



Annual Report 2022-23



Energy,
Environment
and Climate Action

Company Information

Phytogene ACN No
ACN 098 823 235
Phytogene ABN No
ABN 45 098 823 235

Directors

Dr RTH Aldous (Chair)
Dr JM Tennent
Prof GC Spangenberg (to 28 Feb 2023)
A/Prof M Hayden (from 23 Jun 2023)

Executive Officer

Mr DC Liesegang (to 30 Jun 2023)
Mr SM Cagney (acting from 1 July 2023)

Chief Scientific Officer

Prof GC Spangenberg (to 28 Feb 2023)
A/Prof M Hayden (from 23 Jun 2023)

Company Secretary

Mr SM Cagney

Registered Office

5 Ring Road
Bundoora, VIC 3083
Telephone (03) 9032 7676

Auditors

Victorian Auditor-General's Office
Level 24, 35 Collins Street
Melbourne, VIC 3000

Bankers

Commonwealth Bank of Australia
499 St Kilda Road
Melbourne, VIC 3004
Treasury Corporation of Victoria
Level 12, 1 Collins Street
Melbourne, VIC 3000

Acknowledgements

Front cover: Photograph of wheat courtesy
of iStock image bank.



Phytogene acknowledges the traditional owners and custodians of country throughout Australia and acknowledges their continuing connection to land, waters and community. We pay our respects to the people, the cultures and the elders past and present.

Contents

Company profile	4
Performance summary	5
Board of Directors	6
Legislative framework	8
Directors' Report	9
Annual Financial Report 2022–2023	12
Directors' declaration	12
Independent Auditor's Report	13
Auditor-General's Independence Declaration	16
Annual Financial Report	17
Notes to the Annual Financial Report	21
Appendix 1: Acronyms and glossary of terms	38

Company profile

Phytogene Pty Ltd (the Company) is a wholly owned subsidiary of Agriculture Victoria Services Pty Ltd (AVS). Phytogene's purpose is to commercialise the patented delayed plant leaf senescence technology, with the registered trademark LXR[®]. The LXR[®] technology has a wide range of applications for major plant crops by increasing biomass and dry matter production, seed yield and enhancing drought tolerance.

Phytogene also holds exclusive commercialisation rights to a complementary GM technology that has the capacity to enhance plant biomass and yield and increase energy content (soluble carbohydrates) for grazing animals. The technology, Biomass Enhancement Technology (BET), was developed by Agriculture Victoria Research (AVR) in collaboration with the former Molecular Plant Breeding Cooperative Research Centre (MPB-CRC).

Extensive field trials in 2014–16 of both LXR[®] and BET trait technologies in wheat, a monocotyledonous species, showed yield gains between 10 and 30 per cent under irrigated conditions and up to 60 per cent under drought (rain-fed) conditions. Further field trials provided proof of concept for LXR[®] in the dicotyledonous species alfalfa and canola, while greenhouse testing provided proof of concept for white clover.

Phytogene also holds exclusive commercialisation rights to two complementary traits, AMV (for alfalfa mosaic virus resistance) and OA (for aluminium tolerance in acidic soils), developed by AVR as part of the Collaborative Plant Genomics Program.

The operations of Phytogene are funded by AVS equity investment and licence revenues.



Performance summary

Phytogene is in its development phase with its licensee of LXR[®]-Alfalfa and LXR[®]-Wheat. Phytogene continues to maintain a low-cost structure while it builds value in LXR[®] and BET technologies.

The Company funded its operating loss of \$14,799 in 2022–23 from internal cash resources and has sufficient cash resources to sustain operations until 2026, when it anticipates receiving royalties from the first commercial sales of LXR[®]-Alfalfa.

LXR[®]-Wheat

INDEAR is the Phytogene partner for the evaluation and development of LXR[®]-wheat events in South America. The evaluation is progressing well, and INDEAR is currently crossing selected LXR[®]-Wheat events with elite varieties containing a proprietary drought-tolerant trait in readiness for field evaluation.

In 2022–23, INDEAR completed the second of two efficacy field trials of transgenic LXR[®]-Wheat in Argentina. Results are encouraging, with the achievement of up to 20% more biomass confirming Phytogene's positive trial results in Australia in 2014–15 that showed yield gains between 10 and 30% in irrigated conditions, and between 20 and 60% under drought conditions. Based on their recent trial data, INDEAR selected a suitable LXR[®]-Wheat transgenic event for the next phase of the project, which includes testing the trait in local elite wheat varieties in the next season.

LXR[®]-Alfalfa

The development of LXR[®]-alfalfa for the South American market is currently being pursued under a commercial licence agreement with the *Instituto de Agrobiotecnología de Rosario* in Argentina (INDEAR). Phytogene has granted INDEAR rights to develop and commercialise alfalfa products comprising three of AVS' trait technologies: LXR[®] (for yield enhancement), AMV (for alfalfa mosaic virus resistance) and OA (for aluminium tolerance in acidic soils).

In 2022–23, INDEAR continued the development of triple-trait stacked LXR[®] alfalfa products incorporating genes for three traits of interest: LXR[®], AMV and OA. The stacked LXR[®]-Alfalfa transgenic events have been screened under glasshouse conditions by the licensee. The licensee has indicated that the selection of events for progression to field trials requires further testing in a glasshouse environment in 2023–24.

The triple-stack trait was envisaged to be of importance in Brazil, where acidic soils, with their associated aluminium toxicity, is a likely barrier to broader cultivation of alfalfa for livestock production.

BET Ryegrass

In 2022–23, the *Faculty of Agronomy of the University of Buenos Aires* in Argentina (FAUBA) continued the evaluation of BET ryegrass events. The evaluation is assessing the effect of the high-carbohydrate (or high-energy) content BET ryegrass on sheep under grazing regimes, evaluating agronomic and animal performance. It is hoped that this data will, in due course, help inform an application by a prospective licensee for approval for cultivation of BET ryegrass in South America.

Board of Directors

For the year ended 30 June 2023



Dr Richard Aldous (Chair)

BSc (Hons), PhD, GAICD

Richard's background is in energy, resources, public policy and research management in both the public and private sectors. For 10 years he was a senior executive and then Deputy Secretary, Energy and Earth Resources at the Victorian Department of Primary Industries. Richard has also held senior executive roles in resource companies focused on exploration, research and development.

Richard has been a director of the Cooperative Research Centre (CRC) Association, CEO of the CO2CRC, and chair of the CRC for Clean Power from Lignite.

Richard was appointed as a director of Phytogene Pty Ltd in September 2020 and was appointed as Chair on 9 June 2021. Richard is a director of Phytogene's sole shareholder Agriculture Victoria Services.



Prof German Spangenberg PSM (Director) – to 28 February 2023

Ing. Agr., Dr rer nat, PD, FTSE

Up until his retirement in February 2023, German most recently held positions as Head of Agriculture Victoria Research in Agriculture Victoria, professor (Plant Genetics and Genomics) and Head of School of Applied Systems Biology at La Trobe University, and director of AgriBio, Centre for AgriBioscience. German is currently Emeritus Professor of La Trobe University.

Prior to joining Agriculture Victoria, German was Assistant Professor and Associate Professor APAP at the ETH Zurich where he obtained his DSc in AgriBiotechnology. At Agriculture Victoria, he held positions as director, Plant Biotechnology Centre; research director, Plant Genetics and Genomics; executive director, Biosciences Research; deputy secretary, Agriculture Research as well as chief scientist of the Molecular Plant Breeding CRC and chief scientist of the Dairy Futures CRC. In 2017, he was awarded the Public Service Medal for outstanding public service through scientific research programs in the agricultural sector in Victoria.



Dr Jan Tennent (Director)

BSc (Hons), PhD, GCert Mgt, GAICD, FTSE, FASM

Jan joined the AVS board in August 2021 at which time she was also appointed a director of the AVS subsidiary, Phytogene Pty Ltd.

An internationally recognised researcher with specialist knowledge of antimicrobial resistance mechanisms and vaccine discovery and commercialisation, Jan has held senior research and business development roles at CSIRO, the CRC for Vaccine Technology, CSL, and Pfizer Animal Health (now Zoetis).

Her most recent executive position was as CEO of Biomedical Research Victoria (2012–2019). Jan regularly supports government, industry, academia, and investors with advice on biotechnology, life sciences and the translation and commercialisation of research outcomes through her ConnectBio business.

Jan is also a non-executive director of Apiam Animal Health (ASX:AHX) and the eviDent Foundation.



**A/Prof Matthew Hayden (Director) –
from 23 June 2023**

BSc (Hons), PhD

Matthew is Research Director for Plant Sciences at Agriculture Victoria where he leads a diverse research team that specialises in the fields of plant genetic resources, plant genetic improvement, plant phenomics and plant functional genomics with a focus on cereal, oilseed, pulse and forage crops. Matthew has previously held research positions with the Quality Wheat CRC, Value Added Wheat CRC and Molecular Plant Breeding CRC before joining Agriculture Victoria. At Agriculture Victoria, he previously held positions as a Senior Research Scientist (Molecular Genetics) and Research Leader (Plant Functional Genomics). Matthew is an internationally recognised researcher with specialist knowledge in molecular genetics, trait dissection and genetic engineering.

Matthew was appointed a director of Phytogene Pty Ltd on 23rd June 2023.

Legislative framework

Corporations Act 2001 (Cth)

Phytogene is an incorporated entity limited by shares, registered under the Corporations Act.

Public Administration Act 2004 (Vic)

The Public Administration Act incorporates a set of values and principles to guide public administration and provides a framework to ensure effective and consistent governance across the entire Victorian public sector. Phytogene's sole shareholder, AVS, is a Public Entity under the Act and, by Order in Council, is subject to divisions 2 and 3 of part 5 of the Act and the governance principles contained therein.

Financial Management Act 1994 (Vic)

The Act applies to Phytogene as a Declared Body under Section 53A of the Act. Phytogene's annual report is filed with the Minister and is reported to Parliament.

Audit Act 1994 (Vic)

The Act provides for the conduct of efficient and effective financial audits of the Victorian public sector. Under the Act Phytogene is subject to annual audit by the Victorian Auditor-General's Office. The audit of Phytogene was conducted by RSD Audit, as delegate for the Auditor General of Victoria.

Privacy and Data Protection Act 2014 (Vic)

The Act specifies 10 Information Privacy Principles (IPPs). With limited exemptions, all Victorian Government organisations, contracted service providers and local councils must comply with the IPPs.

Protected Disclosure Act 2012 (Vic)

The Act enables people to make disclosures about improper conduct within the public sector without fear of reprisal. It aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

The Act encourages and assists people in making disclosures of improper conduct by public officers and public bodies. It also provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

Phytogene and its parent AVS, do not tolerate improper conduct by employees, or the taking of reprisals against those who come forward to disclose such conduct.

Phytogene and its parent AVS, are committed to ensuring transparency and accountability in their administrative and management practices and support the making of disclosures to reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Phytogene and its parent AVS, take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure and has policies and procedures in place to provide guidance in these circumstances.

Disclosures of improper conduct or detrimental action by Phytogene and its parent AVS or any of their employees may be made directly to IBAC.

Disclosures under the Protected Disclosure Act 2012

Disclosures	2022-23 number	2021-22 number
Number of disclosures made by an individual to IBAC		
Assessable disclosures	Nil	Nil

Directors' Report

The directors of Phytogene Pty Ltd present their report for the year ended 30 June 2023 and the independent auditor's report thereon.

Directors

The directors of Phytogene at any time during or since the end of the financial year are:

- Dr RTH Aldous (Chair)
- Dr JM Tennent
- Prof GC Spangenberg (to 28 Feb 2023)
- A/Prof Matthew Hayden (from 23 Jun 2023).

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

Details of current directors, their qualifications and experience are set out on page 6 and 7.

The Company Secretary was Mr Shane Cagney for the full financial year.

Directors' meetings

The table below sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director. Four board meetings were held during the financial year.

Board of Directors	No. of meetings	
	attended	held
Dr RTH Aldous	4	4
Prof GC Spangenberg	2	2
Dr JM Tennent	4	4
A/Prof M Hayden	1	1

Principal activities

The principal activity of Phytogene during the financial year was to develop and commercialise technologies associated with delayed plant senescence and biomass enhancement.

There were no significant changes in the nature of the activities of the Company during the financial year.

Financial performance

The comprehensive result for the Company for the financial year was a loss of \$14,799 (2021–22 loss of \$17,505).

Operational performance

The review of operations is provided in the Company performance summary on page 5.

Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of Phytogene during the year under review.

Dividends

The directors have not declared a dividend for the year ended 30 June 2023 (2022: nil). No dividend was paid during the year ended 30 June 2023 (2022: nil).

Events subsequent to reporting date

In the interval between the end of the financial year and the date of this report, Phytogene was advised of results of research by the licensee of one of its technologies indicating that further testing is required. The additional time required to undertake the research may impact future revenues from the technology. Based on information currently available there is no material impact on the Company's financial position.

Except for the matter disclosed above, there are no other matters and/or circumstances that have arisen since the end of the reporting period which significantly affect or may significantly affect the operations of the Company.

Likely developments

The Company will continue to develop its technologies over the coming year and seek related commercial opportunities.

Impact of legislation and other external requirements

In addition to the Corporations Act, Phytogene is required to comply with additional legislation identified on page 8.

Environmental legislation

Phytogene's operations are not adversely affected by any particular or significant environmental regulation under the law in Australia.

Directors' interests

No director holds an interest in any Phytogene shares. The sole shareholder is AVS.

Indemnification and insurance of officers and auditors

The Company has not, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of Phytogene against a liability incurred.

Non-audit services

As required by the Victorian Auditor-General's Office, the auditor has not performed any services for the Company other than the audit of the annual financial report.

Proceedings on behalf of the Company

No person has applied to the Court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Independence declaration

The auditor's independence declaration is set out on page 13 of this report and forms part of the Directors' Report for the financial year ended 30 June 2023.

This Directors' Report is made in accordance with a resolution of the directors.



Dr RTH Aldous
Chair
22 August 2023
Bundoora, Melbourne



Dr JM Tennent
Director
22 August 2023
Bundoora, Melbourne

Annual Financial Report 2022–2023

Annual Financial Report 2022–2023

Phytogene Pty Ltd is a wholly-owned subsidiary of Agriculture Victoria Services Pty Ltd.

The Company has presented its audited general purpose annual financial report for the financial year ended 30 June 2023 in the following structure to provide the information about the Company's stewardship of resources entrusted to it.

Directors' declaration

In the opinion of the directors of Phytogene Pty Ltd (the Company):

- 1) The annual financial report and notes are in accordance with the Corporations Act 2001, including:
 - a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
 - b) complying with the *Australian Accounting Standards* (including the Australian Accounting Standards Interpretations) and the Corporations Regulations 2001.
- 2) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 3) At the time of signing, we are not aware of any circumstance which would render any particulars included in the annual financial report to be misleading or inaccurate.

Signed in accordance with a resolution of the directors. We authorise the attached annual financial report for issue on 22 August 2023.



Dr RTH Aldous
Chair
22 August 2023
Bundoora, Melbourne



Dr JM Tennent
Director
22 August 2023
Bundoora, Melbourne

Independent Auditor's Report



Independent Auditor's Report

To the Directors of Agriculture Victoria Services Pty Ltd

Opinion	<p>I have audited the consolidated financial report of Agriculture Victoria Services Pty Ltd (the company) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> • consolidated entity and company consolidated balance sheet as at 30 June 2023 • consolidated entity and company consolidated comprehensive operating statement for the year then ended • consolidated entity and company consolidated statement of changes in equity for the year then ended • consolidated entity and company consolidated cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • directors' declaration. <p>In my opinion the financial report is in accordance with the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none"> • giving a true and fair view of the financial position of the company and the consolidated entity as at 30 June 2023 and of their financial performance and cash flows for the year then ended • complying with Australian Accounting Standards and the Corporations Regulations 2001.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company and the consolidated entity in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p>

In preparing the financial report, the Directors are responsible for assessing the company and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the Audit Act 1994, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit 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 company and the consolidated entity's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
 - conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company and the consolidated entity to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
-

Independent Auditor's Report continued

Auditor's responsibilities for the audit of the financial report (continued)

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the company and the consolidated entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the company and the consolidated entity. I remain solely responsible for my audit opinion.

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards

MELBOURNE
30 August 2023



Simone Bohan
as delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

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Auditor-General's Independence Declaration

To the Directors, Agriculture Victoria Services Pty Ltd

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Agriculture Victoria Services Pty Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
30 August 2023

A handwritten signature in black ink, appearing to read "S Bohan".

Simone Bohan
as delegate for the Auditor-General of Victoria

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

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Annual Financial Report

Comprehensive operating statement for the financial year ended 30 June 2023

	Notes	2023 \$	2022 \$
Continuing operations			
Income from transactions			
Interest	2	4,877	156
Total income from transactions		4,877	156
Expenses from transactions			
Operating expenses	3	(19,676)	(17,661)
Total expenses from transactions		(19,676)	(17,661)
Net result from transactions (net operating balance)		(14,799)	(17,505)
Other comprehensive Income		-	-
Comprehensive result		(14,799)	(17,505)

The accompanying notes form part of the annual financial report.

Balance Sheet as at 30 June 2023

	Notes	2023 \$	2022 \$
Assets			
Financial assets			
Cash and term deposits < 90 days	5.1	211,535	207,396
Term deposits > 90 days	5.1	–	20,000
Receivables	4.1	1,254	143
Total financial assets		212,789	227,539
Liabilities			
Payables	4.2	6,466	6,417
Total liabilities		6,466	6,417
Net assets		206,323	221,122
Equity			
Share capital	6.4	1,055,002	1,055,002
Accumulated surplus/(deficit)		(848,679)	(833,880)
Net worth		206,323	221,122

The accompanying notes form part of the annual financial report.

Annual Financial Report continued

Cash flow statement for the financial year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts			
Interest received		4,958	77
GST received from the ATO ^(a)		172	1,354
Total receipts		5,130	1,431
Payments			
Payments to suppliers		(20,991)	(20,078)
Total payments		(20,991)	(20,078)
Net cash flows used in operating activities	5.11	(15,861)	(18,647)
Cash flows from investing activities			
Proceeds from investment		20,000	–
Investments made in term deposits			(20,000)
Net cash flows from investing activities		20,000	(20,000)
Net increase (decrease) in cash and cash equivalents		4,139	(38,647)
Cash and cash equivalents at beginning of financial year		207,396	246,043
Cash and cash equivalents at end of financial year	5.1	211,535	207,396

The accompanying notes form part of the annual financial report.

Notes: (a) GST received from the Australian Taxation Office is presented on a net basis.

Statement of changes in equity for the financial year ended 30 June 2023

	Accumulated surplus/(deficit) \$	Share capital \$	Total \$
Balance at 1 July 2021	(816,375)	1,055,002	238,627
Net result for the year	(17,505)	–	(17,505)
Other comprehensive income	–	–	–
Shares Issued	–	–	–
Balance at 30 June 2022	(833,880)	1,055,002	221,122
Balance at 1 July 2022	(833,880)	1,055,002	221,122
Net result for the year	(14,799)	–	(14,799)
Other comprehensive income	–	–	–
Shares Issued	–	–	–
Balance at 30 June 2023	(848,679)	1,055,002	206,323

The accompanying notes form part of the annual financial report.



Notes to the Annual Financial Report

1. About this report

The annual financial report covers Phytogene Pty Ltd (the Company) as an individual reporting entity. The Company is a private company established on 13 November 2001. It is domiciled in Victoria, Australia.

The Company's registered office is at 5 Ring Road, Bundoora, Victoria, 3083, Australia.

The Company is a wholly owned subsidiary company of Agriculture Victoria Services Pty Ltd (AVS). Funds received are from a combination of shares issued to AVS and income received from licensees.

The Company's purpose is to commercialise patented delayed plant leaf senescence technology.

The Company's operations activities are included in the **Company profile and performance summary** which does not form part of this financial report.

This annual financial report was authorised for issue by the Directors of Phytogene Pty Ltd on 22 August 2023.

1.1 Basis of preparation

The annual financial report is presented in Australian dollars and prepared in accordance with the historical cost convention.

The accrual basis of accounting has been applied in preparing the annual financial report, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

In preparing the annual financial report, judgements, estimates and assumptions are required to be made about financial information presented.

The significant judgements made in the preparation of the annual financial report are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in which the estimate are revised and also in future periods that are affected by the revision. The accounting policies set out in the notes have been consistently applied by the Company throughout the reporting period.

The annual financial report was prepared on a going-concern basis.

1.2 Compliance information

The general purpose annual financial report for the year ending 30 June 2023 have been prepared in accordance with the requirements of the *Corporations Act 2001, Australian Accounting Standards* (applying 'For Profit' interpretations) and other pronouncements of the *Australian Accounting Standards Board*.

2. Funding delivery of services

Introduction

The Company continues to maintain a low-cost structure while it builds value in the technology and seeks further commercial opportunities.

2.1 Summary of income that funds the delivery of our services

	2023 \$	2022 \$
Interest income		
Interest on bank deposits	4,877	156
Total interest income	4,877	156
Total revenue and income from continuing operations	4,877	156

Revenue and income is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances and duties and taxes.

Interest income includes interest received on bank term deposits and other investments.

Interest income is recognised using the effective interest method, which allocates the interest over the relevant period.

3. Cost of delivering services

This section provides details of the expenses incurred by the Company in delivering services and outputs.

3.1 Expenses incurred in delivery of services

Expenses are recognised as they are incurred and reported in the financial year to which they relate. Expenses are recognised for each of the Company's major activities as follows:

	2023 \$	2022 \$
Audit expenses	6,000	5,860
Patent expense	7,345	11,525
Other operating expenses	6,331	276
Total operating expenses	19,676	17,661

Patent expenses include management and protection of patents held by the company, including annual renewal of the LXR and BET patents.

Other operating expenses represent the day-to-day running costs incurred in normal operations.

Notes to the Annual Financial Report continued

4. Assets and liabilities

This section sets out those assets and liabilities that arose from the Company's operations.

4.1 Receivables

	2023 \$	2022 \$
Current receivables		
Contractual		
Accrued interest income	–	81
Statutory		
GST input tax credit recoverable	1,254	62
Total current receivables	1,254	143

Contractual receivables are classified as financial instruments and categorised as accrued income. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables, but are not classified as financial instruments.

4.2 Payables

	2023 \$	2022 \$
Current payables		
Contractual		
Supplies and services	466	417
Accrued expenses	6,000	6,000
Total current payables	6,466	6,417

Payables consist of:

- **Contractual payables** are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid; and
- **Statutory payables** that are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days.

Maturity analysis of contractual payables of the Company^(a)

	Carrying amount \$	Nominal amount \$	Maturity dates			
			Less than 1 month \$	1-3 months \$	3 months – 1 year \$	1+ years \$
2023						
Supplies and services	466	466	466	–	–	–
Other payables and accrued expenses	6,000	6,000	6,000	–	–	–
Total	6,466	6,466	6,466	–	–	–
2022						
Supplies and services	417	417	417	–	–	–
Other payables and accrued expenses	6,000	6,000	6,000	–	–	–
Total	6,417	6,417	6,417	–	–	–

Note: (a) Maturity analysis is presented using the contractual undiscounted cash flows method.

5. Financing operations

This section provides information on the sources of finance utilised by the Company during its operations and includes disclosures of balances that are financial instruments (such as cash balances). Notes 6.1 and 6.3 provide additional, specific financial instrument disclosures.

5.1 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and other highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents are as indicated in the reconciliation below.

	2023 \$	2022 \$
Cash at bank and on hand	211,528	187,390
Deposits at call	7	6
Term deposits < 90 days	–	20,000
Balance as per cash flow statement	211,535	207,396
Deposits > 90 days	–	20,000
Cash and term deposits	211,535	227,396

5.1.1 Reconciliation of net result for the period to cash flows from operating activities

	2023 \$	2022 \$
Net result for the period	(14,799)	(17,505)
Movements in assets and liabilities		
(Increase)/decrease in receivables	(1,111)	379
Increase/(decrease) in payables	49	(1,521)
Net cash flows from/ (used in) operating activities	(15,861)	(18,647)

5.2 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts.

There are no commitments as at 30 June 2023 (2022: Nil).

Notes to the Annual Financial Report continued

6. Risks, contingencies and valuation judgements

The Company is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with the recognition and measurement of items in the annual financial report. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Company relate mainly to fair value determinations.

6.1 Financial instruments specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), and payables (excluding statutory payables).

Categories of financial instruments

Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met, and the assets are not designated as fair value through net result:

- the assets are held by the Company to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Company recognises the following assets in this category:

- cash and deposits
- receivables (excluding GST input tax credit receivable), and
- term deposits.

Financial liabilities at amortised cost

Financial liabilities in this category are initially recognised on the date they are incurred. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost, with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

The Group recognises the following liabilities in this category:

- payables (excluding GST payables).

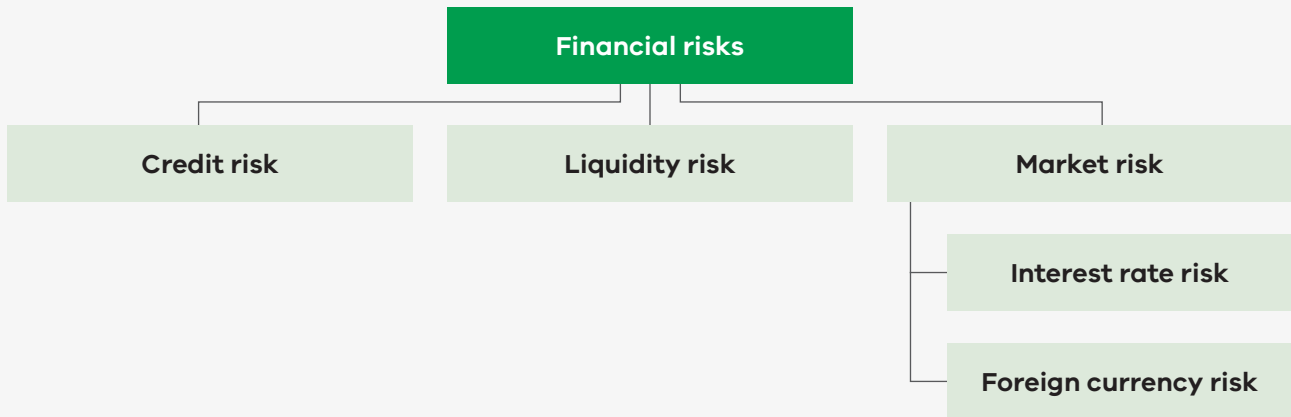
6.1.1 Financial instruments: Categorisation

	2023		2022	
	Financial assets at amortised cost \$	Financial liabilities at amortised cost \$	Financial assets at amortised cost \$	Financial liabilities at amortised cost \$
Contractual financial assets				
Cash and deposits	211,535	–	227,396	–
Receivables ^(a)				
Accrued interest income	–	–	81	–
Total contractual financial assets	211,535	–	227,477	–
Contractual financial liabilities				
Payables ^(a)				
Supplies and services	–	466	–	417
Other payables and accrued expenses	–	6,000	–	6,000
Total contractual financial liabilities	–	6,466	–	6,417

Note: (a) The carrying amounts disclosed here exclude statutory amounts (e.g., GST input tax credit recoverable and GST payables).

Notes to the Annual Financial Report continued

6.1.2 Financial risk management objectives and policies



As a whole, the Company's financial risk management program seeks to manage these risks and the associated impact on the volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 6.3 to the annual financial report.

The main purpose in holding financial instruments is to prudentially manage the financial risks within the company policy parameters or dictated by commercial decisions.

The Company's main financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk and it manages these in accordance with its financial risk management policy.

Financial instruments: Credit risk

Credit risk refers to the possibility that a customer will default on its financial obligations as and when they fall due. The Company's exposure to credit risk arises from the potential default of counter parties on their contractual obligations resulting in financial loss to the Company. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the contractual financial assets is minimal because it is the Company's policy to only deal with entities with high credit ratings and to obtain sufficient collateral or credit enhancements where appropriate. The Company does not have a material credit risk exposure to any single debtor or group of debtors.

In addition, the Company does not engage in hedging of credit risk for its contractual financial assets because they are fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, the Company's policy is to only deal with financial institutions with high credit ratings.

Provision for impairment of contractual financial assets is recognised when there is objective evidence that the Company will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments and changes in debtor credit ratings.

The Company's maximum exposure to credit risk without taking into account the value of any collateral obtained is the carrying amount of financial assets as detailed in table 6.11.

There has been no material change to the Company's credit risk profile in 2022–23.

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The Company operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution.

It also continuously manages liquidity risk through monitoring future cash flows and maturities planning to ensure adequate holdings of high-quality liquid assets and dealing in highly liquid markets.

The Company is exposed to liquidity risk mainly through financial liabilities as disclosed on the face of the balance sheet. The Company's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Funding requirements for unexpected events is generally sourced from cash and cash equivalents.

Financial instruments: Market risk

The Company's exposures to market risk are primarily through interest rate risk and foreign currency risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company manages this risk by only investing with high credit ratings institutions and to obtain sufficient collateral or credit enhancements where appropriate.

Management has concluded that for cash at bank it is appropriate to monitor movement in interest rates on a daily basis in order to avoid unfavourable changes in interest credit rate risk.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Company's sensitivity to interest rate risk are set out in the table below.

Interest rate exposure of financial instruments

2023	Weighted average interest rate (%)	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
Financial assets					
Cash and deposits					
Cash at bank	2.45	211,528	–	211,528	–
Deposits at call	2.88	7	–	7	–
Receivables^(a)					
Accrued interest income	–	–	–	–	–
Total financial assets		211,535	–	211,535	–
Financial liabilities					
Payables^(a)					
Supplies and services	–	466	–	–	466
Other payables	–	6,000	–	–	6,000
Total financial liabilities		6,466	–	–	6,466

Note: (a) The carrying amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable and GST payables).

2022	Weighted average interest rate (%)	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
Financial assets					
Cash and deposits					
Cash at bank	0.85	187,390	–	187,390	–
Deposits at call	0.05	6	–	6	–
Deposits < 90 days	1.06	20,000	20,000	–	–
Deposits > 90 days	1.06	20,000	20,000	–	–
Receivables^(a)					
Accrued interest income	–	81	–	–	81
Total financial assets		227,477	40,000	187,396	81
Financial liabilities					
Payables^(a)					
Supplies and services	–	417	–	–	417
Other payables	–	6,000	–	–	6,000
Total financial liabilities		6,417	–	–	6,417

Note: (a) The carrying amounts disclosed here exclude statutory amounts (e.g., GST input tax credit recoverable and GST payables).

Notes to the Annual Financial Report continued

Interest rate risk sensitivity for the Company

2023	Carrying amount	-100 basis points Net result	+100 basis points Net result
Financial assets			
Cash and deposits			
Cash at bank	211,528	(2,115)	2,115
Deposits at call	7	–	–
Total impact	211,535	(2,115)	2,115

Note: (a) The sensitivity rate in 2023 to 100 basis points (2022: 100 basis points).

2022	Carrying amount	-100 basis points Net result	+100 basis points Net result
Financial assets			
Cash and deposits			
Cash at bank	187,390	(1,874)	1,874
Deposits at call	6	–	–
Deposits < 90 days	20,000	(200)	200
Deposits > 90 days	20,000	(200)	200
Total impact	227,396	(2,274)	2,274

Note: The carrying amounts disclosed here exclude statutory amounts (e.g., GST input tax credit recoverable and GST payables).

Foreign currency risk

All foreign currency transactions during the financial year were brought to account using the exchange rate in effect at the date of each transaction.

The Company is exposed to foreign currency risk mainly through its transactions relating to overseas travel. The Company has a limited number of transactions denominated in foreign currencies and there is a relatively short timeframe between commitment and settlement, therefore risk is minimal.

6.2. Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

There are no contingent assets and liabilities as at 30 June 2023. (2022: Nil)

6.3. Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Company.

This section sets out information on how the Company determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value determination of financial assets and liabilities

The Company currently holds a range of financial instruments that are recorded in the annual financial report where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2022–23 reporting period.

These financial instruments include:

Financial assets

Receivables:

- Trade receivables
- Accrued interest income.

Investments and other contractual financial assets:

- Cash and Term deposits.

Financial liabilities

Payables:

- Supplies and services
- Amounts payable to parent entity
- Other payables and accrued expense.

6.4 Share capital

	2023 \$	2022 \$
Share capital 1 July	1,055,002	1,055,002
Shares issued ^(a)	–	–
Share capital 30 June	1,055,002	1,055,002

Note: (a) The Company issued 1,055,002 ordinary \$1 shares which were subscribed and fully paid by Agriculture Victoria Services Pty Ltd.

Notes to the Annual Financial Report continued

7. Other disclosures

Introduction

This section includes additional material disclosures required by *Australian Accounting Standards* or otherwise, for the understanding of this financial report.

7.1. Responsible persons

The following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of directors and accountable officers in the Company during the financial year are as follows:

- **Dr RTH Aldous (Chair)**
1 July 2022 to 30 June 2023
- **Dr JM Tennent (Director)**
1 July 2022 to 30 June 2023
- **Prof GC Spangenberg (Director)**
1 July 2022 to 28 February 2023
- **A/Prof M Hayden (Director)**
23 June 2023 to 30 June 2023
- **Mr DC Liesegang (Accountable Officer)**
1 July 2022 to 30 June 2023

Remuneration

The directors and accountable officers did not receive and are not entitled to receive any remuneration or benefits.

No director of the Company received or became entitled to receive a benefit during 2022–23 financial year. (2021–22: Nil)

7.2. Related parties

The Company's related parties include its key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Parent company

The Company is wholly owned by Agriculture Victoria Services Pty Ltd.

Key management personnel

The Company is incorporated under *the Corporations Act 2001* and therefore key management personnel of the Group are limited to the directors and executives of its parent entity, namely

- Dr RTH Aldous (Chair)
- Dr JM Tennent (Director)
- Prof GS Spangenberg (Director to 28 Feb 2023)
- A/Prof M Hayden (Director from 23 Jun 2023)
- Mr DC Liesegang (Accountable Officer until 30 June 2023)

The directors and accountable officers did not receive and are not entitled to receive any remuneration or benefits.

Transactions and balances with key management personnel and other related parties

The Company's employment processes are based on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes are based on terms and conditions consistent with the Victorian Government Procurement Board requirements.

There were no related party transactions that involved key management personnel, their close family members and their personal business interests.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

7.3. Significant commercial transactions with the State of Victoria

There were no commercial transactions with the State of Victoria in 2022–23 (2021–22 \$nil).

7.4 Remuneration of auditors

	2023 \$	2022 \$
Victorian Auditor General's Office		
Audit the annual financial report ^(a)	6,000	5,860
Total remuneration of auditors	6,000	5,860

Note: (a) The Victorian Auditor-General's Office is not allowed to provide non-audit services.

7.5. Subsequent events

In the interval between the end of the financial year and the date of this report, Phytogene was advised of results of research by the licensee of one of its technologies indicating that further testing is required. The additional time required to undertake the research may impact future revenues from the technology. Based on information currently available there is no material impact on the Company's financial position.

Except for the matter disclosed above, there are no other matters and/or circumstances that have arisen since the end of the reporting period which significantly affect or may significantly affect the operations of the Company.

7.6. Other accounting policies and presentation of the annual financial report

Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two represents the net result. The net result is equivalent to profit or loss derived in accordance with AASs.

'Other economic flows' are changes arising from market re-measurements. They include revaluations and impairments of nonfinancial physical and intangible assets and re-measurement arising from defined benefit superannuation plans.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 Presentation of the annual financial report.

The net result is the equivalent to profit or loss defined in accordance with AASs.

Balance Sheet

Assets and liabilities recognised in the balance sheet are presented in liquidity order with assets aggregated into financial and non-financial assets.

In respect to current and non-current assets and liabilities, non-current are those assets or liabilities expected to be recovered or settled more than 12 months after the end of the reporting period except for the provision for employee benefits, which are classified as current liabilities if the Company does not have the unconditional right to defer the settlement of the liabilities 12 months after the end of the reporting period.

Notes to the Annual Financial Report continued

Cash Flow Statement

Cash flows are classified as operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

Statement of Changes in Equity

The statement of changes in equity presents reconciliations of each non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in equity related to transactions with the owner in their capacity as owner.

Accounting for goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Income tax

Agriculture Victoria Services Pty Ltd is a company wholly owned by the State Government of Victoria. The company and its controlled entities are exempt from income tax under Section 24AO *Income Tax Assessment Act 1936* and as such does not adopt tax effect accounting.

Compliance information

The general-purpose annual financial report has been prepared in accordance with the *Corporations Act 2001* and applicable *Australian Accounting Standards* (AASs) which include Interpretations, issued by the *Australian Accounting Standards Board* (AASB). AASs include Australian equivalents to *International Financial Reporting Standards*.

7.7. Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2022–23 reporting period. These accounting standards have not been applied to the Company's Financial Statements.

AASB 2022–10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

AASB 2022–10 amends AASB 13 *Fair Value Measurement* by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

This Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

As the Company has no material non-financial assets, this standard does not impact the financial statements.

AASB 17 Insurance Contracts, AASB 2022–8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments and AASB 2022–9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector

These amendments apply for annual report periods beginning on or after 1 July 2026.

AASB 2020–1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022–6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

AASB 2020–1 amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued AASB 2020–6 *Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023.

The Company's evaluation of the implementation of this Standard shows that no classification adjustment was identified for this reporting period.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have no impact on the Company's financial statements in the period of initial application.

7.8. Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Financial asset is any asset that is:

- a) cash;
- b) an equity instrument of another entity;
- c) a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Notes to the Annual Financial Report continued

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is:

- a) a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- b) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

The annual **financial report** comprises:

- a balance sheet as at the end of the period;
- a comprehensive operating statement for the period;
- a statement of changes in equity for the period;
- a cash flow statement for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;
- comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Net financial liabilities is calculated as liabilities less financial assets.

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes plant and equipment, intangibles assets.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

Payables include short and long-term trade debt and accounts payable, taxes and interest payable.

Receivables include amounts owing through short and long-term trade credit and accounts receivable, accrued investment income and interest receivable.

Appendix 1: Acronyms and glossary of terms

Term	Meaning
AVS	Agriculture Victoria Services Pty Ltd
BET	Biomass Enhancement Technology
Company ('the Company')	Phytogene Pty Ltd
Department or DJPR or DEECA	The State of Victoria's Department of Jobs, Precincts and Regions or The State of Victoria's Department of Energy, Environment and Climate Action
LXR®	Delayed plant leaf senescence technology. Pronounced 'Elixir'.
OGTR	Office of the Gene Technology Regulator
Phytogene	Phytogene Pty Ltd





PHYTOGENE



Energy,
Environment
and Climate Action