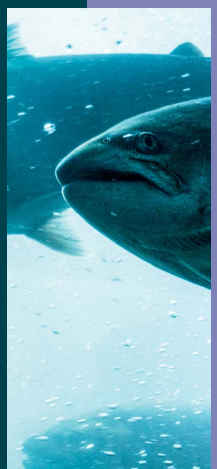
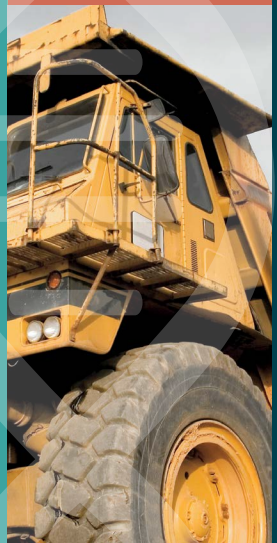
GENOME BRITISH COLUMBIA

2013–14 ANNUAL REPORT

3 good reasons...





Genome
BritishColumbia
Leading > Investing > Connecting

What is genomics?

Genomics is the science that aims to decipher and understand the entire genetic information of an organism (i.e. plants, animals, humans, viruses and microorganisms) encoded in DNA and corresponding complements such as RNA, proteins and metabolites. Broadly speaking, this definition includes related disciplines such as bioinformatics, epigenomics, metabolomics, nutrigenomics, pharmacogenomics, proteomics and transcriptomics.

...why genomics matters

Reason 1:

The Bioeconomy

Reason 2:

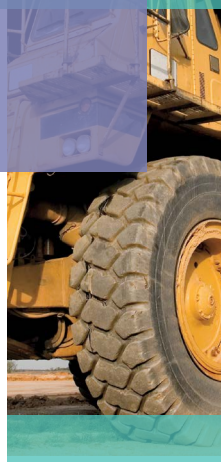
Natural Resources

Reason 3:

Our Future

Genomics is the heart of life sciences in British Columbia: it cuts across agri-food, energy, mining and the environment, fisheries and aquaculture, forestry and human health.

There are many good reasons why genomics matters to us and here are three big ones. First, genomics research is making impacts on our bioeconomy: generating jobs, creating and advancing new companies and attracting national and international investments. Second, in the energy and mining, fisheries and aquaculture, and forestry sectors genomics-based applications are providing solutions to challenges facing BC's natural resources-based industries. Third, genomics is at the core of cutting-edge science and technologies, laying the groundwork for a healthy future for British Columbians and the Province by driving growth, productivity, commercialization and global competitiveness.



Reason 1: The Bioeconomy

$1.4B
economic impact on BC's GDP

21,149
jobs created

23
companies advanced


Total GDP created and enabled is estimated at $1.4 billion
1.4
billion

Reason 2: Natural Resources

$21B
economic output from BC's natural resources industries

296
co-investors and partners from natural resources industries

$142M
brought to BC through research co-funding in natural resources

33% of Genome BC's portfolio is invested in natural resources

33 percent

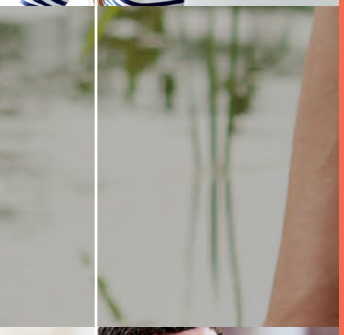
Reason 3: Our Future

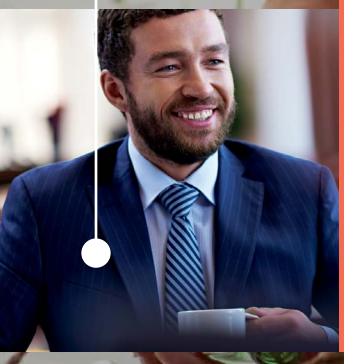
14,000
Create 14,000 new jobs by 2020

$1B
Grow BC's bioeconomy by $1B by 2020

60,000
Expand outreach program to reach 60,000 people per year by 2020


By 2036, BC's population is estimated to grow by 25%:
from 4.2 million to more than 6 million people
6
million





Reason 1: The Bioeconomy

Genome BC is ideally placed to grow BC's bioeconomy by developing innovative programs that allow new genomic tools to be used in a wide range of applications in key economic sectors (agri-food, energy, mining and environment, fisheries and aquaculture, forestry and human health). A catalyst for genomics in the Province, Genome BC brings research partners and co-investors together from industry, government and academia. Genome BC is enabling genomics to generate jobs, create and advance new companies and attract additional investments while addressing some of BC's key economic sector challenges.

Genome BC – Open for Business

Secrets uncovered

What does a mighty red cedar in Vancouver Island's Cathedral Grove have in common with minuscule bacteria floating in a stream below Britannia Mine? It is simple: they both have a genome. Genomes have no secrets – they are an open book, but until recently they have been written in an undeciphered language.

Today, with the help of advanced tools and technologies developed here in BC, we are decoding genomes and more importantly using this information to address challenges facing the agri-food, energy, mining and environment, fisheries and aquaculture, forestry and human health sectors. All of these sectors have challenges associated with complex biological systems and a better understanding of these systems at a molecular level provides the foundation for developing effective solutions.

Meeting unmet needs

Genome BC integrates feedback from industry into its program design to ensure that the research it funds addresses genuine problems within realistic timelines. The Genome BC User Partnership Program (UPP) is designed to directly address the challenges defined by users and the imbalances between academic research 'push' and needs of industry 'pull'. By engaging industry, government regulators, health authorities, not-for-profit organizations and other users early in the implementation process, Genome BC is proactively facilitating the translation of research innovations to products, services and policies.

Investment in Genome BC is something of a self-fulfilling prophecy: dollars from the provincial government allow BC researchers to compete for federal and international funds which in turn draw new investments... and catalyze innovations...

Beyond the scope

The journey leading to scientific discovery is rarely direct or simple to navigate. It's filled with leaps of intuition, false starts, happy accidents and unexpected results. But however it zigs or zags the journey is propelled by the need to make change for the better. Such change cannot be made without strategic collaborations, including Genome Canada and the Genome Centres, co-funders and partners. Investment in Genome BC is something of a self-fulfilling prophecy: dollars from the provincial government allow BC researchers to compete for federal and international funds which in turn draw new investments into the Province and catalyze innovations to benefit BC companies and citizens.

Genome BC is an essential component of Canada's Science & Technology Strategy, and its unique co-funding model attracts millions in international funding and strategic collaborations. With help from funding partners it invests in the very best people, the very best genomics research programs, and the most advanced technologies, including the examples on the next two pages. Genome BC is propelled by a single desire: to pave the way for research to have a direct impact on our lives, and to deliver critical benefits to people in British Columbia, Canada and beyond.

Boreal Genomics

"On Target" Hits the Bullseye

In 2002 Genome BC established the Technology Development platform to meet the need for novel in-house technologies to support rapidly developing life sciences research. This collection of highly specialized people, tools and equipment was the muscle behind many genomics research projects and enabled higher quality and more expedited analysis of genomes, including DNA sequencing, mapping, genotyping, microarrays, genetic analysis, proteomics and bioinformatics.

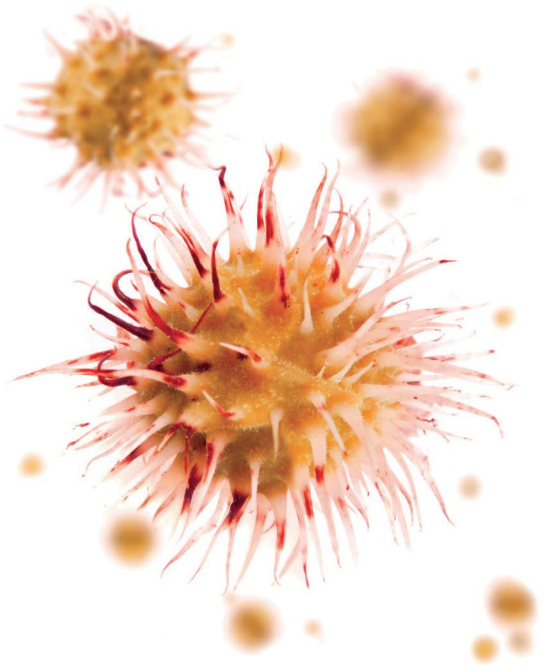
One of the major successes of Genome BC's Technology Development platform is Boreal Genomics, a spin-off company started in 2007 by its co-director and UBC researcher Dr. Andre Marziali and colleagues. In 2004 Dr. Marziali co-invented a patented technology to purify nucleic acids. This technology formed the basis for Boreal to further commercialize high-performance instruments for DNA and RNA purification. Today the company employs more than 40 staff in offices in BC and California.

The company's newest product, the Boreal OnTarget™ technology, allows researchers to detect up to 100 mutations across multiple genes in parallel and sequence known and rare somatic mutations, enabling non-invasive monitoring of cancer and improving the effectiveness of personalized treatments. The novel technology enables multiple detection of these mutations from circulating tumour DNA found in the blood.

The initial commercial application for the OnTarget system is for colorectal cancer surveillance but Boreal has also developed applications for screening of pancreatic, ovarian and lung cancers. The brilliance of the technology, however, is its potential to detect all cancers at the earliest stages – all with a simple blood test.

With an $18 million (USD) injection from a Series C financing round, Boreal has the ability to improve cancer patient care through blood-based tests for non-invasive tumour profiling. It aims to further develop its cancer-detection platform from post-surgical surveillance for circulating cancer DNA into a screening tool that can be applied across entire populations, eventually hoping to decrease the global incidence of late-stage tumours. With clinical applications underway and cancer detection data on the verge of publication this technology is quickly becoming the "go to" tool for cancer diagnostics.

The recent round of funding will also be used to expand the company's commercial operations in the translational research market and launch new clinical applications for non-invasive genomic profiling and monitoring of cancer.



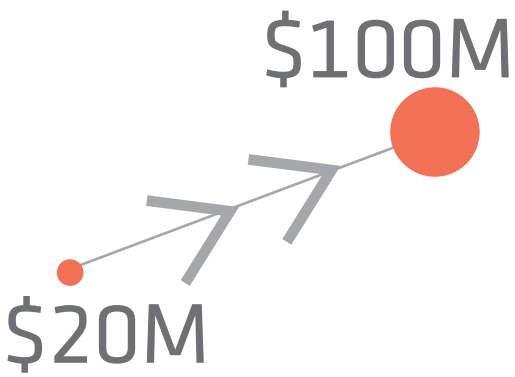
The brilliance of the technology . . . is its potential to detect all cancers at the earliest stages – all with a simple blood test.

Coastal Genomics

Power Ranger!

In 2007, with support from Western Economic Diversification Canada, Genome BC secured funding for advanced prototyping facilities and training centres in BC. The funding established new facilities at the UVic-Genome BC Proteomics Centre and the British Columbia Institute of Technology. It also launched the Joint Engineering Centre, a state-of-the-art prototyping centre at the BC Cancer Agency.

The close proximity of the teams' engineers and trainees to researchers and clinicians in the local research community is one of the keys of the platform's success. Through close interaction and networking, researchers have been able to identify ways to solve problems, improve efficiencies and invent new devices.



Through this initiative dozens of technologies have been created such as devices for high-throughput genome analysis with the BC Cancer Agency's Michael Smith Genome Sciences Centre, the design of devices for radiotherapy and clinical genetics at the BC Cancer Agency, anesthesiology devices for Vancouver General Hospital and work flow improvements for the BC Centre for Disease Control.

The development of one novel technology in particular has led to the creation of a new company, Coastal Genomics. This BC-based company has developed "Ranger Technology," which automates a process known as agarose gel size selection to isolate DNA fragments of a desired length which is necessary for sequencing analysis. Until now agarose gel size selection has largely been a manual, low efficiency process used to prepare DNA samples for sequencing. Ranger Technology now enables processing of up to 96 DNA samples simultaneously, reduces operating costs by 35% compared to the manual approach, processes DNA samples three times as quickly and reduces workspace requirements four-fold.

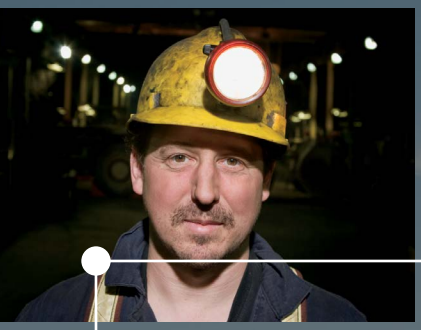
The company estimates that its market will grow from $20 million in 2012 to $100 million by 2016.

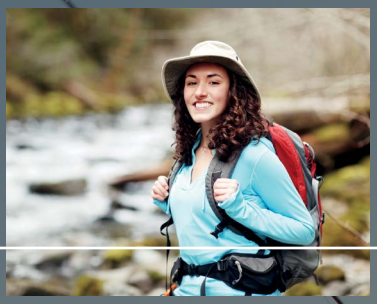
This innovative process effectively allows DNA sequencing service providers, gene synthesis companies and others, to establish the use of agarose gel size selection for pipelines that have been growing exponentially due to revolutions in the field of DNA sequencing. Research groups will be able to improve the value of high-cost processes that benefit from custom, discriminating size selection by using Ranger Technology.

Genome BC is supporting product development and facilitating early access to customers through its Strategic Opportunities Fund for Industry (SOFi) program. The SOFi program seeks to accelerate commercial potential with local companies and facilitate collaboration with industry.

Ranger Technology assemblies will be manufactured in Canada and then shipped to international customers. Coastal Genomics already has a staff of four full-time employees and a stable of local contractors.

Demand for the product is on the rise. The company estimates that its market will grow from $20 million in 2012 to $100 million by 2016.





Reason 2: Natural Resources

BC and Canada's wealth and future development is inexorably linked to natural resources such as agri-food, energy, mining and environment, fisheries and aquaculture and forestry. Genomics research applied to environmental issues could provide new solutions for monitoring and mitigating the impacts arising from human activities, including climate change. Canadian companies engaged in natural resource development are gaining international attention for their ability to provide innovative solutions to increase production, to maintain the health of the environment and to sustainably derive benefits from natural resources.

Genomic solutions to challenges in natural resources industries

Genomics play a key role in addressing some of the major challenges facing BC's natural resources, including: adapting to climate change, feeding an expanding population, finding alternative fuels and mitigating the environmental consequences of economic expansion.

But the journey towards finding solutions is not easy. To help bridge the gap between researchers in the laboratory and end-users in the forest, field, clinic or elsewhere, Genome BC has developed a robust business development program that spans the research continuum from discovery to translation and commercialization. Through dialogue and engagement with end-user stakeholders the organization recognizes a need to balance the research 'push' and end-user 'pull' of genomics technologies in order to better foster the uptake and impact of these technologies.

Scientific research investments are paramount to the identification and development of new innovations – and now these are coming to fruition. A few examples of real-world utility include:

- Novel technologies to identify the source of water contaminants in order to ensure clean drinking water
- Sequencing the genome of the Chardonnay wine grape to help BC vineyard owners identify the best grapevines for optimum wine production
- Tests to detect known and novel pathogens in real time, preventing outbreaks in BC and Canadian forests
- Creation of metagenomic tools that will contribute to a more sustainable mining industry and facilitate returning the environment to its natural state

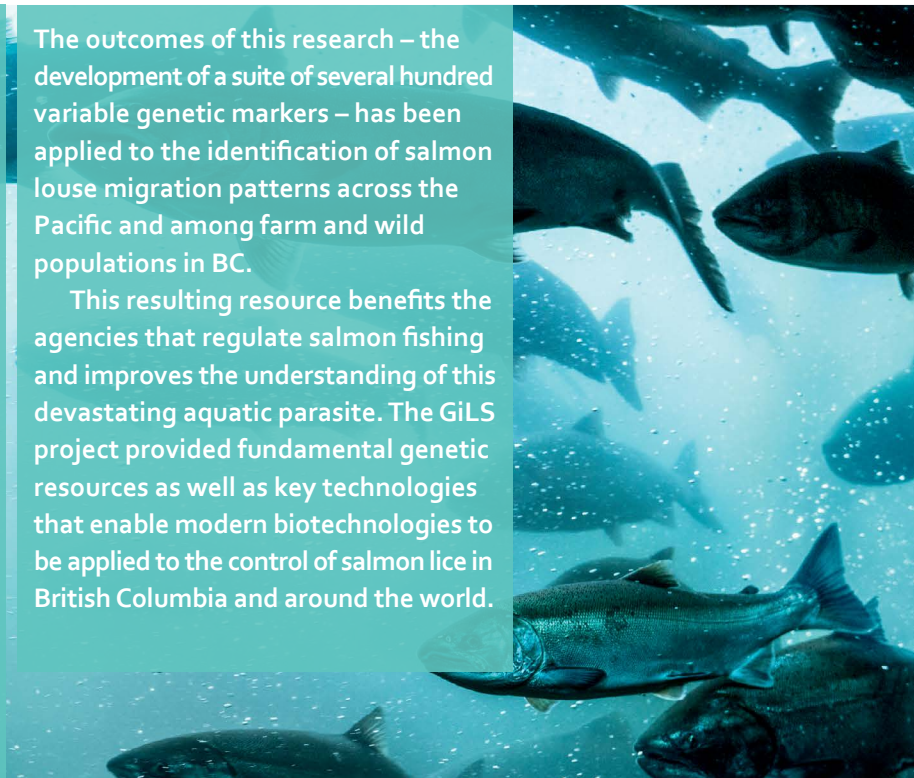
GiLS

As part of ongoing investment in salmon health, Genome BC funded the Genomics in Lice and Salmon (GiLS) project through a collaborative partnership of scientists including Ben Koop (University of Victoria), William Davidson (Simon Fraser University), Simon Jones (Fisheries and Oceans Canada) and Grant Murray (Vancouver Island University).

At the project's launch back in 2009, there were fewer than 200 salmon louse genes identified and less than 10 genetic markers. This lack of knowledge severely limited the ability of researchers and fisheries management to understand basic salmon louse biology.

The outcomes of this research – the development of a suite of several hundred variable genetic markers – has been applied to the identification of salmon louse migration patterns across the Pacific and among farm and wild populations in BC.

This resulting resource benefits the agencies that regulate salmon fishing and improves the understanding of this devastating aquatic parasite. The GiLS project provided fundamental genetic resources as well as key technologies that enable modern biotechnologies to be applied to the control of salmon lice in British Columbia and around the world.



Consider mining remediation an appetizer

Dialogue and partnerships with end-user stakeholders including government and industry, will improve the understanding of how genomics can be applied to individual sectors to enhance sustainable competitiveness. To this end, Genome BC was an active participant in "RoundUp" – the largest annual mining conference in BC hosted by the Association of Mineral Exploration. Genome BC held its own roundtable meeting at the 2014 conference and brought together a group of representatives from industry, academia and government to understand how biological methods, specifically genomics, can improve operational and cost performance in the mining industry.

The use of biological methods to inform exploration, enhance metal recovery and remediation is not new but new technologies, including the ability to sequence microorganisms at rapidly declining costs, means that the application of biological tools could potentially expand reserve estimates, improve recovery of low-grade and refractory ores and provide new tools for monitoring process parameters.

Scientists provided concrete examples about discoveries that will lead to improved processes for treating wastes, recovering metals and maximizing mineral yield. Some of the examples include gold and copper extraction, bioremediation of wastewater using specific microbial communities and the application of organisms that bind to minerals to better separate them.

Future opportunities include extraction of rare earth metals, exploration for new deposits and applications of bioreactors in northern Canada. Attendees of the roundtable meeting all agreed that there is the will and technological expertise to move forward. Biological tools now have the ability to meet safety, environmental and economic challenges.

Follow-on activities were held at the Canadian Institute of Mining (CIM)'s annual convention in May, 2014 in Vancouver and continue today.

Genome BC is supporting the development of genomic-based technologies to make mine remediation faster, safer and more cost-effective. New bioremediation methods that use microbes to literally "eat" toxic compounds and decontaminate mine drainage and waste water are showing promising results.

Metagenomics: Limitless Possibilities

Microorganisms, also known as microbes, are found throughout the natural environment and play a central role in regulating how ecosystems operate. The population of microbes present in an environment can provide key indicators on the region's health, giving insight into imbalances that may be contributing to problems.

Metagenomics, often called community or environmental genomics, is a promising toolkit that offers a powerful lens through which to view the microbial ecosystem that exists within and around all living things.

Microbes are not new to scientists. In fact, humans have been able to see microbes since Anton van Leeuwenhoek's documented discovery of microorganisms in 1675. And while van Leeuwenhoek did not make the connection between the decomposition of plant material or the fermentation of grapes and the minuscule organisms he saw under his microscope, there was an existing theory, evolved over centuries of study, postulating that many tiny-celled creatures existed that were not visible to the naked eye.

During centuries of study, these theories proved correct; however, the promise of today's metagenomics relies purely on the efficiency and sophistication of modern DNA sequencing and bioinformatics techniques. DNA sequencing has become both faster and cheaper and is the key to the practical application of metagenomics. And integrating the information generated through DNA sequencing and bioinformatics innovation is the key to successful metagenomics research.

Metagenomics spans the gamut of research: it can involve the collection and study of microbial DNA environments, such as those found in the female reproductive system or the human gut; invasive bacteria in a water source; or a layer of soil in the tar sands. Understanding these minuscule microbes found in this myriad of environmental samples is lending new understanding to the diagnosis and treatment of disease, the provision of clean drinking water and the extraction of oil from the ground.

Additionally, an understanding of which microbes must be present to ensure a healthy baseline – and which ones should not be there – can help scientists and researchers determine when an environment is under threat.

A new world, a new day, a new discovery

Metagenomics has changed the way we look at interactions in the microbial world. This new approach to tackling the most complicated needs in medicine, food production, environmental issues and other global challenges may just be the holistic solution we need. Because of metagenomics, the possibility of solving some major challenges are no longer just within our imagination – they are within our grasp.

Sequencing has become both faster and cheaper and is the key to the practical application of metagenomics.

Reason 3: Our Future

Genome BC's role as a catalyst of BC's bioeconomy over the past 14 years is advancing new companies, stimulating job creation through commercialization and is paramount to its success going forward. A key piece of this strategy is a comprehensive program of media relations, social media, community outreach and educational programming (Geneskool), through which the organization has increased the awareness, understanding and value of genomics research and applications. Through this extensive outreach, Genome BC has positioned itself as the credible 'go to' source for genomics information for the media, teachers, the research community, industry, government and the science-engaged public.

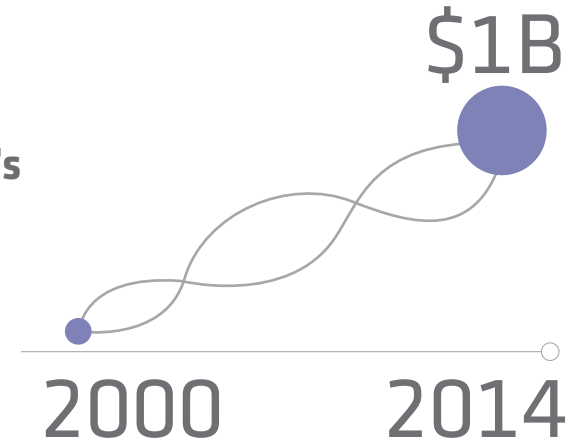
Eyes on the Prize

The bioeconomy is defined as all economic activity derived from scientific and research activity focused on biotechnology – in other words, on understanding mechanisms and processes at genetic and molecular levels and their application to industrial process. Since its inception in 2000 Genome BC has effectively contributed to British Columbia's growing bioeconomy by supporting the advancement of 23 companies which in turn have created new jobs, raised private investment of approximately $200 million and secured over $1 billion in co-development deals. Now it is time to look to the future to build on this vibrant life sciences cluster and secure the benefits of life sciences research for BC's key economic sectors.

International collaborations with the world's leading researchers and companies signal a global recognition of BC's scientific strength in genomics and related technologies. Looking ahead, Genome BC will focus on strengthening existing and emerging industry partnerships and building new linkages in order to increase competitiveness, profitability and sustainability of BC's sectors. Additionally, new focus on supporting entrepreneurship and small and medium enterprise (SME) creation and growth will complement investment into applied and translational research.

To date Genome BC has identified the right people, invested in the right projects and catalyzed a life sciences cluster representing jobs, scientific capabilities and advancement. The investment in genomics has helped foster world-class centres of excellence in BC in areas such as drug discovery and development, infectious disease, organ transplantation, adverse drug reactions, cancer, gene therapy, salmon, conifers and wine. This is just a beginning. Moving ahead Genome BC will remain focused on identifying applications of genomics that address real challenges facing the Province and its industries and using the knowledge gained to grow BC's bioeconomy.

Since its inception in 2000 Genome BC has effectively contributed to British Columbia's growing bioeconomy by supporting the advancement of 23 companies which in turn have created new jobs, raised private investment of approximately $200 million and secured over $1 billion in co-development deals.



The Demise of a Disease

For Walter Hiebert, who was diagnosed with HIV in 1988 and given just six months to live, advances in HIV treatment literally saved his life. The 56-year-old Hiebert says he had no hope at all and he had to go on disability from his job as a registered nurse in a Vancouver hospital intensive care unit.

As a patient of BC-based Dr. Julio Montaner, he was successfully treated with the HIV drug "cocktail" – a combination of three anti-retroviral drugs – which the renowned physician and researcher helped to develop. Hiebert, who went on to earn a graduate degree and now works full-time for a large telehealth organization, attributes the cocktail for saving his life.

Unfortunately, HIV can become resistant to these drugs, leading to the development of full-blown AIDS and increasing the chances of a patient transmitting the virus to others.

Montaner and Dr. Richard Harrigan, director of the Laboratory Program and head of genomics research at the BC Centre for Excellence in HIV/AIDS (BC-CfE), are leading a new $5 million research project to develop a single, improved drug resistance test based on the unique DNA of the patient's HIV strain. The new resistance test will make the therapy more effective in reducing the amount of HIV in the blood, which benefits patients and lessens the chance of spreading the virus.

The researchers will develop new personalized tests, based on a patient's DNA, to guide therapy and avoid serious side effects. The two types of tests – viral and human genomic – will help doctors prescribe the best drug cocktail for each patient, one that works well and minimizes side effects that may cause patients to stop treatment. Based on the latest DNA sequencing technology, this cutting-edge test will detect drug-resistant HIV strains that existing tests can't.

It will also give patients like Hiebert – whose drug cocktail had to be changed after he developed resistance – an even better chance of staying healthy. All HIV patients in Canada and their doctors will have access to the new test through the BC-CfE labs. The technology will be shared freely with labs globally, so it can be adopted quickly and widely.

Over 35 million people worldwide including 70,000 in Canada are infected with HIV and nearly $1 billion is spent on HIV drug cocktail therapies each year. Annual drug savings alone from the new resistance test will amount to $15,000 per year for each case of HIV avoided. Preventing 50 new HIV infections each year in Canada over five years would produce direct drug savings of $11.25 million – and that doesn't include other medical costs for HIV patients or lost productivity.

Drs. Julio Montaner and Richard Harrigan

"We will be able to monitor the emergence of drug resistance in real time and identify patients with newly acquired drug-resistant strains faster. We can then intervene proactively and preemptively so the resistance doesn't become widespread."

Dr. Julio Montaner

Growing Up Gardy

Dr. Jennifer Gardy

As a 16-year-old, Jennifer Gardy had a dream—that she would contain an epidemic of a deadly virus threatening to decimate the world's population, just like Dustin Hoffman in the movie *Outbreak*. Fast forward almost two decades and Gardy is entrenched as a Senior Scientist (Genomics & Molecular Epidemiology) at the BC Centre for Disease Control (BCCDC) Communicable Disease Prevention and Control Services, a faculty member at the University of British Columbia and a regular in front of a television camera.

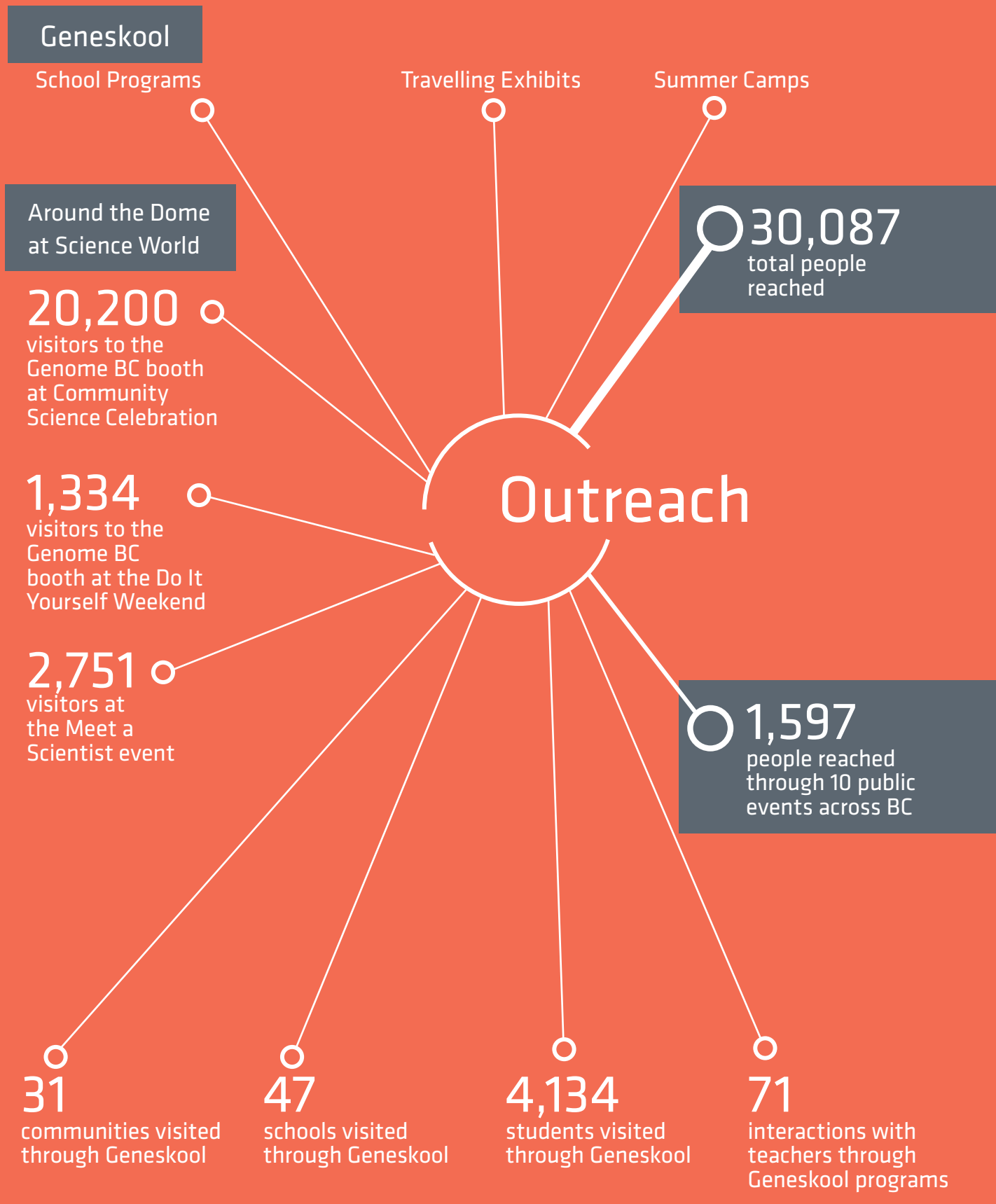
Gardy earned her PhD in Molecular Biology and Biochemistry at Simon Fraser University. While working in Fiona Brinkman's laboratory she made her first contact with Genome BC, working alongside team members in the early Genome Canada project *Functional Pathogenomics of Mucosal Immunity*. From there, she was hired as a post-doctoral fellow in Bob Hancock's laboratory at UBC to work on a Genome BC and Genome Canada funded project, *Pathogenomics of Innate Immunity*. As the project closed out she was offered a full-time position at the BCCDC to work on another Genome BC funded project, *Microevolution of Mycobacterium tuberculosis in an Ongoing Outbreak in BC* – the result of which is now considered a new standard of practice for genomics-based outbreak investigation in many countries.

Gardy acknowledges that the critical moment for genomics was shortly after the SARS outbreak when, thanks to strategic funding quickly made available by Genome BC, the Centre was able to jump into action and rapidly sequence the SARS genome. Dr. Bob Brunham, head of the BCCDC, had already prioritized genomics as a key area for expansion and Gardy fit the need for a bacterial genomicist perfectly.

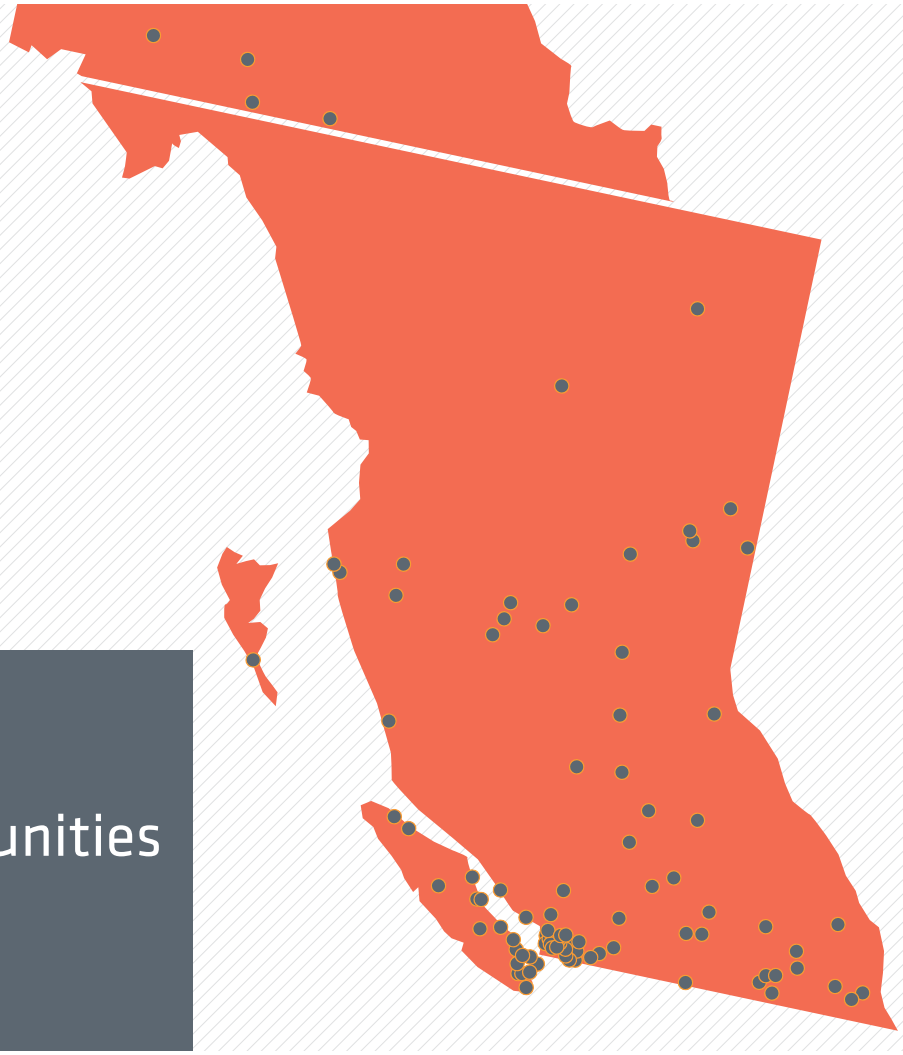
"Having an organization like Genome BC willing and able to provide resources in a timely fashion and work in collaboration with the BC Centre for Disease Control and the regional public health services illustrates beautifully the application of genomics research made possible through community partnerships." ***Dr. Perry Kendall, Chief Provincial Health Officer***

This link between the genomics capabilities in BC's life sciences cluster, including the BCCDC, can be attributed to larger competitive projects but also to directed funding for pandemics, which allows research to be reactive and nimble. This has led to strategic growth of new capabilities and the advancement of talented scientists like Gardy.

Science communications is also of paramount importance to Gardy. She is often seen on television since her first role as co-host for an eight part documentary series for CBC Television (CBC) called *Project X*. Since 2010 she is a regular guest host for CBC's *The Nature of Things* and since 2011 she has filled in as a host on Discovery Channel Canada's nightly science newsmagazine *Daily Planet*. She recently released a children's book "It's Catching: The Infectious World of Germs and Microbes" with Owlkids Books and won a 2014 YWCA Women of Distinction Award in Technology, Science and Research.



All figures on this page are from April 1, 2013 – March 31, 2014.



Communities Visited

100 Mile House
Abbotsford
Agassiz
Aldergrove
Alexis Creek
Bella Bella
Boston Bar
Burnaby
Burns Lake
Campbell River
Carcross (Yukon)
Castlegar
Chemainus
Chetwynd
Chilliwack
Clearwater
Clinton
Comox
Coquitlam
Courtenay
Cranbrook
Crawford Bay
Dawson Creek
Duncan
Fernie
Fort Nelson
Fort St. James
Fort St. John
Fort Ware
Fraser Lake
Galiano Island
Gibsons
Gold River
Grassy Plains
Haida Gwaii
Haines Junction (Yukon)
Hope
Invermere
Jaffray
Kamloops
Kaslo
Kelowna
Kitimat
Ladysmith
Langley
Logan Lake
Mackenzie
Maple Ridge
McBride
Mill Bay
Mission
Moberly Lake
Nakusp
Nanaimo
Nechako Lakes
Nelson
New Westminster
North Delta
North Vancouver
Osoyoos
Parksville
Pender Harbour
Port Alberni
Port Coquitlam
Port Edward
Port Hardy
Port McNeill
Port Moody
Powell River
Prince George
Prince Rupert
Quesnel
Richmond
Salmo
Sechelt
Shawnigan Lake
Sidney
South Slocan
Squamish
Surrey
Terrace
Teslin (Yukon)
Vancouver
Vernon
Victoria
West Kelowna
West Vancouver
Whistler
Whitehorse (Yukon)
Williams Lake

Message from the Chair of the Board

This has been a remarkable year for Genome British Columbia – the implementation of the fourth year of a five-year Strategic Plan (2010–2015), the consistently high achievements in leveraging provincial investment, the addition of jobs and advancing of new companies.

According to the recent external MNP study, Genome BC's activities have already had a positive impact on the Province to date, contributing an estimated $1.4 billion to BC's Gross Domestic Product and over 21,000 jobs. Our research teams have produced 1,217 peer-reviewed papers and 396 patent applications (including provisional). Also, 23 companies have been advanced, nine of these in 2013 alone. These companies currently employ 313 people who are developing and advancing 33 products and services to global markets. The companies have raised private investment of approximately $200 million and secured over $1 billion in co-development deals.

And this capacity will be put to good use. Genome BC's strategic plans and activities have evolved as the field of genomics has advanced. Around 90% of its resources were dedicated to discovery research in its first five years, while today almost 60% of resources are directed towards applied and translational projects with industry partners.

These successes from the 2010–2015 Strategic Plan have set the foundation for an exciting and bright future.

We plan to continue working with government, industry and academia. Key partner organizations including provincial ministries; co-funders from industry; research-intensive universities; teaching hospitals and colleges all help to make us stronger. We are also pleased to be collaborating closely with the BC Centre for Excellence in HIV/AIDS. Our education program is increasing awareness and understanding of genomics research and applications within the broader community. Our outreach program reached over 30,000 people across the Province this year and visited over 30 communities in doing so.

It has not only been a noteworthy year for Genome BC, but it is also the last year of my four-year tenure as Chair of the Board of Directors. I would like to offer my very best to Dr. Ian de la Roche who is taking over as Chair and thank Mr. Ken Galbraith and Mr. Peter O'Callaghan for their service as they completed their terms this year. I also extend my thanks to the Board members who are staying on – for their time and commitment to help Genome BC make a difference for British Columbians.

Dr. Alan Pelman
Chair, Board of Directors

Message from the President and CEO

The 'genomic revolution' is upon us, fueled by a million-fold cost reduction in obtaining genomic information in the past 10 years. This has led us from a period of genomic scarcity to one of genomic abundance. With our three main partners: government, industry and academia; Genome BC has helped to demonstrate genomic-based applications in many sectors of the bioeconomy including health. The sequencing of the human genome, now available for less than $1,000, illuminates the complex, underlying molecular processes of life – and a paradigm shift in understanding biological systems. Genome BC has a responsibility in this time of change.

We still depend on excellent science to power new discoveries, but our next five-year plan signals an explicit emphasis on securing the benefits of life sciences research in BC's key economic sectors. This strategy is based on the solid foundation of genomics research capacity in BC and user engagement in industry and government highlighted in this annual report.

Feedback from our stakeholders suggests that activities in the 2015–2020 Strategic Plan should be driven by five objectives: (1) enhance BC's recognition as a bioeconomy leader; (2) improve the competitiveness and efficiency of BC's economic sectors; (3) build BC's capacity for the translation of world-class genomics research; (4) help to catalyze a vibrant life sciences cluster; and (5) boost the recognition and support of the value of genomics by stakeholders. Genome BC will target applied and translational R&D and develop partnerships for commercialization aspects of the innovation pipeline. One pillar in this strategy will be the introduction of Genome BC's entrepreneurship support program, to be conducted in partnership with entrepreneur training programs, university technology transfer offices, accelerators, incubators and angel investors.

I would like to take this opportunity to thank Dr. Alan Pelman who has provided sage wisdom and guidance throughout his four years as Chair of the Board of Directors. It has been a pleasure to work closely with him and it has also been my honour to work alongside the dedicated board, management and staff at Genome BC. Their tireless efforts and genuine belief in our work is an inspiration to me and I truly appreciate them.

Dr. Alan E. Winter
President and CEO

Financial Report

Independent Auditors' Report

To the Board of Directors of Genome British Columbia

We have audited the accompanying financial statements of Genome British Columbia, which comprise the statement of financial position as at March 31, 2014, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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 our 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, we consider 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Genome British Columbia as at March 31, 2014, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Accountants
June 6, 2014
Vancouver, Canada

Statement of Financial Position *(Expressed In Canadian Dollars)*

	March 31, 2014	March 31, 2013
Assets		
Current assets:		
Cash	$ **1,908,984**	$ 599,888
Short-term investments (note 3)	**76,483,902**	91,664,998
Funding receivable	**231,262**	1,052,021
Other receivables (note 4)	**67,392**	490,988
Project advances	**3,792,112**	3,408,450
Prepaid expenses	**171,808**	176,500
	82,655,460	97,392,845
Loan receivable (note 5)	**176,332**	165,570
Capital assets (note 6)	**615,338**	679,201
Other long-term asset (note 7)	**246,779**	204,290
	$ **83,693,909**	$ 98,441,906
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	$ **3,335,593**	$ 3,456,952
Deferred lease inducement	**306,333**	353,461
Deferred contributions:		
Future expenses (note 9)	**79,436,645**	93,952,292
Capital assets (note 10)	**615,338**	679,201
	$ **83,693,909**	$ 98,441,906

Commitments (note 11)
See accompanying notes to financial statements.
Approved on behalf of the Board:

Dr. Alan Pelman
Chair

Mr. Ken Galbraith
Director

Statement of Operations and Changes in Net Assets *(Expressed In Canadian Dollars)*

Year ended March 31, 2014, with comparative information for 2013	2014	2013
Revenues:		
Amortization of deferred contributions related to future expenses (note 9)	$ **33,960,454**	$ 28,245,216
Amortization of deferred contributions related to capital assets (note 10)	**171,291**	399,333
Investment income	**2,093,355**	2,060,054
	36,225,100	30,704,603
Expenses:		
Corporate programs and management	**6,133,364**	5,618,119
Project expenditures	**29,920,445**	24,687,151
Depreciation	**171,291**	399,333
	36,225,100	30,704,603
Excess of revenues over expenses, being net assets, end of year	$ **—**	$ —

See accompanying notes to financial statements.

Statement of Cash Flows *(Expressed In Canadian Dollars)*

Year ended March 31, 2014, with comparative information for 2013	2014	2013
Cash provided by (used in)		
Operations:		
Excess of revenues over expenses	$ **—**	$ —
Items not involving cash:		
Depreciation	**171,291**	399,333
Amortization of deferred contributions related to future expenses (note 9)	**(33,960,454)**	(28,245,216)
Amortization of deferred contributions related to capital assets (note 10)	**(171,291)**	(399,333)
Accretion of loan receivable	**(10,762)**	(10,105)
Unrealized loss on short-term investments	**80,540**	322,982
	(33,890,676)	(27,932,339)
Funding (note 9)	**19,462,618**	17,897,305
Change in operating assets and liabilities:		
Funding receivable	**820,759**	(134,025)
Other receivables	**423,596**	(360,331)
Project advances	**(383,662)**	(1,137,663)
Prepaid expenses	**4,692**	(20,934)
Accounts payable and accrued liabilities	**(121,359)**	(1,937,906)
Deferred lease inducement	**—**	353,461
	(13,684,032)	(13,272,432)
Investments:		
Proceeds from sale of short-term investments	**17,200,000**	14,800,000
Purchase of short-term investments	**(2,099,444)**	(2,315,759)
Purchase of capital assets	**(107,428)**	(587,733)
	14,993,128	11,896,508
Increase (decrease) in cash	**1,309,096**	(1,375,924)
Cash, beginning of year	**599,888**	1,975,812
Cash, end of year	$ **1,908,984**	$ 599,888

See accompanying notes to financial statements.

Notes to Financial Statements

(Expressed In Canadian Dollars) Year ended March 31, 2014

1. Operations:

Genome British Columbia (the Corporation) was incorporated on July 31, 2000 under the Canada Corporations Act and continued under the Canada Not-For-Profit Act as a not-for-profit organization and is exempt from income and capital taxes. The Corporation has the following objectives:

a. develop and establish a coordinated approach and integrated strategy in British Columbia to enable British Columbia to become a world leader in selected areas of genomic and proteomic research, including agriculture, aquaculture, environment, forestry and human health, among others, by bringing together universities, research hospitals, other research centres and industry, as well as government and private agencies for the benefit of British Columbia;

b. participate in national approaches and strategies to strengthen genomics research capabilities in Canada for the benefit of all Canadians;

c. create a genome centre in British Columbia to ensure that researchers can undertake research and development projects offering significant socio-economic benefits to British Columbia and Canada, to provide access to necessary equipment and facilities, and to provide opportunities for training of scientists and technologies;

d. establish a contractual relationship with Genome Canada and contractual and collaborative relationships with others (including private and voluntary sectors and federal and provincial governments) in order to provide financial and personnel resources for the Corporation;

e. address public concerns about genomics research through the organization of intellectual resources regarding ethical, environmental, legal and societal issues related to genomics; and

f. increase public awareness of the need for genomics research and of the uses and implications of the results of such research, thereby helping Canadians understand the relative risks and rewards of genomics.

2. Significant accounting policies:

a. Basis of presentation:

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (Accounting Standards for NPO's).

b. Short-term investments:

Short-term investments are recorded at fair value with gains and losses recorded in the statement of operations and changes in net assets in the period in which they arise. Short-term investments are comprised of a portfolio of funds managed by investment professionals.

c. Project advances:

The advances are comprised of amounts provided by the Corporation to approved research projects and platforms which have not yet been spent.

d. Capital assets:

Capital assets are recorded at cost. Depreciation is provided using the straight-line method as follows:

Asset	Years
Furniture and fixtures	5
Computers and software	3
Telecommunications equipment	5
Project equipment	3–4
Leasehold improvements	remaining lease term

e. Revenue recognition:

The Corporation follows the deferral method of accounting for contributions.

Externally restricted contributions:

Deferred contributions related to expenses of future periods represent unspent externally restricted funding and related investment income, which are for the purposes of providing funding to eligible recipients and the payment of operating and capital expenditures in future periods. Externally restricted contributions for expenses of a future period and related investment income are deferred and recognized as revenue in the year in which the related expenses are incurred. Deferred contributions related to capital assets represent the unamortized amount of contributions received for the purpose of purchasing capital assets. The amortization of such contributions is recorded as revenue in the statement of operations and changes in net assets. Restricted contributions related to the purchase of capital assets are deferred and recognized as revenue using the same methods and amortization rates of the related capital assets.

Unrestricted contributions:

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

f. Use of estimates:

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Significant areas requiring the use of management's estimates relate to the determination of the useful life of capital assets, accruals for project expenditures and the determination of any impairment of the other long-term asset. Accordingly, actual results could differ from these estimates.

2. Significant accounting policies (continued):

g. Long-term asset:

The Corporation's long-term asset is recorded at cost which represents the determined fair market value at the date the instrument is issued.

h. Valuation of long-lived assets:

If management determines that a capital asset no longer has any long-term service potential to the Corporation, such assets and related deferred contribution balances are written down to their fair values.

i. Deferred lease inducement:

Tenant inducement received associated with leased premises is deferred and amortized on a straight-line basis over the term of the lease.

j. Related Foundation:

The financial information of Genome British Columbia Foundation, a not-for-profit entity that is commonly controlled by the Corporation, is not consolidated but disclosed in these financial statements.

k. Financial instruments:

Financial instruments are recorded at fair value on initial recognition. All financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Corporation has elected to carry its short-term investments at fair value.

At year-end, the Corporation assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. Financial assets measured at cost include funding receivable, other receivables, loan receivable and other long-term asset. If there is an indicator of impairment, the Corporation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Corporation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

l. Foreign exchange:

The Corporation's monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates in effect at the balance sheet date. Revenue and expense items are translated at the rate of exchange prevailing on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations and changes in net assets.

3. Short-term investments:

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's short-term investments. The Board has established an Investment Committee, which is responsible for developing and monitoring the Corporation's investment policy. The overall objectives of the Corporation's investment policy are to achieve security of principal that ensures a return of the capital invested, to maintain the liquidity necessary to meet the cash flow requirements of the Corporation and to maximize the rate of return without affecting liquidity or incurring undue risk.

The Corporation's short-term investments are comprised of a portfolio of funds. The portfolio consists of investments in a Canadian money market fund and a bank guaranteed Canadian mortgage fund. The portfolio is managed by independent investment professionals in accordance with the Corporation's investment policy. All short-term investments are measured at fair value. The Corporation's short-term investments are subject to interest rate, market, and liquidity risks.

Both the risk of significant changes in interest rates and the risk of significant changes in market prices are mitigated by the Corporation's policy that permits the portfolio manager to change the level of investment in either fund at short notice and the fact that interest earned on the portfolio is reinvested monthly at prevailing rates. The Corporation limits exposure to liquid asset credit risk through maintaining its short-term investments with a high-credit quality financial institution.

The Corporation's short-term investments are as follows:

	March 31, 2014	March 31, 2013
Canadian Money Market Fund	**$ 16,263,574**	$ 27,980,865
Canadian Mortgage Fund	**60,220,328**	63,684,133
	$ 76,483,902	$ 91,664,998

The Canadian Money Market Fund invests in a mixture of Treasury Bills, Bankers' Acceptances, Commercial Paper (minimum R-1 low rating) and bonds (minimum BBB rating) with maturities averaging 60-120 days and a minimum Government of Canada, Provincial or cash holding of 25%.

The Canadian Mortgage Fund invests in first mortgages on Canadian residential real property with loan value ratios of 65% or less. The mortgages are purchased by the fund from a Canadian Chartered Bank and in the event that a mortgage is in default for more than 90 days the bank guarantees both the interest and the principal of the mortgage.

Fair values of the Corporation's portfolio investments are based on quoted bid price at the reporting date.

4. Other receivables:

	March 31, 2014	March 31, 2013
Sales tax	**$ 66,218**	$ 99,829
Other accounts receivables	**1,174**	391,159
	$ 67,392	$ 490,988

Included in other accounts receivable are allowances for doubtful accounts of $21,800 (2013 – nil).

5. Loan receivable:

The Corporation made a loan to a British Columbian academic institution to assist in attracting a senior scientific researcher. The loan is in the amount of $200,000, bears no interest, and has a term of five years, expiring on May 9, 2016. The loan was measured at fair value on initial recognition, which was estimated using a net present value calculation with a discount rate of 6.50% per annum. The difference between the initial fair value and the principal amount was recorded in the statement of operations as a discount and the loan receivable balance is being accreted over the term of the loan using the effective interest rate method.

6. Capital assets:

March 31, 2014	**Cost**	**Accumulated depreciation**	**Net book value**
Furniture and fixtures	**$ 63,596**	**$ 18,188**	**$ 45,408**
Computers and software	**187,977**	**93,358**	**94,619**
Telecommunications equipment	**4,145**	**3,249**	**896**
Project equipment	**14,816**	**14,092**	**724**
Leasehold improvements	**543,154**	**69,463**	**473,691**
	$ 813,688	**$ 198,350**	**$ 615,338**

March 31, 2013	Cost	Accumulated depreciation	Net book value
Furniture and fixtures	$ 60,220	$ 6,637	$ 53,583
Computers and software	103,606	61,487	42,119
Telecommunications equipment	4,145	2,419	1,726
Project equipment	1,044,009	974,208	69,801
Leasehold improvements	578,199	66,227	511,972
	$ 1,790,179	$ 1,110,978	$ 679,201

During the year ended March 31, 2014, fully amortized capital assets of $1,083,919 (2013 – $6,693,038) were removed from the Corporation's accounting records.

7. Other long-term asset:

Other long-term asset includes subscription rights and common shares in an early stage biotechnology company (Investee) issued pursuant to a collaborative research agreement. Each subscription right entitles the Corporation to one common share for no additional consideration and converts to common share of the Investee upon certain triggering events or three years from issuance. At March 31, 2014, the Corporation held subscription rights and common shares of the Investee:

	Number of subscriptions rights	Number of common shares		Cost
Balance at March 31, 2013	63,230	243,659	$	204,290
Additions	19,899	–		42,489
Conversions	(25,305)	25,305		–
Balance at March 31, 2014	57,824	268,964	$	246,779

8. Accounts payable and accrued liabilities:

		March 31, 2014		March 31, 2013
Accounts payable	**$**	**164,465**	$	305,254
Accrued liabilities		**3,171,128**		3,151,698
	$	**3,335,593**	$	3,456,952

9. Deferred contributions related to future expenses:

The Corporation receives funding from Genome Canada, the Province of British Columbia, Western Economic Diversification Canada and from other sources to be held, administered and distributed in accordance with the related funding agreements between the Corporation and other parties (note 11).

Deferred contributions related to expenses of future periods represent these unspent externally restricted funding, which are for the purposes of providing funding to eligible recipients and the payment of operating and capital expenditures in future periods. The changes in the deferred contributions balance for the year are as follows:

		2014		2013
Balance, beginning of year	**$**	**93,952,292**	$	104,829,854
Funding received or receivable during the year:				
Genome Canada		**17,676,963**		15,507,078
Western Economic Diversification Canada		**649,687**		940,672
International collaboration		**781,970**		1,151,326
BC Clinical Research Infrastructure Network partners		**350,000**		178,800
Service Canada		**3,998**		–
GBC Foundation		**–**		13,429
BC Cancer Foundation		**–**		50,000
Sponsorships		**–**		31,000
Other		**–**		25,000
		113,414,910		122,727,159
Lease inducement amortization		**47,128**		37,944
Other long-term asset		**42,489**		20,138
		113,504,527		122,785,241
Less:				
Amount amortized to revenue		**(33,960,454)**		(28,245,216)
Amount transferred to fund capital assets purchased during the year (note 10)		**(107,428)**		(587,733)
		(34,067,882)		(28,832,949)
Balance, end of year	**$**	**79,436,645**	$	93,952,292

10. Deferred contributions related to capital assets:

Deferred contributions related to capital assets represent the unamortized amount of contributions received for the purchase of capital assets. The amortization of such contributions is recorded as revenue in the statement of operations and changes in net assets. The changes in the deferred contributions related to capital assets balance for the year are as follows:

		2014		2013
Balance, beginning of year	**$**	**679,201**	$	490,801
Allocation of funding for capital asset purchases (note 9)		**107,428**		587,733
		786,629		1,078,534
Less: amount amortized to revenue		**(171,291)**		(399,333)
Balance, end of year	**$**	**615,338**	$	679,201

11. Commitments:

a. Funding:

(i) The Corporation enters into funding agreements with Genome Canada (the agreements). In accordance with these agreements the Corporation agrees to secure on an on-going basis cash or cash equivalent commitments from other parties representing at least 50% of the total costs of the projects covered by the agreements. In addition, Genome Canada agrees to disburse an amount only up to the amount of the formal commitments from other parties. However, Genome Canada may provide funding notwithstanding the fact that formal commitments from other parties have not yet been secured. Genome Canada has also agreed that funds, provided in good faith, where commitments from other parties have not yet been secured, shall not be reimbursable to Genome Canada.

In accordance with an agreement entered into with Genome Canada with regard to a financial support commitment of up to $11,431,003 related to Applied Genomics Research in Bioproducts or Crops Competition, the Corporation has agreed, among other things, to provide Genome Canada with a co-funding plan for each project. A co-funding plan for each project has been provided to and accepted by Genome Canada.

In accordance with an agreement entered into with Genome Canada with regard to a financial support commitment of up to $23,043,282 related to Large-Scale Applied Research Project Competition, the Corporation has agreed, among other things, to provide Genome Canada with a co-funding plan for each project. A co-funding plan for each project has been provided to and accepted by Genome Canada.

In accordance with an agreement entered into with Genome Canada with regard to a financial support commitment of up to $571,178 related to Entrepreneurship Education in Genomics Program, the Corporation has agreed, among other things, to provide Genome Canada with a co-funding plan for each project. A co-funding plan for each project has been provided to and accepted by Genome Canada.

In accordance with an agreement entered into with Genome Canada with regard to a financial support commitment of up to $16,334,035 related to 2012 Large-Scale Applied Research in Genomics and Personalized Health, the Corporation has agreed, among other things, to provide Genome Canada with a co-funding plan for each project. A co-funding plan for each project has been provided to and accepted by Genome Canada.

In accordance with an agreement entered into with Genome Canada with regard to a financial support commitment of up to $2,563,577 related to Bioinformatics and Computational Genomics, the Corporation has agreed, among other things, to provide Genome Canada with a co-funding plan for each project. A co-funding plan for each project has been provided to and accepted by Genome Canada.

(ii) In accordance with an agreement with the Centre for Drug Research and Development (CDRD), the Corporation has agreed to contribute up to $1,000,000 to jointly fund research and development projects in commercialization of genomics-related drug discoveries at CDRD. At March 31, 2014, the Corporation has contributed $611,534.

11. Commitments (continued):

b. Project commitments:

In the normal course of business, the Corporation enters into Collaborative Research Agreements for the completion of milestone-based research projects. Detailed below is the estimated remaining commitment of the Corporation's funds relating to active research programs. The Corporation typically provides co-funding to research projects, whereby its funds are combined with funds from other sources to provide the total project award amount. Funds provided directly to the research institution by third parties are included in the total award amount shown in the table below.

The total award amount and estimated remaining commitment of the Corporation by program as of March 31, 2014 is as follows:

Approved programs	Total award amount	Estimated remaining Corporation commitment
Current programs:		
2010 Large-Scale Applied Research Project Competition	$ 56,374,386	$ 3,205,109
Advancing Technology Innovation through Discovery	5,702,315	164,691
Competition in Applied Genomics Research in Bioproducts or Crops	24,346,330	153,329
Entrepreneurship Education in Genomics Program	979,966	114,783
Genomics and Personalized Health	34,036,779	7,039,080
2012 Bioinformatics and Computational Biology	5,276,029	925,062
Applied Genomics Consortium Program	31,193,623	286,991
Personalized Medicine Program	8,168,169	1,171,079
Human Microbiome (CIHR)	4,827,122	454,775
Human Epigenome (CIHR)	9,978,992	2,196,064
Transplantation (CIHR)	4,096,203	1,000,000
Centre for Drug Research and Development Fund	2,963,458	249,519
Brain Canada (MIRI)	3,000,000	450,000
Strategic Opportunities Fund	11,476,693	169,203
Strategic Opportunities Fund for Industry	2,407,857	–
WED – Proof of Concept	9,542,255	62,500
User Partnership Program	1,941,595	752,365
Science and Technology Platforms (2013–2015)	12,964,563	–
Pilot Programs	3,127,407	425,598
	232,403,742	18,820,148
Closed Programs:		
Competition I	42,707,207	–
Competition II	43,502,482	–
Competition III	100,153,663	–
International Competition	12,881,913	–
Applied Genomics and Proteomics in Human Health	44,099,840	–
Applied Genomics Innovation Program	24,437,610	–
Translational Program for Applied Health	17,891,275	–
New Technology Development Projects	5,509,566	–
WED Programs	10,713,337	–
Science and Technology Platforms	58,097,359	–
Technology Development Initiatives Fund	706,536	–
Other Pilot Programs	3,498,633	–
	364,199,421	–
Total	$ 596,603,163	$ 18,820,148

11. Commitments (continued):

c. Operating lease and management agreements:

The Corporation has entered into operating lease agreements for office premises and management contracts which expire at various dates until September 30, 2020. Minimum payments for the next seven fiscal years are as follows:

2015	$	547,365
2016		499,291
2017		499,291
2018		505,038
2019		505,038
2020		505,038
2021		252,518
Total	$	3,313,579

12. Related party transactions:

In the normal course of business, the Corporation enters into Collaborative Research Agreements to fund genomics or proteomics related research projects. During the year ended March 31, 2014, and in accordance with one such agreement, the Corporation paid nil (2013 – $101,219) to a company that has a director and shareholder who is also an officer of the Corporation.

13. Genome British Columbia Foundation:

Genome British Columbia Foundation (the Foundation) is a registered charity established to promote and foster life sciences research for the public benefit by coordinating, sponsoring and carrying educational conferences, seminars, workshops and symposiums. The Foundation is exempt from income and capital taxes.

The majority of the Foundation's Board of Directors are also members of the Corporation, and as such, the Corporation is presumed to control the Foundation. In accordance with the CPA Canada Handbook Section 4450, the Corporation has chosen not to consolidate the Foundation but has followed the disclosure requirements. The Corporation has no economic interest in the Foundation.

Financial information of the Foundation as at March 31, 2014 and 2013 and for the years then ended are as follows:

		March 31, 2014		March 31, 2013
Cash, term deposits and receivables	**$**	**300,853**	$	348,284
Accounts payable and accrued liabilities		**(6,201)**		(33,429)
Deferred contributions		**(294,652)**		(314,855)
Net assets	**$**	**–**	$	–
Revenues	**$**	**22,856**	$	954,435
Expenses		**(22,856)**		(954,435)
Excess of revenue over expenses	**$**	**–**	$	–
Cash provided by (used in):				
Operations	**$**	**(47,431)**	$	(917,822)
Investing		**14**		959,701
Net change in cash	**$**	**(47,417)**	$	41,879

There are no significant differences in accounting policies between the Foundation and the Corporation. The majority of the assets of the Foundation are restricted by the terms of a memorandum of understanding relating to the funding of a research chair at a British Columbia academic institution.

14. Financial risks:

a. Liquidity risk:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures during the year ended March 31, 2014.

b. Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Corporation deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. There has been no change to the risk exposures during the year ended March 31, 2014. See further discussion in note 3.

Board Appointments

Neena Chappell

University of Victoria

Dr. Chappell is the Canada Research Chair in Social Gerontology, Professor of Sociology and Centre on Ageing at the University of Victoria, President of Academy II (social sciences) and Fellow of the Royal Society of Canada and Past President of the Canadian Association on Gerontology. For over 30 years, she has been a leader in social gerontology research, focusing on issues around aging and health and social policy.

John Thompson

PetraScience Consultants

Dr. Thompson is a Principal at PetraScience Consultants, providing exploration, development and mining technology consulting services. He is also President of the Canada Mining Innovation Council, Chair of Geoscience BC, Wold Family Professor in Environmental Balance for Human Sustainability at Cornell University and an Adjunct Professor at UBC. Most recently, Dr. Thompson was Vice President Technology and Development at Teck Resources until 2012.

Jock Finlayson

Business Council of British Columbia

Mr. Finlayson is Executive Vice President and Chief Policy Officer at the Business Council of British Columbia where he directs the Council's work on economic, fiscal, tax, environmental, regulatory and human capital issues. From 2007 to 2013, Mr. Finlayson was a member of the Board of Directors of the Bank of Canada and is currently a member of the National Statistics Council and board member of the Institute for Research on Public Policy.

Joseph Garcia

Blake, Cassels & Graydon LLP

Mr. Garcia is a Partner at Blake, Cassels & Graydon LLP where he practises in the securities and commercial areas including all types of merger and acquisition and corporate finance transactions for clients primarily in the life sciences and technology sectors. Mr. Garcia is a member of the board of directors of LifeSciences BC. He has been recognized as a leading Canadian lawyer in The Canadian Legal Expert.

Corporate Information*

Board of Directors

Chair: Alan Pelman
Former Vice President, Technology
Weyerhaeuser Canada

Vice-Chair: Ian de la Roche
Adjunct Professor
University of British Columbia

Alan Winter
President & CEO
Genome BC

Neena Chappell
Canada Research Chair in Social Gerontology, Professor of Sociology and Centre on Aging
University of Victoria

Jock Finlayson
Executive Vice President & Chief Policy Officer
Business Council of British Columbia

Kenneth Galbraith
Managing Partner
Five Corners Capital Inc.

Joseph Garcia
Partner
Blake, Cassels & Graydon LLP

Ida Goodreau
Adjunct Professor, Sauder School of Business and *Director,* Centre for Healthcare Management
University of British Columbia

Janet Halliwell
Principal
J.E. Halliwell Associates Inc.

Victor Ling
President & Scientific Director
Terry Fox Research Institute

Peter O'Callaghan
Senior Partner
Blake, Cassels & Graydon LLP

Edward Safarik
Former President & CEO
Ocean Fisheries Ltd.

John Shepherd
Past Director, Leukemia/ Bone Marrow Transplant Program of BC

John F.H. Thompson
Consultant, PetraScience Consultants Inc. and *Professor*, Cornell University

Observers

Doug Kinsey
Executive Director (Pacific Region)
Industry Canada

Pierre Meulien
President and CEO
Genome Canada

Management

Alan Winter
President & CEO

Tony Brooks
Chief Financial Officer & Corporate Secretary

Suzanne Gill
Director, Corporate Development

Sally Greenwood
Vice President, Communications & Education

Gabe Kalmar
Vice President, Sector Development

Brad Popovich
Chief Scientific Officer

Auditors

KPMG LLP
Vancouver, BC

Legal Counsel

Richards Buell Sutton LLP
Vancouver, BC

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** (for fiscal year ended March 31, 2014)*

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