases. He is Director of the Centre for Neuroscience at the University of Melbourne and coordinates the Faculty of Medicine research domain in the Neurosciences and Behavioural Sciences. He also heads the Melbourne Multiple Sclerosis Research Unit at the Howard Florey Institute and is a neurologist and head of the MS Unit at the Royal Melbourne Hospital.



Professor Frederick Mendelsohn AO
MD, PhD, FRACP, FAA

Professor Mendelsohn is Director of the Howard Florey Institute and a director of the Florey Neuroscience Institutes. He is the R. Douglas

Wright Professor of Experimental Physiology and Medicine at the University of Melbourne. He has held a personal Chair in Medicine at the University of Melbourne since 1997 and was Senior Physician at the Austin and Repatriation Medical Centre (1977/96). His research focuses on chemical transmitters in the brain.

He was a member of the Wills Committee on Health and Medical Research Strategic Review (1998/2000), and was the Eccles Lecturer to the Australian Neuroscience Society (2001). He was elected a Fellow of the Australian Academy of Science in 2003 and is a past President of the Australian Neuroscience Society. He received the Order of Australia, Officer in the General Division in 2004.



Dr Andrew Milner
BSc (Hons), MSc, PhD, FASM
CHIEF EXECUTIVE OFFICER

Dr Milner is the CEO of Neurosciences Victoria Ltd and Neurosciences Australia Ltd. He is also a non-executive director of STC

Ltd, a micro and nano technology consortium. Andrew obtained a BSc (Hons) at the University of Melbourne in 1976, a MSc degree at the University of Melbourne in 1980 and a PhD at the John Curtin School of Medical Research at the Australian National University in 1983.

Andrew is a Fellow of the Australian Society for Microbiology and has worked in animal health and agriculture as Head of Molecular Biology at the Victorian Institute of Animal Science and subsequently as Operations Manager at Daratech Pty Ltd. In the medical arena, he has worked as Pricing Manager for Zeneca and AstraZeneca in Australia, as Director of Development and Commercialisation for Kendle (Australia) and as Managing Director of Mimotopes Pty Ltd, one of Australia's larger biotechnology companies.



Professor Elsdon Storey
MBBS, FRACP, DPhil

Professor Storey is Professor of Neuroscience at Monash University (Alfred Hospital campus), Director of the Van Cleef Roet Centre for Nervous Diseases and Head of the Neurology Unit, Alfred Hospital.

Professor Storey's interests are in behavioural neurology and in neurogenetics. In conjunction with geneticists from the Genetics Services Victoria he conducts Neurogenetics Clinics at Royal Melbourne, St Vincent's and the Alfred Hospitals. He has also been Neurologist to the Memory Clinic at Caulfield Hospital since 1997.

He has served as Chair of Senior Medical Staff at the Alfred and is currently a Council Member of the Australian and New Zealand Association of Neurologists (ex officio) as Neurology Co-Editor of the Journal of Clinical Neuroscience, a Board Member of the National Brain Foundation and a Trustee of the Bethlehem Griffiths Foundation.



Professor Bruce Tonge
 MBBS, MD, DPM, MRC Psych,
 FRANZCP, Cert Child Psych
 RANZCP

Professor Tonge is the Head,
 Discipline of Psychological
 Medicine, Head of the Monash
 University School of Psychiatry

Psychology and Psychological Medicine and
 Clinical Advisor of the Mental Health Program,
 Monash Medical Centre.

He established and directs the internationally
 recognised Monash University Centre for
 Developmental Psychiatry and Psychology with
 a \$13m program of clinical research in the areas
 of Autism Spectrum, intellectual disability and
 treatment of childhood anxiety and depression.
 He is a Director of Neurosciences Australia Ltd.
 He has produced over 180 publications in the
 past ten years including the Handbook of Studies
 on Child Psychiatry (Elsevier) and is co-author
 of the Developmental Behaviour Checklist,
 which assesses psychopathology in people with
 intellectual disability.



Mrs Jan West AM
 B.Comm, FCA

Mrs West commenced her
 career in 1975, joining Deloitte
 Touche Tohmatsu, Melbourne
 after receiving her Bachelor of
 Commerce from the University
 of Melbourne. She has

specialised in Assurance and Advisory, with a
 focus on manufacturing, consumer business and
 services industries.

A Partner since 1988, Jan has provided
 professional services to a wide range of public
 companies and large businesses, operating
 within Australia and internationally and has
 worked extensively with audit committees on
 control, governance and operational best practice
 benchmarking.

Jan was appointed a member of the Financial
 Reporting Council in 2005. She held the position
 of National President and Chairman of the Board
 of The Institute of Chartered Accountants in
 Australia (ICAA) during 2001. Jan was Honorary
 Treasurer of the National Trust of Australia
 (Victoria) for eight years, a Board member of
 EcoRecycle Victoria for four years and is currently
 the Chair of the Professional Conduct Tribunal of
 the ICAA. She was awarded the Order of Australia
 in 2007 and the Governor General's Centenary
 Medal in 2003.

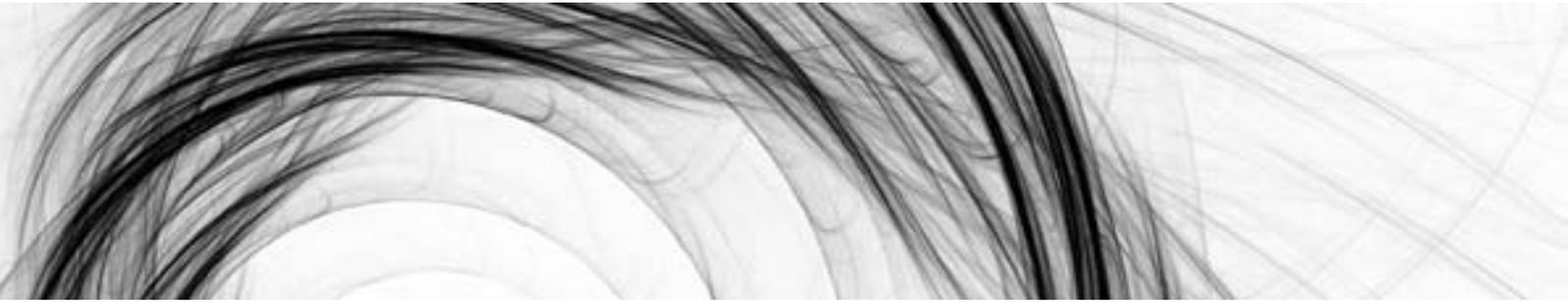
Jan is a fellow of the ICAA and of CPA Australia
 and a member of the Australian Institute of
 Company Directors.



Ms Marion Thompson
 COMPANY SECRETARY

Ms Thompson has an
 extensive background in
 providing executive support
 at the senior level. Prior to
 joining NSV in mid 2002, she
 spent some twenty years in

the Victorian public sector in positions at the Land
 Conservation Council and Museum Victoria.



NSV currently represents eight leading neuroscience research institutes around Melbourne.

- Brain Research Institute
- Centre for Eye Research Australia
- Howard Florey Institute
- Mental Health Research Institute
- Monash University
- National Stroke Research Institute
- Swinburne University of Technology
- University of Melbourne

Brain Research Institute

The Brain Research Institute (BRI) was established at Austin Health, Melbourne, in 1996. BRI performs internationally competitive research to help understand the structure and function of the human brain. It supports collaboration between specialties in order to develop a better understanding of how a healthy or diseased brain functions. BRI is an affiliated institution of the University of Melbourne, an administering institution of the National Health and Medical Council (NHMRC) and an Accredited Independent Medical Research Institute of the NHMRC.

BRI joined with the National Stroke Research Institute and the Howard Florey Institute on 1 July 2007 to form the Florey Neuroscience Institutes (FNI). The establishment of the FNI has brought together three world leading neuroscience institutes to form the largest brain and mind research centre in Australia.

Professor Graeme Jackson is the Director of BRI. Staff include neurologists, physicists, radiographers, radiologists, scientists, neuropsychologists and neurophysiologists, both from Australia and overseas. The practice of integrating clinical, genetic and magnetic resonance imaging approaches to epilepsy, stroke and other neurological disorders allows continued critical evaluation of medical and surgical clinical practice and in return, enables the application of research findings to clinical work.

Professor Alan Connelly is Deputy Director of BRI and his world-class team of physicists and neuroscientists are responsible for driving the expansion of the MRI platform capability based on advanced MRI information acquisition and analysis.

The development of advanced imaging technologies at BRI provides local opportunity for world-leading science developments that have immediate health care benefits. BRI and other neuroscience research groups with important questions to address can work in conjunction with experienced MRI development scientists to apply these new techniques to clinical areas of epilepsy, stroke, brain trauma and mental health.

BRI has two high field 3 Tesla MRI. These platform capabilities provide an integrated MRI and neuroscience facility, where basic problems in biology (from large animal models through to human studies) can be fully investigated with advanced MRI methods.

The MRI Development group and the advanced technological capabilities of the MRI facility provide exciting research opportunities for the neuroscience programs of BRI researchers and an extensive range of collaborators. The technical development work is driven by important neuroscience goals and in turn feeds back into the neuroscience directions as technical advances influence the questions that can be addressed. Such synergistic relationships enable neuroscience research in Victoria to stay at the forefront of international developments.

Mission Statement

The BRI's Mission is to understand the function of the human brain in health and disease through engagement of our own and collaborating scientists in research of the highest scientific and ethical standards. Our success will be measured by improved understanding of brain function, earlier and more accurate diagnosis of human brain diseases and by the development of new treatments.

 www.brain.org.au

Centre for Eye Research Australia

Centre for Eye Research Australia is the nation's leading ophthalmic research institute. An international team of more than 100 staff and students are working to discover the causes of eye diseases and find and improve treatments, as well as enhancing rehabilitation and support for people living with vision loss and blindness.

The Centre is a collaboration of the University of Melbourne (Department of Ophthalmology), the Royal Victorian Eye and Ear Hospital, Vision Australia, the Royal Australian and New Zealand College of Ophthalmologists, Christian Blind Mission International, the Victorian Lions Foundation and the Ansell Ophthalmology Foundation.

A comprehensive research program, including work on cataract, age-related macular degeneration, diabetic eye diseases, glaucoma, and genetics of eye conditions, is conducted by seven units:

- Anterior Segment Research Unit
Head, Professor Rasik Vajpayee
- Clinical Genetics Unit
Head, Associate Professor David Mackey
- Glaucoma Research Unit
Head, Professor Jonathan Crowston
- Health Services Research Unit
Head, Dr Ecosse Lamoureux
- Macular Research Unit
Head, Professor Robyn Guymer
- Population Health Unit
Head, Professor Jill Keeffe
- Retinal Vascular Imaging Centre Unit
Head, Professor Tien Wong

Most of the Centre's research groups are led by clinician-scientists whose investigative work is informed by their involvement in current clinical practice and patient care.

Centre for Eye Research Australia is a designated World Health Organization Collaborating Centre for the Prevention of Blindness – the only such Australian centre. Additionally, it is a member of the VISION 2020 global initiative that aims to eliminate vision loss, and is co-ordinator of the International Agency for the Prevention of Blindness (Western Pacific Region).

The Centre has an established reputation for translational research and independent, authoritative advice, through a series of reports prepared with Access Economics on the socio-economic costs of eye diseases, informing health policy and planning.

Training opportunities for students in ophthalmology are provided by the Centre through undergraduate, post-graduate and research fellow programs.

Research support funding is sourced through the Eye Research Australia Foundation in partnership with corporate, philanthropic and community sectors, and through government funding agencies – by way of competitive grant applications.

 www.cera.org.au

Howard Florey Institute

A Pathway to Better Health for People with Brain Disorders

The journey to cure brain disorders can follow many different and unknown paths. Exploring options takes time and persistence. The Florey's scientists are following paths that are leading to discoveries about how the brain works and hopefully, ways to prevent, treat and cure brain disorders. The scientists are part of the neuroscience revolution that promises to improve individual and community health around the world. Brain disorders place a heavy economic and social burden on Australia and the personal cost of these distressing illnesses is immeasurable.

Our Science

300 staff and students undertake basic and clinical research of relevance to neurological disorders. Principal areas of research include:

- Brain development
- Brain injury and repair
- Ion channels and human disease
- Multiple Sclerosis
- Neuroimaging
- Neuropeptides
- Systems neurobiology

As the Florey continues to grow, our research programs remain focused on fundamental neuroscience with a view to developing new strategies to understand and treat neurological disorders. Key research areas represent the major conditions that impact on human brain illnesses where our research efforts are likely to contribute directly to new public health outcomes. The coming together of new technologies in imaging, stem cells, proteomics and the genome revolution are providing new opportunities to unravel many previously intractable brain problems offering real hope of new treatments.

A Change of Direction

Established by an Act of Parliament in 1971, the Howard Florey Institute of Experimental Physiology and Medicine was named after Lord Howard Florey, the Australian Nobel laureate whose research work on penicillin continues to save millions of lives each year. The Florey originally researched basic physiology but as the neuroscience knowledge explosion occurred in the 1990s, the Board made the strategic decision to change the Institute's focus to brain disorders.

Taking a New Road to Advance Discoveries

On 1 July 2007, the legislation that created the Howard Florey Institute of Experimental Physiology and Medicine was repealed, paving the way for the Florey to amalgamate with the Brain Research Institute and the National Stroke Research Institute to become collectively known as the Florey Neuroscience Institutes (FNI).

As part of the amalgamation process, two purpose-built research facilities will be constructed to house the FNI, the Mental Health Research Institute and researchers from the University of Melbourne. This united effort will result in a critical mass of skilled researchers from different disciplines focused exclusively on the brain. A 'bench to bedside' research approach will ensure the millions of Australians affected directly and indirectly by brain disorders will benefit from the research undertaken at the FNI.

During the next few years, the Florey's bold journey as part of the FNI will unfold. As the Florey travels along this new path all our vital research programs will continue and many will expand.

Our Mission

- Make discoveries that will improve the health and wellbeing of Australians
- Encourage innovation, discovery and invention
- Commercialise scientific discoveries
- Educate tomorrow's scientists and provide career development opportunities for our staff and students

Our Vision

Working with the Florey Neuroscience Institutes partners, we will become one of the world's top 10 neuroscience institutes. Together, our expertise will improve the lives of Australians as we discover ways to prevent, treat and cure brain disorders.

Our Values

We value excellence, integrity, creativity, cooperation and rigour in medical research. Our work is driven by our passion for science and the desire to solve the brain's many mysteries.

 www.florey.edu.au

Mental Health Research Institute

Scientists at the Mental Health Research Institute (MHRI) have embraced the challenge to develop accurate and early diagnostic measures and to improve treatments for mental illnesses. The Institute, led by the Director, Professor Colin Masters, focuses its work in two major research programs; Neurodegeneration and Neuropsychiatry. The aim of all of the Institute's work is on improving outcomes for people with mental illness. Links to clinical services ensure research remains relevant and allows translation of research findings into clinical practice.

Neurodegeneration

- Alzheimer's disease - mechanism of neurotoxicity of A-beta amyloid protein, Amyloid Precursor Protein (APP), APP processing and reagent development.
- Involvement in the Australian Imaging, Biomarkers and Lifestyle (AIBL) study, the largest longitudinal cohort study of its kind in the world, aiming to discern preclinical biomarkers, environmental contributions and treatment strategies for Alzheimer's disease.
- Endogenous and exogenous factors that predispose to dementia, especially of the Alzheimer type.
- Drug development and clinical trials, screening for dementia and pre-clinical diagnosis.
- Role of oxidative stress in neurodegenerative diseases: Alzheimer's disease, Huntington's disease, motor neurone disease, Creutzfeldt-Jakob disease and the fronto-temporal dementias and tauopathies.
- The normal and abnormal function of proteins which aggregate in these diseases and form pathogenic amyloid plaques.

Neuropsychiatry - Schizophrenia, Bipolar Affective Disorder, Related Major Psychoses and Addiction

- Identification of key genes and proteins through genomics/proteomics.
- Regulation of major molecular therapeutic targets and neurobiological actions of dopamine, serotonin, acetylcholine and GABA.
- Behavioural/phenotypic analysis of effect of pharmacological tools and modulating action of sex steroid hormones and stress.
- Mechanism of action of atypical antipsychotics.
- Cognitive deficits in schizophrenia and mood disorders.
- Generation of delusions and auditory hallucinations (hearing voices).
- Role of oxidative free radicals in schizophrenia – fundamental and clinical studies.
- Molecular mechanisms in co-morbid psychiatric illness and substance abuse (addiction).
- Impact and mechanism of psychosocial treatment and collaborative therapy for people with a psychiatric illness.

National Neuroscience Facility Platforms

MHRI is closely involved in the following National Neuroscience Facility Platforms.

- Australian Brain Bank Network - Lead Organisation
- Neurogenomics and Neuroproteomics - Professor Colin Masters, Associate Professor Brian Dean
- Integrative Neuroscience Facility - Associate Professor Maarten van den Buuse
- Clinical Neurobiology of Psychiatry - Dr Susan Rossell

Planning for the Future

The planned relocation of some of MHRI's research groups to the new neuroscience facility at Parkville and at the Austin Hospital in 2010 will give our researchers access to know-how, technologies and equipment from our partner organisations - the University of Melbourne, Austin Health and the Florey Neuroscience Institutes comprising the Howard Florey Institute, the Brain Research Institute and the National Stroke Research Institute. Researchers from each of the participating organisations will form multidisciplinary teams to apply insights from one field of research to related fields and to translate discoveries into new treatments. MHRI membership of the Project Committee ensures involvement in the spirit of common purpose that is driving the participating organisations towards the shared goal of increased knowledge about neurological and mental illnesses.

 www.mhri.edu.au

Monash University

The Monash University Brain and Behaviour Research Network in the Faculty of Medicine, Nursing and Health Sciences brings together teams of scientists and clinicians from across the University and its affiliated centres and institutes to tackle major research challenges in the field of neuroscience.

The Network acts as the coordination point for the Monash Node of NSV. The Node includes Swinburne University of Technology, the Psychiatry Department of the Monash Medical Centre as well as the neuroscience research of the National Trauma Research Institute and the Van Cleef/Roet Centre for Nervous Diseases, both based at The Alfred hospital.

Monash neuroscientists conduct leading edge research and clinical investigation in key areas of neuroscience, including Alzheimer's disease, stroke, sensory physiology, brain injury, Huntington's disease, cognition, control of movement, neuroinflammation, Bipolar affective disorder and schizophrenia, depression and anxiety disorders, intellectual disability and autism.

Monash at a Glance

- Monash is Australia's most internationalised university.
- It has more than 53,000 students from over 100 countries.
- Monash University is a member of the prestigious Group of Eight (Go8) universities, recognised for excellence in teaching, learning, research and graduate outcomes.
- Monash is home to the Australian Synchrotron, the Australian Stem Cell Centre and the Monash Science Technology Research and Innovation Precinct (STRIP).

The University has a strong international reputation in research, including:

- Stem cell science
- Nanotechnology
- Reproductive biology
- Drug development
- Drug discovery
- Injury prevention and road safety

Research achievements include:

- Pioneering in-vitro fertilisation (IVF)
- Design and synthesis of flu drug Relenza
- Cutting-edge stem cell research (Australian Stem Cell Centre)
- Accident and injury prevention (Monash University Accident Research Centre)

Locations

Monash University has eight campuses: six in Australia, one in Malaysia and one in South Africa as well as centres in London, UK and Prato, Italy.

Medicine, Nursing and Health Sciences

The Faculty of Medicine, Nursing and Health Sciences offers outstanding training through courses that include Behavioural Neuroscience, Biomedical Science, Medicine, Psychology, Radiography and Medical Imaging. The Faculty has strong links with research institutes such as the Baker Heart Research Institute, the Prince Henry's Institute for Medical Research, the Mental Health Research Institute and the Macfarlane Burnet Institute for Medical Research and Public Health, as well as with our major teaching hospitals, principally Monash Medical Centre, The Alfred and Box Hill Hospitals. In total, the Faculty operates in 125 practices and 68 hospitals, providing outstanding facilities and resources for clinical teaching.

 www.med.monash.edu.au/mucbb

National Stroke Research Institute

The National Stroke Research Institute (NSRI) was established in 1994 and is co-located with the Brain Research Institute and the Epilepsy Research Centre in the Neurosciences Building at the Heidelberg Repatriation Hospital, part of Austin Health.

The aim of the Institute is to conduct research to reduce the burden of stroke. NSRI is uniquely positioned as the only research institute in Australia dedicated to stroke research. The Institute's structure of seven vertically integrated research divisions allows stroke to be addressed across its entire spectrum from laboratory research to clinical trials and public health. NSRI has formal links with seven Australian collaborating centres located at Royal Perth Hospital, Royal Brisbane and Womens Hospital, John Hunter and Calvary Mater Hospitals, Gosford and Wyong Hospitals in Newcastle, St Vincent's Hospital in Sydney, Royal Melbourne Hospital and Royal Children's Hospital in Melbourne and the Flinders University in Adelaide. Strong international collaborative links have been developed with laboratories in Germany, USA, UK, Singapore and Sweden. The Institute is internationally recognised for its high quality research with an output of an average of 40 peer reviewed journal publications annually (excluding books and policy reports).

It has been a year of change for NSRI. The Institute joined forces with the Brain Research Institute (BRI) and the Howard Florey Institute on 1 July 2007 to form the Florey Neuroscience Institutes (FNI). Professor Geoff Donnan, currently Director of NSRI, has been appointed the Director of FNI and will officially take up the position in January 2009. A new purpose built facility will be completed in 2011 at the Austin Hospital to accommodate 210 staff from NSRI, BRI and the University of Melbourne.

Competitive grant funding to the Institute increased by 26% in 2008 to just over \$2.9 million. Professor Donnan has been recognised with two prestigious awards celebrating his achievements in stroke research. He was awarded the 2008 Bethlehem Griffiths Research Foundation medal for his outstanding contribution to international stroke research and he was also awarded the Mervyn Eadie Award for career achievement in neuroscience research by the Australia and New Zealand Association of Neurologists.

Neuroscience Trials Australia has established itself as a neuroscience specialist contract research service provider and continues to add to its track record and service offering. The group is providing a range of project management and monitoring services to support both international and local commercially sponsored and investigator initiated trials, and continues to play a leading role facilitating protocol review and budget negotiation for its member clinical neuroscience specialty groups.

The seventh annual stroke retreat was held at Creswick, facilitated by Professor Rüdiger Seitz, Deputy Head, Department of Neurology, University Hospital Düsseldorf, Germany. The event was very successful and stimulating with 115 participants representing NSRI and all its collaborating centres. The program capitalised on the breadth of the research topics, from the molecular to the epidemiological level reflecting the broad spectrum of scientific activities conducted by NSRI researchers and collaborators.

 www.nsri.org.au

Swinburne University of Technology (Brain Sciences Institute)

Swinburne has a reputation for producing exceptional quality research that belies its relatively small size. We have achieved this enviable reputation as a centre for intensive research excellence due to our highly focussed approach. This focus has seen strong research ties with industry and participation in five National Centres of Research Excellence, including one NHMRC and four ARC Centres of Excellence, as well as membership of five Co-operative Research Centres. To continue this outstanding performance, Swinburne will invest \$250 million over the next four years in highly focussed areas of excellence and global competitiveness. It's our strategy for continued world-class achievements in research.

Brain Sciences Institute

The principal aim of the Brain Sciences Institute (BSI) is to conduct high quality research in human neuroscience; in particular, the areas of cognitive neuroscience, psychopharmacology, clinical psychology and psychological assessment. To do this we have brought together a multi-disciplinary team of researchers that includes physicists, psychologists, psychophysicists, biophysicists and neuroscientists. BSI undertakes research using multiple neuroscientific technologies: imaging (including MRI/fMRI, MEG, EEG); stimulation (using TMS); psychophysical techniques; and cognitive and clinical measures.

The BSI also strives to foster local and international research collaboration with Government, industry and other academic institutions, centred around the Institute's specialised skills in conducting psychological and physiological assessments in clinical drug trials, clinical disorders and organisational performance.

Professor Michael Kyrios has recently been appointed Director of the BSI. Professor Kyrios is a clinical psychologist who has a long history of commitment to teaching, research and clinical practice. In addition to working in the university sector, Mike has also worked in general hospital, psychiatric, rehabilitation, primary care and private practice settings. Mike is the current National Chair of the Australian Psychological Society's College of Clinical Psychologists.

BSI Research Units and Leaders

- Ageing
Dr Andrew Pipingas
- The Biology of Individual Differences
Dr Joseph Ciorciari
- Brain Dynamics
Associate Professor David Liley
- Cellular Neuroscience Research
Professor Andrew Wood
- Developmental Disorders
Professor David Crewther
- Emotional Intelligence
Dr Karen Hansen
- Herbal and Nutritional Medicine
Professor Andrew Scholey
- Human Electromagnetic Energy Bioeffects Research (HEEBR)
Professor Rodney Croft
- Instrumentation
Mr David Simpson
- Social and Affective Neurosciences
Dr Patrick Johnston
- Visual and Cognitive Neurosciences
Professor David Crewther

 www.swinburne.edu.au/lss/bsi/

University of Melbourne (Centre for Neuroscience)

Neurological and mental health diseases constitute a significant global public health burden, through both disability and death. As populations age, research in the neurosciences attains critical importance and has become a major research focus at the University of Melbourne's Faculty of Medicine, Dentistry and Health Sciences. Alzheimer's and Parkinson's disease, multiple sclerosis, schizophrenia, drug addiction, epilepsy and macular degeneration are some of the many clinical conditions currently being investigated.

In addition to departments undertaking research in the neurosciences, the Faculty has developed centres of research excellence which provide a focal point for collaborative, strategic and integrated research across the spectrum of neurological and neuropsychiatric diseases and through which collaboration and innovation are coordinated and encouraged. By drawing together researchers with common goals and complementary strengths, the University has been able to create a network of knowledgeable and dedicated experts whose work has benefited from a comprehensive and strategic approach to a multi-faceted discipline, and who have made key advances in the diagnosis and treatment of neurological conditions.

Key personnel are located within the Centre for Neuroscience and discipline departments including Psychiatry, Anatomy and Cell Biology, Pathology, Behavioural Sciences, Medicine (Austin and Northern Health and the Royal Melbourne and Western Hospitals), Otolaryngology and Ophthalmology. Strong collaborations exist across a number of institutions including the: BIO21 Molecular Science & Biotechnology Institute, Howard Florey Institute, Murdoch Childrens Research Institute, National Stroke Research Institute, Brain Research Institute, Mental Health Research Institute, National Ageing Research Institute, affiliated teaching hospitals and other external organisations both within Australia and overseas. These networks are maintained by regular seminar programs and events coordinated by the above groups. The Centre for Neuroscience has continued to be a key facilitator of administrative activities of Neurosciences Victoria within the Parkville precinct. In particular, the Centre for Neuroscience endeavours to foster collaborative links between neuroscientists across the breadth of the University, in affiliated medical research institutes and teaching hospitals and to coordinate collaborative research and educational programs.

The Faculty's research scientists have also played key roles in honing the University's perspective with respect to the Parkville neuroscience facility, an exciting development that will bring together University scientists as well as the Florey Neuroscience Institutes and Mental Health Research Institute in a state of the art 18,000 square metre facility that is being constructed on campus. This development provides an opportunity to co-locate over 500 scientists focussing on neuroscience and developmental biology thereby establishing one of the leading research facilities of its type in the world.

Research in the neurosciences undertaken within the Faculty utilises the latest technologies in molecular and cell biology, bioinformatics, brain imaging and clinical studies. Specific areas of study include:

- Developmental biology and stem cell sciences
- Molecular and cellular neurobiology
- Clinical neurology and neurodegenerative disease
- Neurogenetics
- Neurophysiology, autonomic and sensory systems
- Mental health
- Behavioural sciences: clinical, cognitive and social
- Epilepsy
- Neuroimaging/Advanced technologies

 www.mdhs.unimelb.edu.au

NSV **BOARD** ADVISORY **COMMITTEES**

Risk and Audit Committee

The Risk and Audit Committee is a Committee of the NSV Board and oversees the audit and risk functions of the Company. The Committee is comprised of the Chair of the Board and non-executive independent Directors.

The primary objective of the Committee is to assist the Board of the Company in fulfilling its responsibilities by:

- overseeing the internal control functions of the Company and its corporate entities;
- reviewing the relationship of those functions to external audit;
- reviewing the financial statements and reports;
- identifying the areas of risk affecting the Company and its corporate entities;
- monitoring the Company's development, implementation and audit of policies and practices in relation to risk;
- monitoring compliance with law;
- assisting the Company to identify and manage risks and opportunities in the commercialisation of intellectual property; and
- reviewing proposals for resource allocation and making recommendations to the Board.

The Committee also oversees the activities of its sub-committee, the Remuneration Committee which has carriage of the remuneration framework and level for the CEO as well as the CEO's performance plan.

Membership

- Ms Kate Spargo (Chair)
- Mr Bill Burdett
- Mr Bruce Kean AM
- Mrs Jan West AM

Scientific Advisory Council

The Scientific Advisory Council is a committee of the NSV Board, established to generate initiatives and facilitate collaboration and the sharing of knowledge, skills and resources across a widely representative neuroscience community. The Council plays a role in policy development and advises the Board on scientific strategy and particular projects with the potential for commercialisation, as well as options for infrastructure enhancements to further neuroscience research.

Membership comprises all major scientific groups involved with NSV, with members usually, but not exclusively, at the level of full Professor with active scientific as well as clinical involvement to reflect the importance of translational research. Its broad membership means the Council is well placed to provide advice on scientific strategy and encourage collaboration, resource sharing and identification of new funding opportunities.

Membership

Name	Institute
Dr Nick Gough (Chair)	
Professor Samuel Berkovic AM	Epilepsy Research Centre
Dr James Bourne	School of Biomedical Sciences, Monash University
Professor Iain Clarke	Department of Physiology, Monash University
Professor Mark Cook	Department of Neurology, St Vincent's Hospital
Professor David Crewther	Brain Sciences Institute, Swinburne University of Technology
Professor Jonathon Crowston	Centre for Eye Research Australia
Professor Stephen Davis	Department of Neurology, Royal Melbourne Hospital
Professor Geoffrey Donnan	National Stroke Research Institute
Professor Paul Fitzgerald	Alfred Psychiatry Research Centre, The Alfred
Professor John Furness	Department of Anatomy and Cell Biology, University of Melbourne
Professor Malcolm Horne	Howard Florey Institute
Professor Peter Hudson	Commonwealth Scientific and Industrial Research Organisation
Professor Graeme Jackson	Brain Research Institute
Professor Bevyn Jarrott	Howard Florey Institute
Professor Andrew Kaye	Department of Neurosurgery, Royal Melbourne Hospital
Professor Trevor Kilpatrick	Centre for Neuroscience, University of Melbourne
Professor Jayashri Kulkarni	Alfred Psychiatry Research Centre, The Alfred
Professor Peter McIntyre	Department of Pharmacology, University of Melbourne
Professor Catriona McLean	Department of Anatomical Pathology, The Alfred
Professor Paul Martin	Department of Optometry and Vision Sciences, University of Melbourne
Professor Colin Masters	Mental Health Research Institute
Professor Frederick Mendelsohn AO	Howard Florey Institute
Dr Andrew Milner	Neurosciences Victoria
Dr Cristina Morganti-Kossmann	National Trauma Research Institute, The Alfred
Professor Christos Pantelis	Department of Neuropsychiatry, University of Melbourne
Professor Jeffrey Rosenfeld	Department of Surgery, The Alfred
Professor Ingrid Scheffer	Department of Paediatric Neurology, Austin Health
Professor Rob Shepherd	The Bionic Ear Institute
Professor Ian Smith	Faculty of Medicine, Nursing and Health Sciences, Monash University
Professor Elsdon Storey	Department of Neurosciences and Van Cleef/Roet Centre for Nervous Diseases, Monash University
Professor Julie Stout	School of Psychology, Psychiatry and Psychological Medicine, Monash University
Professor Bruce Tonge	Discipline of Psychological Medicine, Monash University

Andrew Milner PhD **CHIEF EXECUTIVE OFFICER**

Andrew is the CEO of Neurosciences Victoria Ltd and Neurosciences Australia Ltd. He is also a non-executive director of STC Ltd, a micro and nano technology consortium. Andrew obtained a BSc (Hons) at the University of Melbourne in 1976, a MSC degree at the University of Melbourne in 1980 and a PhD at the John Curtin School of Medical Research at the Australian National University in 1983. Andrew is a Fellow of the Australian Society for Microbiology and has worked in animal health and agriculture as Head of Molecular Biology at the Victorian Institute of Animal Science and subsequently as Operations Manager at Daratech Pty Ltd. In the medical arena, he has worked as Pricing Manager for Zeneca and AstraZeneca in Australia, as Director of Development and Commercialisation for Kendle (Australia) and as Managing Director of Mimotopes Pty Ltd, one of Australia's larger biotechnology companies.

Irwin Saunders **CHIEF FINANCIAL OFFICER**

Irwin Saunders is an FCPA of over 30 years' standing and joined Neurosciences Victoria in January 2008 as Chief Financial Officer. Prior to joining NSV Irwin was Finance Manager of Australian Envelopes, Australia's largest envelope manufacturer. From 1998 to 2005 he was Financial Controller and Company Secretary of Mimotopes Pty Ltd, an Australian biotechnology company. He also has extensive experience in senior finance roles in the security printing and packaging industry as well as scientific instrumentation.

Rosemary Paxton **BUSINESS DEVELOPMENT**

Rosemary has tertiary qualifications in science, arts and education and currently studies IP Law at the University of Melbourne. She has a background in virology research and more than seventeen years' experience in commercial biotechnology including setting up and running the Australian subsidiary of a NASDAQ listed molecular biology company. She is an Associate Fellow of the Australian Institute of Management and a Fellow of the Australian Institute of Company Directors.

Jackie Thompson **ACCOUNTS**

Jackie commenced her employment with NSV Ltd in July 2004. She has over 20 years experience working for a variety of companies, from a small computer software business to a large manufacturing/wholesale publicly owned company and has previously worked in accounts and administration within the hospitality industry.

Marion Thompson **COMPANY SECRETARY**

Marion has an extensive background in providing executive support at the senior level. Prior to joining NSV in mid 2002, Marion spent some 20 years in the Victorian public sector in positions at the Land Conservation Council and Museum Victoria.

Trisha Wooding **OFFICE MANAGER**

Trisha has significant experience in administration and office management in both the public and private sectors and has provided support to high level executives in a number of companies. In addition she also has qualifications in occupational health and safety and has undertaken training in Personal Financial Management at RMIT University and Music Management at Swinburne University. Trisha's role at NSV encompasses a broad range of activities within NSV's operations.

NEUROSCIENCES VICTORIA LIMITED

Income Statement

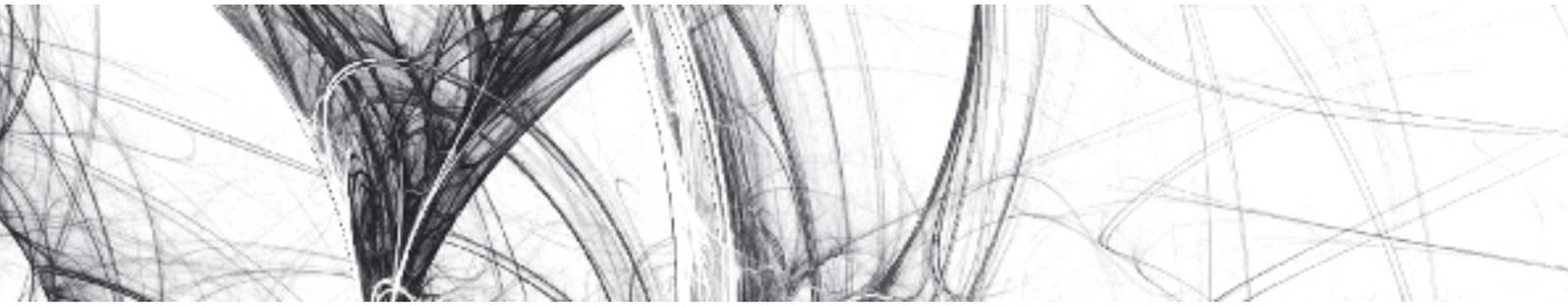
FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
Revenues	1,279,263	2,126,097
Project expenditure	-94,390	-985,000
Employee benefits expense	519,324	-481,412
Depreciation, amortisation and impairment losses	-21,868	-6,095
Consultants' fees	-92,843	-98,607
Business development expense	-89,677	-145,528
Insurance expense	-38,436	-37,861
Patent and trademark expense	-1,469	-46,944
Professional fees	-81,655	-56,237
Travel expense	-1,802	-36,418
Occupancy expense	-11,354	-6,575
Other expenses	-52,112	-46,165
Profit before tax	274,333	179,255
Income tax expense	-	-
Profit for the year	274,333	179,255

Balance Sheet

AS AT 30 JUNE 2008

	2008 \$	2007 \$
Current assets		
Cash and cash equivalents	1,981,903	1,836,634
Trade and other receivables	1,961,603	31,629
Other assets	71,499	86,886
Total current assets	4,015,005	1,955,149
Non-current assets		
Property, plant and equipment	19,200	10,403
Financial assets	7	18,182
Total non-current assets	19,207	28,585
Total assets	4,034,212	1,983,734
Current liabilities		
Trade and other payables	1,870,006	117,529
Provisions	51,435	27,766
Total current liabilities	1,921,441	145,295
Non-current liabilities		
Provisions	-	-
Total non-current liabilities	-	-
Total liabilities	1,921,441	145,295
Net assets	2,112,771	1,838,439
Equity		
Reserves	1,500,000	-
Retained earnings	612,771	1,838,439
Total equity	2,112,771	1,838,439



www.neurosciencesvic.com.au



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