



PHYTOGENE



**AGRICULTURE
VICTORIA
SERVICES**

Annual Report 2023–24



VICTORIA
State
Government

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) (to 31/10/2023)
Dr JM Tennent (to 31/10/2023)
A/Prof M Hayden
Mr SM Cagney (Chair) (from 15/12/2023)

Executive Officer

Ms M Goldsmith (from 20/11/2023)
Mr SM Cagney (to 20/11/2023)

Company Secretary

Mr SM Cagney

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

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 Annual Ryegrass
courtesy of VicSeeds Production Pty Ltd



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, increased biomass and greater metabolizable energy for grazing animals.

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 metabolizable energy and digestibility.

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 \$5,220 in 2023-24 from internal cash resources and has sufficient cash resources to sustain operations over the next seven years.

LXR®-Wheat

LXR® Wheat is Phytogene's most advanced project. A yield advantage associated with the LXR® trait was demonstrated by the licensee over the last two years. The licensee is now crossing the LXR® trait with its own technologies to ascertain whether LXR® can provide extra yield above their own technologies. The final round of back crossing will conclude in December 2024. This will be followed by field trials commencing in June 2025 over two seasons with the data results to be reviewed in 2027. The results of the field trials will determine the next steps by Phytogene and the licensee.

LXR®-Alfalfa

Project 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). During the reporting period, Phytogene reviewed the findings from the licensee trials and determined that the project is not viable and is unlikely to proceed further.

BET Ryegrass

The results of the licensee trials of the technology will be provided in 2024-25 and will guide the potential for this technology.

During the reporting period, a summary of the licensee trials was received with a final report to be provided in 2024-25.

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 Audit 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 Public Interest Disclosures Act 2012

Disclosures	2023–24 number	2022–23 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 2024 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:

Name, Term & Qualifications	Experience & other directorships
Dr RTH Aldous (Chair) (until 31 Oct 2023) BSc (Hons), PhD, GAICD	Richard was a director of AVS (the sole shareholder of Phytogene) from 1 November 2016 to 31 October 2023. Richard was appointed as a director of Phytogene Pty Ltd in September 2020 and was appointed as Chair on 9 June 2021 until the end of Richard's term on 31 October 2023.
Dr JM Tennent (until 31 Oct 2023) BSc (Hons), PhD, GCert Mgt, GAICD, FTSE, FASM	Jan Tennent joined the AVS board in August 2021 at which time she was also appointed a director of the AVS subsidiary, Phytogene Pty Ltd. Jan served in these dual roles until the end of her term on 31 October 2023.
A/Prof Matthew Hayden (full year) BSc (Hons), PhD	Matthew was appointed a director of Phytogene Pty Ltd on 23 June 2023.
Mr SM Cagney (Chair) (from 15 Dec 2023) BAcc, GDip (Comm Law & Tax), CPA Aus	Shane was appointed a director of Phytogene Pty Ltd on 15 December 2023 and was appointed as Chair at the first Board meeting following appointment.

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

Company Secretary

The Company Secretary during the year was Mr Shane Cagney.

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
Dr RTH Aldous	Until 31 Oct 2023	1	1
Dr J Tennent	Until 31 Oct 2023	1	1
A/Prof M Hayden		2	2
Mr SM Cagney	From 15 Dec 2023	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 \$5,220 (2022-23 loss of \$14,799).

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 2024 (2023: nil). No dividend was paid during the year ended 30 June 2024 (2023: 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, Phytogene is required to comply with additional legislation identified on page 6.

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. The size of the Company falls below the three staged thresholds defined in the Australian Accounting Standards Board Exposure Draft ED1 SR1 *Australian Reporting Standards – Disclosure of Climate-related Financial Information* that is applicable in stages between 1 July 2024 and 30 June 2027 as the Company does not meet any of the three staged reporting thresholds.

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 & Officers Liability insurance on behalf of Phytogene and all premiums have been paid for the year ended 30 June 2024.

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 16 of this report and forms part of the Directors' Report for the financial year ended 30th June 2024.

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



A/Prof Matthew Hayden
Director
29 August 2024
Bundoora, Melbourne



Ms Michelle Goldsmith
Director
29 August 2024
Bundoora, Melbourne

Annual Financial Report 2023–2024

Annual Financial Report 2023–2024

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 30th June 2024 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 30th June 2024 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 27 August 2024.



A/Prof Matthew Hayden
Director
29 August 2024
Bundoora, Melbourne



Ms Michelle Goldsmith
Director
29 August 2024
Bundoora, Melbourne

Independent Auditor's Report

Independent Auditor's Report

To the Directors of Phytogene Pty Ltd



Opinion	<p>I have audited the financial report of Phytogene Pty Ltd (the Company) which comprises the:</p> <ul style="list-style-type: none">• Balance Sheet as at 30 June 2024• 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 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">• presenting a true and fair view of the financial position of the company as at 30 June 2024 and its financial performance and cash flows for the year then ended• complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.
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 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 APES 110 <i>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>
Director's responsibilities for the financial report	<p>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 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.</p> <p>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.</p>

**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	<p>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 2024, but does not include the financial report and my auditor's report thereon.</p> <p>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.</p>
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BENDIGO
9 September 2024



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 2024, 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 read "JP", is positioned above the printed name of the signatory.

BENDIGO
9 September 2024

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

Annual Financial Report

Comprehensive operating statement for the financial year ended 30 June 2024

	Notes	2024 \$	2023 \$
Continuing operations			
Income from transactions			
Interest	2	9,323	4,877
Total income from transactions		9,323	4,877
Expenses from transactions			
Operating expenses	3	(14,543)	(19,676)
Total expenses from transactions		(14,543)	(19,676)
Net result from transactions (net operating result)		(5,220)	(14,799)
Other comprehensive Income		–	–
Comprehensive result		(5,220)	(14,799)

The accompanying notes form part of the annual financial report.

Balance Sheet as at 30 June 2024

	Notes	2024 \$	2023 \$
Assets			
Financial assets			
Cash and term deposits < 90 days	5.1	207,299	211,535
Receivables	4.1	44	1,254
Total financial assets		207,343	212,789
Liabilities			
Payables	4.2	6,240	6,466
Total liabilities		6,240	6,466
Net assets		201,103	206,323
Equity			
Share capital	6.4	1,055,002	1,055,002
Accumulated surplus/(deficit)		(853,899)	(848,679)
Net worth		201,103	206,323

The accompanying notes form part of the annual financial report.

Annual Financial Report continued

Cash flow statement for the financial year ended 30 June 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Receipts			
Interest received		9,323	4,958
GST received from the ATO ^(a)		1,943	172
Total receipts		11,266	5,130
Payments			
Payments to suppliers		(15,502)	(20,991)
Total payments		(15,502)	(20,991)
Net cash flows used in operating activities	5.1.1	(4,236)	(15,861)
Cash flows from investing activities			
Proceeds from investment		–	20,000
Net cash flows from investing activities		–	20,000
Net increase (decrease) in cash and cash equivalents		(4,236)	4,139
Cash and cash equivalents at beginning of financial year		211,535	207,396
Cash and cash equivalents at end of financial year	5.1	207,299	211,535

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 2024

	Accumulated surplus/(deficit) \$	Share capital \$	Total \$
Balance at 1 July 2022	(833,880)	1,055,002	221,122
Net result for the year	(14,799)	–	(14,799)
Other comprehensive income	–	–	–
Balance at 30 June 2023	(848,679)	1,055,002	206,323
Balance at 1 July 2023	(848,679)	1,055,002	206,323
Net result for the year	(5,220)	–	(5,220)
Other comprehensive income	–	–	–
Balance at 30 June 2024	(853,899)	1,055,002	201,103

The accompanying notes form part of the annual financial report.



Notes to the Annual Financial Report

1. About this report

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 5 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 29 August 2024.

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 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.

The preparation of financial information necessitates the exercise of judgements, estimates and assumptions. Significant judgements impacting disclosures and measurements are disclosed elsewhere in these notes.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which those estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

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

The general purpose annual financial report for the year ending 30 June 2024 have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board. Where applicable, the general purpose annual financial report has also been prepared in accordance with the 2023-24 Department of Treasury and Finance (DTF) Model Financial Report.

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.

2.1 Summary of income that funds the delivery of our services

	2024 \$	2023 \$
Interest income		
Interest on bank deposits	9,323	4,877
Total interest income	9,323	4,877
Total revenue and income from continuing operations	9,323	4,877

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:

	2024 \$	2023 \$
Audit expenses	6,240	6,000
Patent expense	7,606	7,345
Other operating expenses	697	6,331
Total operating expenses	14,543	19,676

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

	2024 \$	2023 \$
Current receivables		
Statutory		
GST input tax credit recoverable	44	1,254
Total current receivables	44	1,254

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

	2024 \$	2023 \$
Current payables		
Contractual		
Supplies and services	–	466
Accrued expenses	6,240	6,000
Total current payables	6,240	6,466

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

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 \$
2024						
Other payables and accrued expenses	6,240	6,240	–	6,240	–	–
Total	6,240	6,240	–	6,240	–	–
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	–	–

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.

	2024 \$	2023 \$
Cash at bank and on hand	207,299	211,528
Deposits at call	–	7
Balance as per cash flow statement	207,299	211,535

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

	2024 \$	2023 \$
Net result for the period	(5,220)	(14,799)
Movements in assets and liabilities		
(Increase)/decrease in receivables	1,210	(1,111)
Increase/(decrease) in payables	(226)	49
Net cash flows used in operating activities	(4,236)	(15,861)

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 2024 (2023: 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 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.

Structure

- 6.1 Financial instruments specific disclosures
- 6.2 Contingent assets and contingent liabilities
- 6.3 Fair value determination

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

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 Company recognises the following liabilities in this category:

- payables (excluding GST payables).

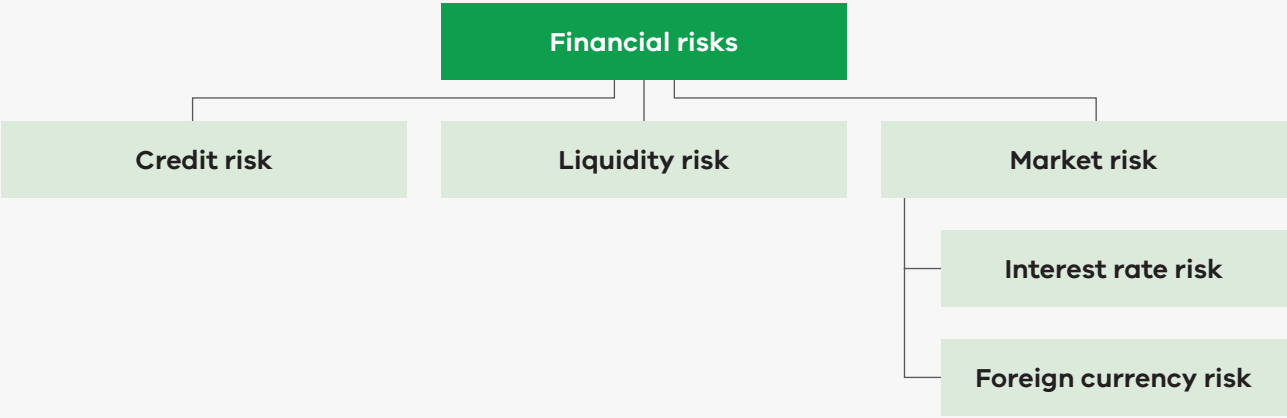
6.1.1 Financial instruments: Categorisation

	2024		2023	
	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	207,299	–	211,535	–
Total contractual financial assets	207,299	–	211,535	–
Contractual financial liabilities				
Payables ^(a)				
Supplies and services	–	–	–	466
Other payables and accrued expenses	–	6,240	–	6,000
Total contractual financial liabilities	–	6,240	–	6,466

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 on 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 6.1.1.

There has been no material change to the Company's credit risk profile in 2023 – 24.

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

2024	Weighted average interest rate (%)	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
Financial assets					
Cash and deposits					
Cash at bank	4.45	207,299	–	207,299	–
Total financial assets		207,299	–	207,299	–
Financial liabilities					
Payables^(a)					
Other payables	–	6,240	–	–	6,240
Total financial liabilities		6,240	–	–	6,240

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

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	21,528	–	21,528	–
Deposits at call	2.88	7	–	7	–
Total financial assets		21,535	–	21,535	–
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).

Notes to the Annual Financial Report continued

Interest rate risk sensitivity for the Company

	Carrying amount	-100 basis points ^(a) Net result	+100 basis points Net result
2024			
Financial assets			
Cash and deposits			
Cash at bank	207,299	(2,073)	2,073
Total impact	207,299	(2,073)	2,073

Note: (a) The sensitivity rate in 2024 is 100 basis points (2023: 100 basis points).

	Carrying amount	-100 basis points Net result	+100 basis points Net result
2023			
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

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 2024 (2023: 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 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 2023-24 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

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 (Director)**
1 July 2023 to 31 October 2023
- **Dr JM Tennent (Director)**
1 July 2023 to 31 October 2023
- **A/Prof M Hayden (Director)**
1 July 2023 to 30 June 2024
- **Mr Shane M Cagney (Director)**
15 December 2023 to 30 June 2024
- **Ms M Goldsmith (Accountable Officer)**
20 November 2023 to 30 June 2024

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 2023-24 financial year (2022-23: Nil).

7.2. Related parties

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

Parent company

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

Key management personnel

Key management personnel of the Company during the year are listed on the left as Responsible Persons and no directors and accountable officers received or were entitled to receive any remuneration or benefits and there were no other transactions with key management personnel.

Transactions and balances with key management personnel and other related parties

All related party transactions with the parent company have been entered into on an arm's length basis. None of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are settled in cash.

The Company does not employ any persons.

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 2023-24 (2022-23 \$nil).

7.4 Remuneration of auditors

	2024 \$	2023 \$
Victorian Auditor-General's Office		
Audit the annual financial report ^(a)	6,240	6,000
Total remuneration of auditors	6,240	6,000

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

7.5. Subsequent events

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.

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', '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 AAS's. '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 from transactions 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.

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 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.

Notes to the Annual Financial Report continued

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

The Company's sole shareholder, 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 do not adopt tax effect accounting.

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 2023-24 reporting period. These accounting standards have not been applied to the Group's Annual Financial Report.

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.

The *AASB 2022-10 Amendments* are not expected to impact on the Company's Annual Financial Report.

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

AASB 17 replaces *AASB 4 Insurance Contracts*, *AASB 1023 General Insurance Contracts* and *AASB 1038 Life Insurance Contracts for not-for-profit public sector entities* for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-9 amends *AASB 17* to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of *AASB 17* in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply *AASB 4* and *AASB 1023* to annual periods before 1 July 2026. This Standard applies for annual reporting periods beginning on or after 1 January 2023.

These standards and amendments have no impact on Company's Annual Financial Report.

A number of other standards and amendments have also been issued that apply to future reporting periods, however they are not expected to have any significant impact on the Company's Annual Financial Report in the period of initial application.

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
LXR®	Delayed plant leaf senescence technology. Pronounced 'Elixir'.
Phytogene	Phytogene Pty Ltd is a wholly owned subsidiary of AVS

