



Annual Report 2024–25



Energy,
Environment
and Climate Action



Company Information

Phytogene
ACN 098 823 235
ABN 45 098 823 235

Directors

Mr Shane Cagney (Chair)
(until 29 August 2024)
Ms Michelle Goldsmith (Chair)
(from 29 August 2024)
Associate Professor Matthew Hayden
(from 25 June 2023)

Executive Officer

Ms Michelle Goldsmith
(until 12 December 2024)
Ms Jane Banovac
(from 12 December 2024)

Company Secretary

Mr Shane Cagney
(until 29 August 2024)
Ms Michelle Goldsmith
(from 29 August 2024)

Registered Office

5 Ring Road
Bundoora VIC 3083
Telephone 1800 950 151

Auditors

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

Acknowledgements

Front cover: Photograph of wheat
courtesy of Agriculture Victoria



Phytogene Pty Ltd acknowledges and respects Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices. We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.

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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 two transgenic technologies:

- LXR®: a delayed senescence technology that provides increased biomass and yield accumulation.
- BET: a technology that increases fructan production and biomass.

Both technologies have the potential to add value by increasing yield in crops without increasing the inputs required. Besides yield, LXR can provide drought resistance benefits, and the BET technology can increase metabolisable energy and digestibility for grazing animals.

Phytogene's technologies are in research phase with its licensee making good technical progress with LXR®-Wheat. Phytogene continues to maintain a low-cost structure while it builds value in LXR® and BET technologies.

The operations of Phytogene are funded by AVS equity investment and interest income. Costs are largely comprised of patent expenses.



Performance summary

The Company funded its operating loss of \$6,039 in 2024-25 from internal cash resources. Based on projections derived from the Company's internal financial model, it is expected to have sufficient cash reserves to sustain operations for the next seven years until the commencement of revenue generation in 2032.

LXR®-Wheat

LXR® technology in wheat is Phytogene's most advanced project. The yield enhancement produced by the LXR technology has been demonstrated by the licensee in trials over two seasons and in multiple locations. The licensee has completed crossing LXR® plants with its own proprietary trait to ascertain whether the combined traits provide additional yield over and above the individual technologies. Seed multiplication has been completed to enable the first field trials planned for July 2026. Field trials are planned to be conducted over two years with the results to be reviewed in 2028. The results of these field trials will determine the next steps by the licensee and Phytogene.

LXR®-Alfalfa

Phytogene had licenced the LXR technology to a partner to develop and commercialise alfalfa plants comprising three of AVS' trait technologies: LXR® (for yield enhancement), AMV (for alfalfa mosaic virus resistance) and OA (for aluminium tolerance in acidic soils). The licensee undertook final confirmatory experimentation which conclusively determined that the three-trait product did not express the desired traits. As a result, this project has been discontinued.

BET Ryegrass

The results of the initial trial of the technology by a third party were provided in 2024-25. The trial involved testing the nutritional advantage of this high-energy grass on a small number of milking sheep. The data was inconclusive. In 2025-26 Phytogene will undertake a review of the commercial application of BET in forage species before determining the next steps for this technology.

Board of Directors



Ms Michelle Goldsmith (Director)

BSc, LLB (Hons)

Michelle Goldsmith was appointed to the Phytogene Board, as Chair, in August 2024. She is the CEO of AVS.

Michelle's career in innovation and commercialisation includes Strategic Project Partners, the Florey Institute and Global Kinetics following a range of policy, operational, IP protection and commercialisation roles in health sciences in private and government roles.

Michelle leads the AVS team in maximising the value and impact of AVR research and IP assets that improve the productivity and competitiveness of Victorian and Australian farmers.

Michelle is responsible for ensuring that the organisation's structure and processes meet the strategic and cultural needs of the company and its legal and regulatory obligations; for leading high levels of service delivery to the company's stakeholders and customers; and for the leadership, management and oversight of the day-to-day operations of the company, its people and its resources. Michelle is currently a member of the Trans-Tasman IP Attorneys Board and is a director of SmartSense Agtech.



Professor Matthew Hayden (Director)

BSc (Hons), PhD

Matthew Hayden was appointed as a director of Phytogene in June 2023. He is Research Director, Plant Sciences at Agriculture Victoria Research, and holds a joint appointment with the School of Applied Systems Biology at La Trobe University.

Matt's career in agricultural science spans research leadership roles across the Quality Wheat CRC, Value Added Wheat CRC, and Molecular Plant Breeding CRC, alongside senior positions at Agriculture Victoria in molecular genetics and plant functional genomics.

Matt leads multidisciplinary teams focused on accelerating crop improvement across cereals, oilseeds, pulses and forage species through the integration of genomics, phenomics, gene editing and predictive breeding. His work supports the delivery of more productive, resilient, and sustainable agricultural systems in Victoria and beyond.

Matt is responsible for shaping the scientific direction of the Plant Sciences group, ensuring research excellence and translation through strong collaborations with industry, government and academic partners. He is internationally recognised for his contributions to molecular genetics and trait dissection, and has authored more than 170 peer-reviewed publications.

Legislative framework

Corporations Act 2001 (Cth)

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

Public Administration Act 2004 (Vic) (PAA)

The PAA 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 PAA and, by Order in Council, is subject to divisions 2 and 3 of part 5 of the PAA and the governance principles contained therein.

Financial Management Act 1994 (Vic) (FMA)

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

Audit Act 1994 (Vic)

The Audit Act provides for the conduct of efficient and effective financial audits of the Victorian public sector. Under the Act Phytogene is subject to an 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) (PDP Act)

The PDP 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.

Public Interest Disclosures Act 2012 (Vic) (PID Act)

The PID 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 PID 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 PID 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 have policies and procedures in place to provide guidance in these circumstances.

Phytogene and its parent AVS are not able to receive public interest disclosures. Disclosures of improper conduct or detrimental action by Phytogene and its parent AVS or any of their employees may be made directly to the Independent Broad-based Anti-corruption Commission (IBAC).

Disclosures under the Public Interest Disclosures Act 2012

Disclosures	2024–25 number	2023–24 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 together with the annual financial report for the year ended 30 June 2025 and the independent auditor's report thereon.

Directors

The directors of Phytogene at any time during the financial year were:

Name and Qualifications	Appointment Term
Mr Shane Cagney (Chair) BAcc, GDip (Comm Law & Tax), CPA Aus	1 July 2024 to 29 August 2024
Ms Michelle Goldsmith (Chair) BSc, LLB (Hons)	From 29 August 2024 to present
Associate Professor Matthew Hayden BSc (Hons), PhD	1 July 2024 to present

Company Secretary

The Company Secretary of Phytogene at any time during the financial year was:

Name	Appointment Term
Mr Shane Cagney	1 July 2024 to 29 August 2024
Ms Michelle Goldsmith	29 August 2024 to present

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. Two board meetings were held during the financial year.

Board of Directors	New or retired director	No. of meetings	
		attended	held
Ms Michelle Goldsmith	From 29 August 2024	2	2
Associate Professor Matthew Hayden	Full term	2	2
Mr Shane Cagney	Until 29 August 2024	0	2

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 \$6,039 (2023-24 loss of \$5,220).

Operational performance

The review of operations is provided in the Company performance summary on page 3.

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 2025 (2024: nil).

No dividend was paid during the year ended 30 June 2025 (2024: nil).

Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations, the results of those operations, or the state of affairs of the Company, in future financial years.

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 2001, Phytogene is required to comply with additional legislation identified on page 5.

Environmental legislation

The Company's operations are not affected by any particular or significant environmental regulation under a law of the Commonwealth or of a state or territory in Australia. At the time of reporting, Phytogene does not meet the thresholds for mandatory reporting under Australian Accounting Standard AASB S2 *Climate-related Disclosures*, and the Standard has not yet been adopted across the broader Victorian public sector. Accordingly, no climate-related financial disclosures are included in this annual financial report.

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 end of 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.

The Company sole shareholder, AVS, maintains Directors and Officers Liability insurance on behalf of Phytogene and all premiums have been paid for the year ended 30 June 2025.

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 14 of this report and forms part of the Directors' Report for the financial year ended 30 June 2025.

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



Associate Professor Matthew Hayden
Director
27 August 2025
Bundoora, Melbourne



Ms Michelle Goldsmith
Director
27 August 2025
Bundoora, Melbourne



Annual Financial Report 2024–2025

Annual Financial Report 2024–2025

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 2025 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* and:
 - a) give a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date
 - b) comply 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 27 August 2025.



Associate Professor Matthew Hayden
Director
27 August 2025
Bundoora, Melbourne



Ms Michelle Goldsmith
Director
27 August 2025
Bundoora, Melbourne

Independent Auditor's Report

Independent Auditor's Report

To the Directors of Phytogene Pty Ltd



Opinion	I have audited the financial report of Phytogene Pty Ltd (the Company) which comprises the: • Balance Sheet as at 30 June 2025 • Comprehensive Operating Statement for the year then ended • Statement of Changes in Equity for the year then ended • Cash Flow Statement for the year then ended • Notes to the financial statements, including material accounting policy information • Directors' declaration. In my opinion the financial report is in accordance with the <i>Corporations Act 2001</i> including: • presenting a true and fair view of the financial position of the company as at 30 June 2025 and its financial performance and cash flows for the year then ended • complying with applicable Australian Accounting Standards - Simplified Disclosures and the <i>Corporations Regulations 2001</i>.
Basis for Opinion	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. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Company 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Director's responsibilities for the financial report	The Directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures 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 is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Directors are responsible for assessing the company'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'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 Director's 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'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 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.

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.

Independent Auditor’s Report continued

Other information	The Directors of the Company are responsible for the Other Information, which comprises in the Company's Annual report for the year ended 30 June 2025, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of Other Information, I am required to report that fact. I have nothing to report in this regard.
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BENDIGO
29 August 2025



Josh Porker
as a delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration



Auditor-General's Independence Declaration

To the Board of Phytogene 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 Phytogene Pty Ltd for the year ended 30 June 2025, 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.

A handwritten signature in blue ink, appearing to be "JP", is written above the name Josh Porker.

BENDIGO
29 August 2025

Josh Porker
as a delegate for the Auditor-General of Victoria

Annual Financial Report

Comprehensive operating statement for the financial year ended 30 June 2025

	Notes	2025 \$	2024 \$
Continuing operations			
Income from transactions			
Interest	2	9,242	9,323
Total income from transactions		9,242	9,323
Expenses from transactions			
Operating expenses	3	(15,281)	(14,543)
Total expenses from transactions		(15,281)	(14,543)
Net result from transactions (net operating result)		(6,039)	(5,220)
Other comprehensive Income		-	-
Comprehensive result		(6,039)	(5,220)

The accompanying notes form part of the annual financial report.

Balance Sheet as at 30 June 2025

	Notes	2025 \$	2024 \$
Assets			
Financial assets			
Cash and deposits	4.1	201,426	207,299
Receivables	2.2	138	44
Total financial assets		201,564	207,343
Liabilities			
Payables	3.2	6,500	6,240
Total liabilities		6,500	6,240
Net assets		195,064	201,103
Equity			
Share capital	6.2	1,055,002	1,055,002
Accumulated surplus/(deficit)		(859,938)	(853,899)
Net worth		195,064	201,103

The accompanying notes form part of the annual financial report.

Annual Financial Report continued

Cash flow statement for the financial year ended 30 June 2025

	Notes	2025 \$	2024 \$
Cash flows from operating activities			
Receipts			
Interest received		9,242	9,323
GST received from the ATO ^(a)		668	1,943
Total receipts		9,910	11,266
Payments			
Payments to suppliers		(15,783)	(15,502)
Total payments		(15,783)	(15,502)
Net cash flows used in operating activities		(5,873)	(4,236)
Net increase (decrease) in cash and cash equivalents		(5,873)	(4,236)
Cash and cash equivalents at beginning of financial year		207,299	211,535
Cash and cash equivalents at end of financial year	4.1	201,426	207,299

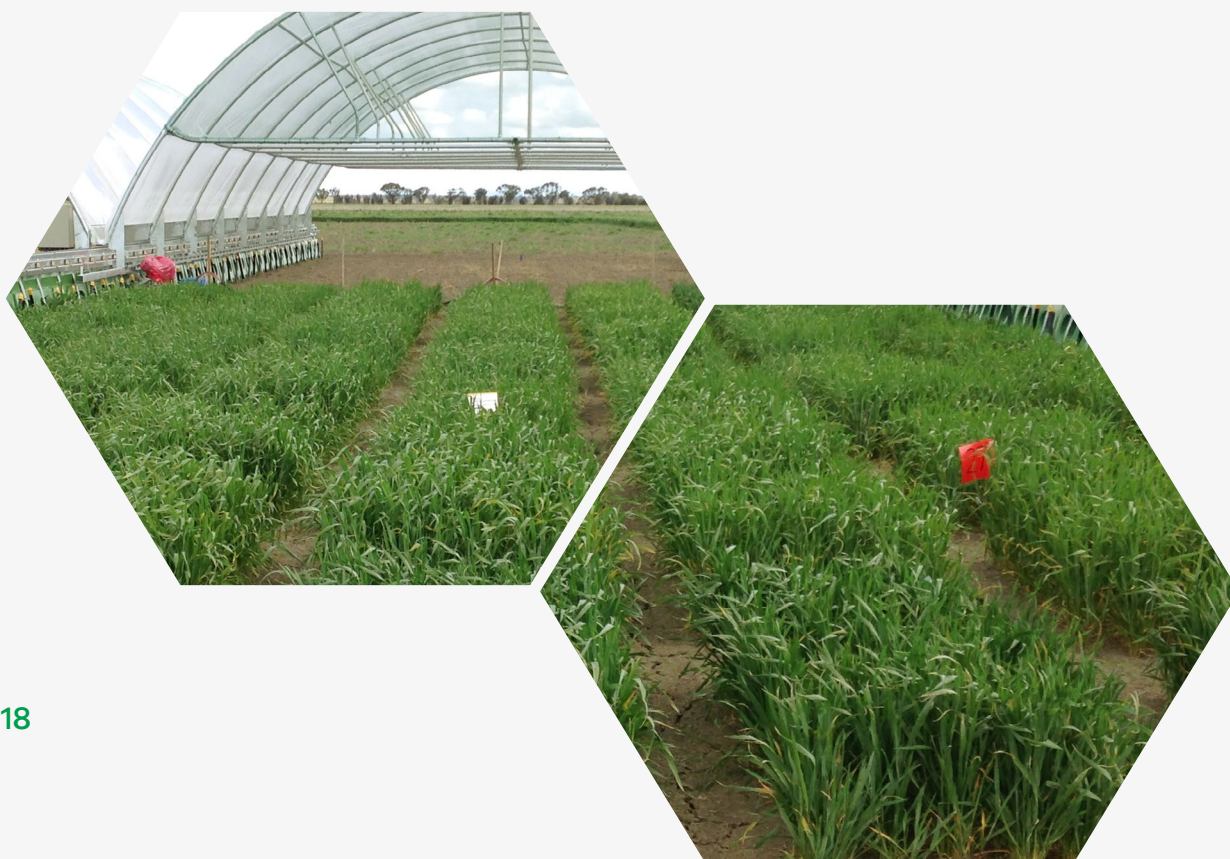
The accompanying notes form part of the annual financial report.

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 2025

	Accumulated surplus/(deficit) \$	Share capital \$	Total \$
Balance at 1 July 2023	(848,679)	1,055,002	206,323
Net result for the year	(5,220)	-	(5,220)
Balance at 30 June 2024	(853,899)	1,055,002	201,103
Balance at 1 July 2024	(853,899)	1,055,002	201,103
Net result for the year	(6,039)	-	(6,039)
Balance at 30 June 2025	(859,938)	1,055,002	195,064

The accompanying notes form part of the annual financial report.



Notes to the Annual Financial Report

1. About this report

Introduction

Phytogene Pty Ltd (the Company) is domiciled in Victoria, Australia and its registered office is at 5 Ring Road, Bundoora, VIC 3083, Australia. The Company is a private company incorporated under the provisions of the *Corporations Act 2001*.

The Company is a wholly owned subsidiary company of Agriculture Victoria Services Pty Ltd (AVS).

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

Details of the Company's operations are included on page 3 of this annual report 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 27 August 2025.

1.1 Share Capital

The issued share capital of the Company of one million fifty-five thousand and two shares is wholly owned by AVS.

In accordance with the requirements of Australian Accounting Standard AASB 1004 – *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and do not form part of the income and expenses of the Company.

1.2 Basis of Reporting

This annual financial report is a Tier 2 general purpose annual financial report prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Financial Reporting Direction (FRD) 101 – *Application of Tiers of Australian Accounting Standards*.

Phytogene is a Tier 2 entity in accordance with FRD 101. This annual financial report is the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures.

The Company's prior year annual financial report was a general purpose financial statement prepared in accordance with Australian Accounting Standards (Tier 1). As Phytogene is not a 'significant entity' as defined in FRD 101, the Directors decided to adopt Tier 2 level reporting with effect from 1 July 2024.

The comparative information for the year ended 30 June 2024 has been restated on the same basis as previously reported to reflect the change in reporting framework. This change in reporting framework has not had a material impact on the comparatives presented.

The Financial Statements were prepared on a going concern basis. The Board of the Company in considering this view has noted that notwithstanding the actual operating loss and the net outflows, the company has positive cash flow projections until it receives its first revenue in 2032. Additionally, the company has received assurances of ongoing support from the holding company. These factors collectively inform the Board's decision to prepare financial statements on a going concern basis.

1.3 Basis of Preparation

This annual financial report has been prepared on the following basis:

- The historical cost convention has been applied in the preparation of these financial statements, whereby all transactions are recorded as cost, unless otherwise stated.
- The accruals basis of accounting has been applied in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses have been recognised in the reporting period to which they relate, regardless of when cash is received or paid.
- The Company is an entity of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Instrument, amounts in these financial statements are rounded to the nearest thousand dollars unless otherwise indicated.

1.4 Reporting Currency

The currency used in the preparation of these financial statements is Australian dollars (\$) unless otherwise stated.

1.5 Comprehensive Operating Statement

The Comprehensive Operating Statement comprises three components as follows:

- a. Net Result from Transactions
- b. Other Economic Flows Included in Net Result
- c. Other Economic Flows.

The sum of (a) and (b) represents the Company's net result and is equivalent to the profit or loss derived in accordance with Australian Accounting Standards. Other Economic Flows represent changes arising from market re-measurements and include items such as:

- Revaluations and impairments of non-financial physical and intangible assets
- Re-measurements arising from defined benefit superannuation plan liabilities.

This classification is consistent with the whole-of-government reporting format and is allowed in accordance with Australian Accounting Standard AASB 101 – *Presentation of the Annual Financial Report*.

1.6 Balance Sheet

The Balance Sheet shows assets and liabilities primarily classified as financial and non-financial items. Within these classifications items are presented in liquidity order.

The accompanying notes provide details of current and non-current elements of each asset and liability.

Current items are those expected to be recovered or settled within one year of the end of the reporting period and non-current items are those where recovery or settlement is expected to be more than one year after the end of the reporting period.

1.7 Statement of Cash Flows

In the Statement of Cash Flows cashflows are classified as operating, investing or financing in accordance with **Australian Accounting Standard AASB 107 – *Statement of Cash Flows***.

1.8 Statement of Changes in Equity

The Statement of Changes in Equity presents reconciliations of balances at the start and end of the reporting period for all equity balances. This information includes movements in balances arising from both owner equity transactions and the net impact of items reported in the Comprehensive Operating Statement on equity balances.

1.9 Accounting Judgements, Estimates and Assumptions

The preparation of financial information necessitates the exercise of judgements, estimates and assumptions. Significant measurements and disclosures have been made in the preparation of these financial statements and are disclosed in these notes where amounts affected by those judgements are disclosed.

Estimates and underlying assumptions are based on professional judgements derived from historical experience and various other relevant factors that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

Estimates and underlying assumptions are reviewed regularly and may result in revisions to measurements and disclosures. Such revisions to accounting estimates are recognised in the period in which the estimates are revised and also in future periods that are affected by the revisions.

1.10 Income Tax

The company is exempt from income tax pursuant to Section 24AO of the *Income Tax Assessment Act* and is therefore not required to adopt tax effect accounting.

Notes to the Annual Financial Report continued

1.11 Accounting for Goods & Services Tax

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

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

Cash flows disclosed in the Cash Flow Statement 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.

1.12 Compliance with Department of Treasury and Finance (DTF) Guidance

Where applicable, the annual financial report has also been prepared in accordance with guidance provided by DTF.

Accounting policies selected and applied in these financial statements ensure 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.

2. Funding delivery of services

Introduction

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

This note provides information about:

- the Company's primary sources of revenue and income and the basis upon which they are recognised in these financial statements
- amounts owed to the Company at the end of the reporting period in relation to these sources of revenue and income.

2.1 Summary of income that funds the delivery of our services

	2025 \$	2024 \$
Interest income		
Interest on bank deposits	9,242	9,323
Total interest income	9,242	9,323
Total revenue and income from continuing operations	9,242	9,323

2.1.1 Measurement and Recognition of Revenues & Income

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.

2.1.2 Interest on Deposits with Financial Institutions

Interest on deposits with financial institutions is earned when the Company invests funds with its approved financial institutions in the normal course of business that are excess to daily cash flow needs.

Interest earned on these deposits is recognised over time using the effective interest rate method, whereby interest earnings are allocated over the period of each deposit.

2.2 Receivables – Balance Sheet

	2025 \$	2024 \$
Current receivables		
Statutory		
GST input tax credit recoverable	138	44
Total current receivables	138	44

2.2.1 Statutory receivables

Statutory receivables are amounts due to the Company arising from its activities related to collection of statutory items such as taxes and charges. These balances are measured similarly to contractual receivables (except that impairment assessments are not required) but are not classified as financial instruments for measurement and recognition purposes.

Notes to the Annual Financial Report continued

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.

	2025 \$	2024 \$
Audit expenses	6,500	6,240
Patent expense	7,658	7,606
Other operating expenses	1,123	697
Total operating expenses	15,281	14,543

3.1.1 Patent expenses

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

3.1.2 Other operating expenses

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

3.2 Payables – Balance Sheet

	2025 \$	2024 \$
Current payables		
Contractual		
Accrued expenses	6,500	6,240
Total current payables	6,500	6,240

3.2.1 Measurement and Recognition of Payables

Contractual Payables

Contractual payables mainly comprise amounts payable to suppliers for goods and services provided to the Company in the normal course of business at the end of the reporting period. These balances are classified as financial instruments in accordance with Australian Accounting Standard AASB 9 – *Financial Instruments* and are initially measured at fair value plus or minus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at fair value through Profit and Loss.

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

Accrued Expenses

This balance represents the accrued Victorian Auditor-General's Office fee. Accrued expenses represent expenses incurred by the Company prior to the end of the reporting period. These obligations will be paid in the subsequent reporting period after standard approval processes have been completed.

3.2.2 Movement in Accrued Expenses

	2025 \$	2024 \$
Opening Balance	6,240	6,000
Reductions Arising from Payments to Settle Obligations	(6,240)	(6,000)
Additions Arising from New Present Obligations	6,500	6,240
Closing Balance	6,500	6,240

4. Financing operations

Introduction

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 5.1 and 5.3 provide additional, specific financial instrument disclosures.

4.1 Cash and Cash Equivalents

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

For Cash Flow Statement purposes, cash and cash equivalents are shown in the table below.

	2025 \$	2024 \$
Cash at bank	201,426	207,299
Balance as per cash flow statement	201,426	207,299

Notes to the Annual Financial Report continued

5 Fair Value Determinations for Financial Instruments and Non-Financial Assets and Contingencies

Introduction

The Company makes judgements and estimates associated with recognition and measurement of items in the financial statements. This section provides information related to the judgements and estimates necessary for recognition of financial instruments, fair value determinations and matters of a contingent nature.

This section provides information on the matters noted in the table below.

Note	Information
5.1	Financial Instruments
5.2	Fair Value Determinations
5.3	Contingencies

5.1 Financial Instruments

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, receivables (excluding statutory receivables) and payables (excluding statutory payables).

5.1.1 Measurement and Recognition

Financial assets

Financial assets are initially recognised at fair value plus any transaction costs and subsequently measured at fair value through Profit and Loss. 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
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

If these criteria are met, the financial assets are measured at amortised cost or fair value through other comprehensive income (FVOCI), depending on the business model for managing the financial assets and the contractual cash flow characteristics.

Financial liabilities

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 fair value through Profit and Loss.

5.1.2 Financial Assets and Liabilities

Financial assets

Cash and Deposits
Receivables (excluding GST input tax credit receivable)

Financial liabilities

Contract Payables

- Supplies and Services
- Accrued Expenses

5.1.3 Financial Asset and Liability Disclosures

2025	Carrying Amount \$	Net Gain or (Loss) \$	Total Interest Income or (Expense) \$	Fees Income or (Expense) \$	Impairment Loss \$
Financial Assets (Contractual)					
Cash and Deposits with Financial Institutions	201,426	-	9,242	-	-
Total Financial Assets (Contractual)	201,426	-	9,242	-	-
Financial Liabilities (Contractual)					
Other payables and accrued expenses	6,500	-	-	-	-
Total Financial Liabilities (Contractual)	6,500	-	-	-	-

2024	Carrying Amount \$	Net Gain or (Loss) \$	Total Interest Income or (Expense) \$	Fees Income or (Expense) \$	Impairment Loss \$
Financial Assets (Contractual)					
Cash and Deposits with Financial Institutions	207,299	-	9,323	-	-
Total Financial Assets (Contractual)	207,299	-	9,323	-	-
Financial Liabilities (Contractual)					
Other payables and accrued expenses	6,240	-	-	-	-
Total Financial Liabilities (Contractual)	6,240	-	-	-	-

Notes to the Annual Financial Report continued

5.2 Fair Value Determinations

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.

5.2.1 Fair value determination of financial assets and liabilities

The Company currently holds 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 2024-25 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

5.3 Contingent Assets and Liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed in the note 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 2025 (2024: Nil).

6. Other Disclosures

This section includes disclosures on various material matters in accordance with the requirements of Australian Accounting Standards and DTF guidance, for better understanding of this financial report.

6.1 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from executed contracts where no goods or services have been supplied at the end of the reporting period. These commitments are disclosed at their nominal values and are inclusive of GST. Where considered appropriate and relevant, the net present values of commitments for individually significant projects are also disclosed. When the related goods and services under these contracts are provided to the Company these commitments convert to liabilities and are recognised in the balance sheet as liabilities.

Commitments for future expenditure include operating and capital commitments arising from contracts. There are no commitments as at 30 June 2025 (2024: Nil).

6.2 Parent Entity Information

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

Share Capital

The issued share capital of the Company is 1,055,002 fully paid ordinary shares of \$1 each (2024: \$1,055,002).

6.3 Responsible Persons

The persons who held the position of Directors and Accountable Officers in the Company during the reporting period are shown below.

- **Associate Professor Matthew Hayden (Director)**
1 July 2024 to present
- **Mr Shane Cagney (Director)**
1 July 2024 to 29 August 2024
- **Ms Michelle Goldsmith (Chair)**
1 July 2024 to 12 December 2024
(Accountable Officer)
29 August 2024 to present (Director)
- **Ms Jane Banovac (Accountable Officer)**
12 December 2024 to present

6.3.1 Remuneration of Responsible Persons

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 2024-25 financial year (2023-24: Nil).

6.4 Related parties

This Note provides information about related party transactions as defined in Australian Accounting Standard AASB 124 – *Related Party Transactions*.

6.4.1 Basis of Related Party Transactions

During the reporting period, the Company received services and staffing support from its parent entity, at no charge to assist with its operations. These arrangements reflect the nature of the relationship and the strategic support provided by the parent. Unless otherwise stated, no related party transactions incorporated special terms and conditions, and no guarantees have been given or received during the reporting period. Outstanding balances with related parties are generally settled in cash.

6.4.2 Key management personnel

The key management personnel of the Company are the directors and the accountable officers. These are disclosed in Note 6.3.

6.4.3 Transactions and balances with key management personnel and other related parties

- a. The Company does not employ any persons.
- b. Procurement processes are based on the requirements of the Victorian Government Procurement Board.
- c. In the reporting period there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised for impairment of receivables from related parties in the reporting period.

Notes to the Annual Financial Report continued

Significant commercial transactions with the State of Victoria

There were no commercial transactions with the State of Victoria in 2024-25 (2023-24: \$nil).

6.5 Remuneration of auditors

	2025 \$	2024 \$
Victorian Auditor-General's Office		
Audit the annual financial report	6,500	6,240
Total remuneration of auditors	6,500	6,240

There were no payments by the Company to the Auditor-General of Victoria for non-audit services.

7 Glossary of Technical Terms

The following is a list of the significant technical terms used to explain information in this annual financial report and the standard meanings of each term.

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.

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

- 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.

Financial statements comprise:

- a. balance sheet as at the end of the period
- b. a comprehensive operating statement for the period
- c. a statement of changes in equity for the period
- d. a cash flow statement for the period
- e. accompanying notes, comprising a summary of significant accounting policies and other explanatory information
- f. 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 worth is calculated as assets less liabilities, which is an economic measure of wealth.

Payables includes 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.

Supplies and services generally represent the day to day running costs, including maintenance costs, incurred in the normal operations of the Company.

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
DEECA ('the Department')	State of Victoria's Department of Energy, Environment and Climate Action
DTF	Department of Treasury and Finance
FMA	<i>Financial Management Act 1994 (Vic)</i>
IBAC	Independent Broad-based Anti-corruption Commission
IP	Intellectual Property
LXR®	Delayed plant leaf senescence technology. Pronounced 'Elixir'.
PAA	<i>Public Administration Act 2004 (Vic)</i>
PDP Act	<i>Privacy and Data Protection Act 2014 (Vic)</i>
PID Act	<i>Public Interest Disclosures Act 2012 (Vic)</i>
Phytogene	Phytogene Pty Ltd is a wholly owned subsidiary of AVS

