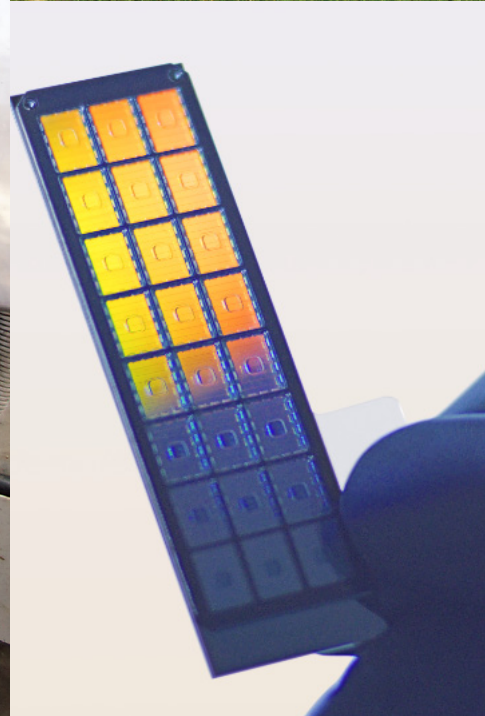


# Consolidated Financial Report for the year ended 30 June 2024



DataGene is an independent, industry-owned organisation that delivers world-class herd improvement products and services to Australian dairy farmers and their service providers. Our members include leading herd improvement service providers, genetics suppliers, breed associations and peak dairy industry organisations.



AGRI-GENE



AUSSIE REDS



Holstein AUSTRALIA



# **DataGene Ltd and controlled entity**

ABN: 78 613 579 614

## ***Consolidated Financial report***

For the year ended 30 June 2024

**Pitcher Partners**

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**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**DIRECTORS' REPORT**

The Directors present their report together with the financial report of the Group, being the Company and its controlled entity, for the year ended 30 June 2024 and auditor's report thereon.

**Directors names**

The names of the Directors in office at any time during or since the end of the year are:

Graeme Gillan

Tim Jelbart

Samantha Simpson

Daniel Meade

Jeff Odgers

Jim Bruce (Appointed 16 November 2023)

Alexander Ball (Appointed 16 November 2023)

Lucinda Corrigan (Resigned 15 November 2023)

Anthony Shelly (Resigned 15 November 2023)

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

**Results**

The deficit of the Group for the year after providing for depreciation, amortisation and income tax amounted to \$575,444 (2023: \$826,555 deficit).

## **DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

### **DIRECTORS' REPORT**

#### **Review of operations**

During the 2023-24 financial year, the Group continued to engage in its principal activity of driving genetic gain and herd improvement in the Australian dairy industry, through delivering innovative solutions to meet agriculture's current and future needs. The vision, mission and strategic priorities are described more fully on the following pages. This year saw DataGene continue to provide its services and the results are disclosed in the attached financial statements.

DataGene provides core industry infrastructure in the form of a modern genetic evaluation system, a Central Data Repository (CDR) refreshed daily and DataVat a user-friendly platform for delivering individualised results, tools and services. This infrastructure has opened up opportunities that were once not possible, such as farmers granting electronic access to their advisors for herd test results, mastitis focus reports, fertility focus reports and the genetic futures reports.

DataGene now runs 45 evaluations a year with three public releases. More frequent genetic evaluation paved the way for the adoption of female genomic testing as farmers get the results in time to make early decisions. In 2023/24, there were 8,860 males and 62,749 females genomically tested.

The CDR provides the technology for data access and collaboration across a wide group of industry organisations. We are seeing the collaboration extend internationally as DataGene works with other countries and dairy equipment manufacturers through the International Dairy Data Exchange Network (iDDEN) to develop the capacity to exchange data collected on farm. DataConnect is an important industry project being undertaken by DataGene where we are working domestically to connect data sources to improve farmer outcomes.

DataGene continues to work with external clients to deliver solutions for other industries and in other countries and expand our capacity to help Australian dairy farmers. Some of the projects delivered and in progress during 2023/24 include a mastitis app with Dairy Australia and the Food Agility CRC delivered into testing and a set of requirements for the cotton industry to move towards a central data platform.

The second funding agreement with Dairy Australia ended on 30 June 2024. During 2023/24, DataGene worked with Dairy Australia to negotiate a new 5-year funding arrangement. This work included an Impact Assessment that demonstrated a return on investment of 15:1 based on DataGene's operations from 2016-2029. The new Funding Agreement began on 1 July 2024.

DataGene delivered a deficit of \$575,444 (2023: \$826,555 deficit) for the year end. Cash reserves decreased to \$694,516 (2023: \$1,378,245). A substantial proportion of this decrease is due to investing an additional \$516,684 into 12 month term deposits during 2024. The reserve assists with the management of risks and enabling strategic investments in our people, infrastructure and innovative solutions for the industry.

The Directors note that there is a patent infringement dispute in process and that the response to the claims are being coordinated with the company's insurers and the other respondents.

#### **Significant changes in state of affairs**

There were no significant changes in the Group's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

## **DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

### **DIRECTORS' REPORT**

#### **Short-term and long-term objectives and strategies**

##### Vision, Mission and Strategic Priorities

The Company's vision is to enable farmers and industry to maximise profit through data driven decisions. DataGene delivers worldclass genetic evaluation, software and decision-making tools to enable Australian farmers to improve their herd and maximise their profit through data-driven decisions and innovative industry services.

DataGene's vision and mission are delivered by focusing on four strategic pillars':

1. Improved decision making from data
2. Increased farm profitability through herd improvement
3. Improved animal performance from R&D
4. Improved and diversified services

#### **Strategic Pillar 1: Improved decision making from data**

DataGene manages the Central Data Repository ('CDR') and DataVat on behalf of the Australian dairy industry. Combined, they offer new opportunities for improved decision-making based on data. The CDR is the IT infrastructure that connects and stores data from a variety of external sources. DataVat is the web portal that allows for customised secure access to various reports, tools and resources that draw upon data in the CDR, including information from the genetic evaluation system.

This strategic pillar also includes Ginfo, the industry's national reference data set of genetic information. Ginfo includes genotypes (DNA) and phenotypes (performance information) which underpin the reliability of Australian Breeding Values ('ABVs') and indices.

Short-term objectives include: integrating the CDR and the International Dairy Data Exchange Network data exchange hub (iDDEN), and leveraging the connection for industry value; supporting the roll-out and implementation of HerdPlatform and associated tools through DataVat; connecting data sources unlikely to be connected by iDDEN through the DataConnect project; and creating business requirement documents to ensure DataVat is future ready.

#### **Strategic Pillar 2: Increased farm profitability through herd improvement**

Genetics contributes about 30% of production gains on Australian dairy farms. DataGene's genetic evaluation system underpins these gains. A key goal is to increase the number of farmers breeding replacements from Good Bulls and using Australian Breeding Values and indices to make breeding decisions.

Short-term objectives include: supporting the uptake of the heifer genomic testing; completion of the National Breeding Objective Review; and in depth research to improve the reporting of genetic trends, haplotypes, breed percent and genetic test results.

## **DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

### **DIRECTORS' REPORT**

#### **Short-term and long-term objectives and strategies (Continued)**

##### **Strategic Pillar 3: Improved animal performance from R&D**

Genomics and other technological advances present opportunities to improve animal performance through herd improvement R&D. DataGene's main strategic priority is to increase the rate of genomic testing of females in the Australian dairy population. The data collected by the CDR and Ginfo will enable the development of breeding values for traits that are difficult to measure, such as health and methane traits and enable the industry to use new technologies such as MIR.

Short-term objectives include: close working relationship with DairyBio and stakeholders to plan the implementation of a calf vitality and a revised survival breeding values; and maintaining Ginfo farmer participation at current levels, including classifications and genotyping.

##### **Strategic Pillar 4: Improved and diversified services**

DataGene needs to be continually improving and diversifying its services to fulfil its vision of enabling farmers and their industry to maximise profit through data-driven decisions.

Short-term objectives include fostering collaboration with industry stakeholders through regular Standing Committee meetings, User Groups, and other meeting opportunities; maintaining security auditing and penetration testing of DataGene systems; and continuing delivery of quality service to external customers, including weekly runs.

#### **Updated Business Plan 2025-2029**

During 2023/24, DataGene consulted with its stakeholders and refined its strategic direction over the coming years. While there was no substantive shift in strategic direction, there were changes to the strategic pillars and these have been reflected in the 2024/25 Annual Operating Plan.

#### **Principal activities**

DataGene's objective is responsible for driving genetic gain and herd improvement in the Australian dairy industry. No significant change in the nature of these activities occurred during the year.

#### **Key performance indicators**

DataGene uses a variety of short and long-term performance indicators and metrics to monitor performance.

In the longer term, DataGene evaluates its performance across three main areas: the genetic merit of the national herd; the market acceptance and uptake of its products; and the level of herd recording within the industry. These are monitored on an ongoing basis.

In the shorter term, DataGene works with industry to develop an Annual Operating Plan that includes key performance indicators aligned with the strategic priorities. KPIs are set using SMART Objectives (Specific, Measurable, Achievable, Relevant and Time-Bound) and progress is reported at every board meeting. This year's KPIs were structured within the four themes of the strategic plan mentioned above.



## **DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

### **DIRECTORS' REPORT**

#### **After balance date events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

#### **Likely developments**

The likely developments in the operations of the group and the expected results of those operations in subsequent financial years are as follows:

Continued focus on connecting data sources through iDDEN and DataConnect. This will enable more complete reporting for farmers and industry through DataVat.

In addition, improvement to breeding values will be a continued focus as well as completing the National Breeding Objective Review to assure continued genetic gain.

#### **Environmental regulation**

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

#### **Information on directors**

##### **Graeme Gillan**

Director

##### Experience

Graeme Gillan is a former Chair of the National Herd Improvement Association (NHIA) and former CEO of Holstein Australia. His involvement with dairy herd improvement spans more than 45 years, and several leading Australian genetics companies. Over this time Graeme has been involved at the coal face of herd improvement innovations including expanding the sources of genetics, the introduction of computerised mating programs and increasing the gene pool of the Jersey breed in the 1990s, overseas investment in Australian genetics in the 2000s and the promotion of genomics since 2010. He is passionate about the industry's role in influencing priorities for research, development and extension programs, to ensure genetics continues to deliver value to Australian dairy farm businesses.

## DATAGENE LTD AND CONTROLLED ENTITY

ABN: 78 613 579 614

### DIRECTORS' REPORT

#### Information on directors (Continued)

<b>Tim Jelbart</b>	Director
Qualifications	Bachelor of Applied Science (Valuations), AAPI
Experience	Tim Jelbart is a dairy farmer and Holstein breeder from Inverloch, West Gippsland, Victoria. He is the general manager and director of Jelbart Dairy which is owned by Tim and his brother, comprising a dryland dairy and beef business with 1,100 high production Holstein milking cows and 1,500 head of dairy replacements and F1 wagyu calves. The business relies on genomic testing for accurate genetic information, which has resulted in significant genetic gains across the herd in recent years. Before returning to the family farm, Tim completed a degree in applied science, specialising in rural property valuation, valuing some of the largest agribusiness assets across Australia. Tim is currently the chair of the Genetic Evaluation Standing Committee (GESC).
<b>Samantha Simpson</b>	Director
Qualifications	MMarketing (Agribusiness), BAppSci(Agric), GradDipAgribusiness,DipFrontlineManagement
Experience	Sam Simpson and her husband operate at 450-cow dairy farm, Craiglands Holsteins, at Larpent in South Western Victoria. They have been members of Holstein Australia for 18 years and genotyping their animals since 2015. Sam runs the herd's breeding program as well as the business finances, HR and information systems. She is actively involved in a number of industry groups including promoting dairy to the local community and school groups and is Chair of DataGene's Data Access and Standards Standing Committee. Craiglands Holsteins was a focus farm for the ImProving Herds project and Sam was a member of the MIR for Profit project steering committee. Before taking on a full-time role with the farm, Sam spent 10 years as a sheep officer and Farm\$mart Project Manager with the Victorian Department of Primary Industries.
<b>Daniel Meade</b>	Director
Qualifications	Diploma of Agriculture, Diploma of Agronomy , GAICD
Experience	Daniel Meade and his wife Michaela are co-owner operators of Boonderoo Pastoral Company, milking 400 cows at Kolora, south-west Victoria. Their focus is on maximising pasture production and home grown feed efficiency whilst breeding an efficient cow that suits this system. In 2017, Daniel received a Nuffield scholarship to investigate how agricultural organisations engage with farmers. Before starting dairy farming in their own right in 2018, Daniel spent 10 years as a Dairy Agronomist, and studied at Glenormiston Agricultural College. Daniel was first elected to Moyne Shire Council in 2016 and is currently the Deputy Mayor, having served as Mayor from 2019-2021. He has also held positions on numerous community organisations including WestVic Dairy, VFF, CFA and on local sporting clubs.

## DATAGENE LTD AND CONTROLLED ENTITY

ABN: 78 613 579 614

### DIRECTORS' REPORT

#### Information on directors (Continued)

##### **Jeff Odgers**

##### Qualifications

Director nominated by Dairy Australia

B. Business (Agricultural Management), Associate Diploma Farm Management

##### Experience

Jeff Odgers has more than 35 years' experience in Australian agribusiness; through involvement in large scale dairy farming, and board roles in research industry services and food manufacturing. Managing and owning farms in Tasmania and northern Victoria, he has a passion for business development and innovation. He was Dairy Australia Chair 2017-2020, serving as a non-executive director between 2013-2021. Jeff led Murray Dairy Inc as board Chair 2008-2012, during a time of significant evolution in the regions farming systems. Jeff has a deep understanding of the value chain. He was also non-executive director of Bega Cheese Limited 2011-2020 and prior to that Tatura Milk Industries Limited 2009-2011.

##### **Jim Bruce (Appointed 16 November 2023)**

##### Experience

Director

Jim Bruce has worked most of his career in the Australian genetics supply chain, including with Semex, ABS, Phoenix Genetics, Genes Diffusion, Genex, Elders Genetic Services and Elders Rural Services. This has given him insights into the different systems operating in Australia, USA, Canada and France. He has experience in both dairy and beef artificial breeding and genetics and the opportunities and challenges for herd improvement in Australian livestock industries. Jim is currently the Country Manager (Australia & NZ) for VikingGenetics.

##### **Alexander Ball (Appointed 16 November 2023)**

##### Qualifications

Director

Bachelor Rural Science, Honours Class 1, PhD (Animal Science), Fellow Australian Rural Leadership Foundation, GAICD

##### Experience

Alex Ball and his wife own and operate a stud beef enterprise in Armidale NSW. Having spent 18 years in various roles with MLA, Alex has extensive knowledge of the development of and implementation of genetic evaluation systems. He managed the national sheep recording program Sheep Genetics and was instrumental in the establishment of across-flock, across breed and Merino evaluations for the sheep industry. He has managed national R&D programs and conducted evaluation of genetic investments in Australia and internationally. In his roles with Herefords Australia Alex was responsible for the implementation of single step evaluation for that breed. Since 2018 Alex has operated his own private consultancy service, Rural Analytics delivering a wide range of projects for agricultural clients. He also sits on working groups for Cattle Australia and NFF and is a director of the SRS genetics company.

**DATAGENE LTD AND CONTROLLED ENTITY**

ABN: 78 613 579 614

**DIRECTORS' REPORT****Information on directors (Continued)****Lucinda Corrigan (Resigned 15 November 2023)**

Director	Director
Qualifications	Bachelor of Science in Agriculture (Honours), FAICD
Experience	Lucinda and her husband run 4,200 performance recorded cattle on nine properties in the NSW Murray Valley, near Albury. Over the past 40 years they have developed a leading Angus genetics business, 'Rennylea', from a small base, with dedicated use of Breedplan for genetic improvement and a highly accurate database of phenotypes and genotypes. Having graduated with an Agricultural Science degree, Lucinda also has significant off farm experience, including nine years as a Non Executive Director of Meat and Livestock Australia and Chair of the Animal Genetics and Breeding Unit at the University of New England (current). In 2007 Lucinda received the Helen Newton Turner Medal from AAABG in recognition for her contribution to animal breeding and genetics.

**Anthony Shelly (Resigned 15 November 2023)**

Director	Director
Qualifications	Advanced Diploma of Agriculture
Experience	Anthony has spent most of his career in dairy herd improvement, creating the opportunity for him to fulfill a wide range of roles across the livestock industry. Anthony has an exceptional understanding of the application of herd improvement at all levels of business. He is also a non-executive director of the National Herd Improvement Association of Australia (NHIA), the current CEO of Genetics Australia. Anthony remains passionate about the role of genetics and data in helping farmers optimise their businesses.

**Meetings of directors**

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Graeme Gillan	9	9
Tim Jelbart	9	9
Samantha Simpson	9	9
Daniel Meade	9	7
Jeff Odgers	9	9
Jim Bruce	6	6
Alexander Ball	6	6
Lucinda Corrigan	3	3
Anthony Shelly	3	3

**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**DIRECTORS' REPORT**

**Members guarantee**

The Group is incorporated under the *Corporations Act 2001* and is a Group limited by guarantee. If the Group is wound up, the Constitution states that each member is required to contribute to a maximum of \$10 each towards meeting any outstandings and obligations of the Group. At 30 June 2024 the number of members was 27. The combined total amount that members of the Group are liable to contribute if the Group is wound up is \$270.

**Indemnification of officers**

During or since the end of the period, the group has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums in order to indemnify the directors of the group against liabilities arising from their roles within the group.

Further disclosure under section 300(9) of the Corporations Law is prohibited under the terms of the contract.

**Indemnification of auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the Group.

**Auditor's independence declaration**

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

**Proceedings on behalf of the Group**

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

Signed in accordance with a resolution of the board of directors.



Director: \_\_\_\_\_

Graeme Gillan



Director: \_\_\_\_\_

Tim Jelbart

Dated this 10th day of October 2024

**DATAGENE LTD AND CONTROLLED ENTITY**  
**ABN: 78 613 579 614**

**AUDITOR'S INDEPENDENCE DECLARATION**  
**TO THE DIRECTORS OF DATAGENE LTD AND CONTROLLED ENTITY**

In relation to the independent audit for the year ended 30 June 2024, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of DataGene Ltd and the entity controlled during the year.



J J MITCHELHILL  
Partner



PITCHER PARTNERS  
MELBOURNE

Date: 10 October 2024

**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
<b>Revenue and other income</b>			
Sales revenue	2	4,894,817	5,651,400
Other revenue	3	70,285	41,298
Other income	3	<u>66,457</u>	<u>30,499</u>
		<u>5,031,559</u>	<u>5,723,197</u>
<b>Less: expenses</b>			
Depreciation and amortisation expense	4	(546,746)	(557,415)
Employee benefits expense		(3,019,825)	(2,953,272)
Occupancy expense		(23,085)	(21,564)
Advertising expense		(131,074)	(184,789)
Finance costs	4	(47,446)	(43,276)
Travel expense		(68,637)	(82,595)
Operating expense		(81,241)	(111,760)
Professional fees		(75,621)	(61,999)
Software expense		(703,884)	(1,056,733)
Data collection expense		(463,657)	(634,712)
Software development		-	(297,186)
Other expenses		<u>(445,787)</u>	<u>(544,451)</u>
		<u>(5,607,003)</u>	<u>(6,549,752)</u>
<b>Deficit from operating activities</b>		(575,444)	(826,555)
<b>Other comprehensive income for the year</b>		-	-
<b>Deficit</b>		<u>(575,444)</u>	<u>(826,555)</u>

The accompanying notes form part of these financial statements.

**DATAGENE LTD AND CONTROLLED ENTITY**

ABN: 78 613 579 614

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2024**

	Note	2024 \$	2023 \$
<b>Current assets</b>			
Cash and cash equivalents	5	694,516	1,378,245
Receivables	6	359,091	535,532
Other financial assets	7	628,091	111,407
Other assets	8	<u>5,054</u>	<u>17,080</u>
<b>Total current assets</b>		<u>1,686,752</u>	<u>2,042,264</u>
<b>Non-current assets</b>			
Intangible assets	9	2,792,054	3,205,482
Lease assets	10	1,160,678	1,078,099
Property, plant and equipment	11	<u>362,420</u>	<u>397,857</u>
<b>Total non-current assets</b>		<u>4,315,152</u>	<u>4,681,438</u>
<b>Total assets</b>		<u>6,001,904</u>	<u>6,723,702</u>
<b>Current liabilities</b>			
Payables	12	364,226	560,365
Lease liabilities	10	60,005	102,072
Provisions	13	514,973	512,858
Other liabilities	14	<u>-</u>	<u>60,000</u>
<b>Total current liabilities</b>		<u>939,204</u>	<u>1,235,295</u>
<b>Non-current liabilities</b>			
Lease liabilities	10	1,190,848	1,044,601
Provisions	13	<u>36,069</u>	<u>32,579</u>
<b>Total non-current liabilities</b>		<u>1,226,917</u>	<u>1,077,180</u>
<b>Total liabilities</b>		<u>2,166,121</u>	<u>2,312,475</u>
<b>Net assets</b>		<u>3,835,783</u>	<u>4,411,227</u>
<b>Equity</b>			
Accumulated surplus	15	<u>3,835,783</u>	<u>4,411,227</u>
<b>Total equity</b>		<u>3,835,783</u>	<u>4,411,227</u>

The accompanying notes form part of these financial statements.



**DATAGENE LTD AND CONTROLLED ENTITY**  
**ABN: 78 613 579 614**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	<b>Accumulated surplus</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>
<b>Consolidated</b>		
<b>Balance as at 1 July 2022</b>	5,237,782	5,237,782
Deficit for the year	<u>(826,555)</u>	<u>(826,555)</u>
<b>Total comprehensive income for the year</b>	<u>(826,555)</u>	<u>(826,555)</u>
<b>Balance as at 30 June 2023</b>	<u>4,411,227</u>	<u>4,411,227</u>
<b>Balance as at 1 July 2023</b>	4,411,227	4,411,227
Deficit for the year	<u>(575,444)</u>	<u>(575,444)</u>
<b>Total comprehensive income for the year</b>	<u>(575,444)</u>	<u>(575,444)</u>
<b>Balance as at 30 June 2024</b>	<u>3,835,783</u>	<u>3,835,783</u>

The accompanying notes form part of these financial statements.

**DATAGENE LTD AND CONTROLLED ENTITY**  
**ABN: 78 613 579 614**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024	2023
		\$	\$
<b>Cash flow from operating activities</b>			
Receipts from customers		5,573,842	6,381,938
Payments to suppliers and employees		(5,681,866)	(6,707,603)
Interest received		70,285	41,298
Finance costs		<u>(47,446)</u>	<u>(43,276)</u>
<b>Net cash used in operating activities</b>		<u>(85,185)</u>	<u>(327,643)</u>
<b>Cash flow from investing activities</b>			
Payment for property, plant and equipment		(24,044)	(38,055)
Payment for investments		<u>(516,684)</u>	<u>(1,594)</u>
<b>Net cash used in investing activities</b>		<u>(540,728)</u>	<u>(39,649)</u>
<b>Cash flow from financing activities</b>			
Principal portion of lease payments		<u>(57,816)</u>	<u>(48,729)</u>
<b>Net cash used in financing activities</b>		<u>(57,816)</u>	<u>(48,729)</u>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		1,378,245	1,794,266
Net decrease in cash held		<u>(683,729)</u>	<u>(416,021)</u>
<b>Cash at end of financial year</b>		<u>694,516</u>	<u>1,378,245</u>

The accompanying notes form part of these financial statements.

**DATAGENE LTD AND CONTROLLED ENTITY**  
**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**NOTE 1: BASIS OF PREPARATION**

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Simplified Disclosures, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial report covers DataGene Ltd and its controlled entity. DataGene Ltd is a Company limited by guarantee, incorporated and domiciled in Australia. DataGene Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors at the date of the directors' report.

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

*Going Concern*

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

**Accounting policies**

The following accounting policies have been applied in the preparation and presentation of the financial report.

**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**NOTE 1: BASIS OF PREPARATION (CONTINUED)**

**(a) Principles of consolidation**

The consolidated financial statements are those of the consolidated entity ("the Group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The Group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is obtained by the Group and are de-recognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non-controlling interests. Non-controlling interests are initially recognised either at fair value or at the non-controlling interests' proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of profit or loss

**(b) Revenue from contracts with customers**

The Group derives revenue from funding from Dairy Australia, the provision of genetic evaluation services, data and software services. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services.

*Revenue from fulfilment of grant performance obligations*

Revenue from fulfilment of grant performance obligations comprises revenue derived from Dairy Australia funding agreements. These performance obligations are satisfied in line with agreed milestones under funding agreements that contain enforceable and sufficiently specific performance obligations. Revenue is recognised over time, as performance obligations are satisfied, based on the fulfilment of milestones, consistent with the manner and timing as stated in the funding agreements.

*Revenue from the provision of services*

Revenue from the provision of services comprises revenue derived from the provision of genetic evaluation, data and software services. These services are provided under contractual arrangements that contain enforceable and sufficiently specific performance obligations. Revenue from the provision of services is recognised over time, as performance obligations are satisfied, based on either costs incurred or service hours performed, consistent with the manner in which services are provided.

**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**NOTE 1: BASIS OF PREPARATION (CONTINUED)**

*Membership subscription fees*

Membership fees are recognised as revenue when no significant uncertainty as to its collectibility exists, if the fee relates only to membership and all other services or products are paid for separately, or if there is a separate annual subscription. Membership fees are recognised on a basis that reflects the timing, nature and value of the benefit provided if the fee entitles the member to services or publications to be provided during the membership period, or to purchase goods or services at prices lower than those charged to non-members.

**(c) Income arising from the transfer of assets**

The Group derives income from the transfer of assets when the Group provides no consideration in exchange for the asset received, or the consideration provided by the Group is significantly less than the fair value of the asset received, principally to enable the Group to further its objectives, and the arrangement does not satisfy the criteria to be accounted for as a 'contract with a customer'.

*Operating grants*

A transfer of an asset, including cash, under arrangements that do not contain enforceable and sufficiently specific performance obligations is referred to in the financial statements as an 'operating grant'. Assets arising from operating grants are recognised at fair value when the Group obtains control of the asset. Any related amounts, such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions are recognised in accordance with the applicable Australian Accounting Standard. The excess of the initial carrying amount of assets received over the aggregate of the consideration provided by the Group and any related amounts is recognised as income.

**(d) Income tax**

No provision for income tax has been raised as the Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

**(e) Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

**DATAGENE LTD AND CONTROLLED ENTITY**

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**NOTE 1: BASIS OF PREPARATION (CONTINUED)**

**(e) Financial instruments (Continued)**

*Classification of financial assets*

Financial assets recognised by the Group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the Group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

*Classification of financial liabilities*

Financial liabilities classified as held-for-trading, contingent consideration payable by the Group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the Group are subsequently measured at amortised cost.

*Trade and other receivables*

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30 days.

Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

*Impairment of financial assets*

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- (a) debt instruments measured at amortised cost;
- (b) debt instruments classified at fair value through other comprehensive income; and
- (c) receivables from contracts with customers, contract assets and lease receivables.

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**NOTE 1: BASIS OF PREPARATION (CONTINUED)**

**(e) Financial instruments (Continued)**

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group considers a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The Group considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the Group to have a strong financial position and no history of past due amounts from previous transactions with the Group.

The Group assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The Group determines expected credit losses based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The Group has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on the Group's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the Group applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects the Group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the Group's exposure at default, discounted at the financial asset's original effective interest rate.

**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**NOTE 1: BASIS OF PREPARATION (CONTINUED)**

**(e) Financial instruments (Continued)**

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) breach of contract;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Group. Recoveries, if any, are recognised in profit or loss.

**(f) Property, plant and equipment**

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

*Plant and equipment*

Plant and equipment is measured on the cost basis.

*Depreciation*

The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
Computer equipment at cost	25 - 50%	Straight line
Office fit-out	5%	Straight line



**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**NOTE 1: BASIS OF PREPARATION (CONTINUED)**

**(g) Intangible assets**

*Software development expenditure*

The software expenditure relates to a re-write project for genetic software in April 2019. The re-write project was important to the industry to assist with the production of Australian breeding values.

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

*Amortisation of software expenditure*

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

GESNP, CDR and DataVat software is in use as of April 2019 and the amortisation rate is over 12 years or 8.3%.

*Other intangibles*

Other intangibles acquired in a business combination are initially recognised at fair value at the acquisition date. Such intangibles are amortised over their estimated useful lives and are carried at cost less accumulated amortisation and any impairment losses.

Other intangible assets other than those acquired in a business combination are initially recorded at cost. Other intangible assets are amortised on a straight line basis over the period of 20 years. The balances are reviewed annually and amounts are written off to the extent the realisable future benefits are considered to be no longer probable.

**(h) Leases**

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

*Lease assets*

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**NOTE 1: BASIS OF PREPARATION (CONTINUED)**

**(h) Leases (Continued)**

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

*Lease liabilities*

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

*Leases of 12-months or less and leases of low value assets*

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

**(i) Employee benefits**

*(i) Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

**DATAGENE LTD AND CONTROLLED ENTITY**

ABN: 78 613 579 614

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024****NOTE 1: BASIS OF PREPARATION (CONTINUED)****(i) Employee benefits (Continued)***(ii) Long-term employee benefit obligations*

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Revenue from contracts with customers		
Rendering of services	2,325,817	3,157,400
Dairy Australia funding	<u>2,569,000</u>	<u>2,494,000</u>
	<u><u>4,894,817</u></u>	<u><u>5,651,400</u></u>
<b>Revenue by type of good or service:</b>		
- Point in time	1,429,109	1,971,178
- Over time	<u>3,465,708</u>	<u>3,680,222</u>
	<u><u>4,894,817</u></u>	<u><u>5,651,400</u></u>
<b>NOTE 3: OTHER REVENUE AND OTHER INCOME</b>		
Interest income	70,285	41,298
Other income	<u>66,457</u>	<u>30,499</u>
	<u><u>136,742</u></u>	<u><u>71,797</u></u>

**DATAGENE LTD AND CONTROLLED ENTITY**

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>NOTE 4: OPERATING PROFIT</b>		
Deficit has been determined after:		
Finance costs	47,446	43,276
Depreciation	59,482	79,618
Amortisation	487,264	477,797
Employee benefits	3,019,825	2,953,272
Software expense	(a) 703,884	1,056,733

(a) Software expense includes the cost of engaging external software developers to deliver numerous activities internally and projects to external clients plus various software licenses.

**NOTE 5: CASH AND CASH EQUIVALENTS**

Cash at bank	<u>694,516</u>	<u>1,378,245</u>
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Decrease in cash reserves is due to investing \$516,684 into 12 month term deposits during 2024.

**NOTE 6: RECEIVABLES**

CURRENT

Receivables from contracts with customers	356,625	535,532
Other receivables	<u>2,466</u>	<u>-</u>
	<u>359,091</u>	<u>535,532</u>

**NOTE 7: OTHER FINANCIAL ASSETS**

CURRENT

*Financial assets measured at amortised cost*

Cash on deposit	<u>628,091</u>	<u>111,407</u>
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**NOTE 8: OTHER ASSETS**

CURRENT

Prepayments	-	17,080
Accrued income	<u>5,054</u>	<u>-</u>
	<u>5,054</u>	<u>17,080</u>

**DATAGENE LTD AND CONTROLLED ENTITY**  
**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>NOTE 9: INTANGIBLE ASSETS</b>		
Software development - GESNP, CDR and DataVat at cost	4,961,135	4,961,135
Accumulated amortisation and impairment	<u>(2,169,081)</u>	<u>(1,755,653)</u>
	<u><u>2,792,054</u></u>	<u><u>3,205,482</u></u>

**(a) Reconciliations**

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

<i>Software Development - GESNP, CDR and DataVat</i>		
Opening balance	3,205,482	3,618,910
Amortisation expense	<u>(413,428)</u>	<u>(413,428)</u>
Closing balance	<u><u>2,792,054</u></u>	<u><u>3,205,482</u></u>

**DATAGENE LTD AND CONTROLLED ENTITY**

ABN: 78 613 579 614

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>NOTE 10: LEASE ASSETS AND LEASE LIABILITIES</b>		
<b>(a) Lease assets</b>		
Land and buildings		
Under lease	1,481,033	1,324,618
Accumulated depreciation	<u>(320,355)</u>	<u>(246,519)</u>
Total carrying amount of lease assets	<u><u>1,160,678</u></u>	<u><u>1,078,099</u></u>
<b>Reconciliations</b>		
Reconciliation of the carry amount of lease assets at the beginning and end of the financial year:		
<i>Land and buildings</i>		
Opening carrying amount	1,078,099	1,070,476
Depreciation	(73,836)	(64,369)
Impact of revised lease payments	<u>156,415</u>	<u>71,992</u>
Closing carrying amount	<u><u>1,160,678</u></u>	<u><u>1,078,099</u></u>
<b>(b) Lease liabilities</b>		
CURRENT		
Lease liability	<u>60,005</u>	<u>102,072</u>
NON CURRENT		
Lease liability	<u>1,190,848</u>	<u>1,044,601</u>
Total carrying amount of lease liabilities	<u><u>1,250,853</u></u>	<u><u>1,146,673</u></u>
<b>(c) Lease expenses and cashflows</b>		
Interest expense on lease liabilities	47,446	43,276
Depreciation expense on lease assets	73,836	64,369
Cash outflow in relation to leases	99,681	92,005

**DATAGENE LTD AND CONTROLLED ENTITY**

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT</b>		
Computer equipment at cost	447,407	423,363
Accumulated depreciation	<u>(365,588)</u>	<u>(325,357)</u>
	81,819	98,006
Office fit-out	384,992	384,992
Accumulated depreciation	<u>(104,391)</u>	<u>(85,141)</u>
	<u>280,601</u>	<u>299,851</u>
Total property, plant and equipment	<u><u>362,420</u></u>	<u><u>397,857</u></u>
<b>(a) Reconciliations</b>		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<i>Computer equipment</i>		
Opening carrying amount	98,006	119,297
Additions	24,044	38,055
Depreciation expense	<u>(40,231)</u>	<u>(59,346)</u>
Closing carrying amount	<u><u>81,819</u></u>	<u><u>98,006</u></u>
<i>Office fit-out</i>		
Opening carrying amount	299,851	319,101
Depreciation expense	<u>(19,250)</u>	<u>(19,250)</u>
Closing carrying amount	<u><u>280,601</u></u>	<u><u>299,851</u></u>
<b>NOTE 12: PAYABLES</b>		
<b>CURRENT</b>		
<i>Unsecured liabilities</i>		
Trade creditors	91,699	179,770
Amounts payable to:		
- associated companies (Holstein Australia, Jersey Australia and NHIA)	21,366	21,366
Other creditors	<u>251,161</u>	<u>359,229</u>
	<u><u>364,226</u></u>	<u><u>560,365</u></u>

**DATAGENE LTD AND CONTROLLED ENTITY**

ABN: 78 613 579 614

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 13: PROVISIONS</b>		
CURRENT		
Employee benefits	<u>514,973</u>	<u>512,858</u>
NON CURRENT		
Employee benefits	<u>36,069</u>	<u>32,579</u>
<b>NOTE 14: OTHER LIABILITIES</b>		
CURRENT		
Deferred income	<u>-</u>	<u>60,000</u>
<b>NOTE 15: RETAINED EARNINGS</b>		
Accumulated surplus at beginning of year	4,411,227	5,237,782
Net deficit	<u>(575,444)</u>	<u>(826,555)</u>
	<u>3,835,783</u>	<u>4,411,227</u>

**NOTE 16: RELATED PARTY TRANSACTIONS**

**(a) Transactions with key management personnel of the entity or its parent and their personally related entities**

Related party transactions are separated into transactions with founding members, KMP related entities and members.

All transactions with related parties were at arm's length for the year ended 30 June 2024.

The consolidated Group entered into related party transactions with the following classes of parties:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Founding member funding and sales	2,648,702	2,567,507
KMP related entity sales	561,569	969,695
Founding member purchases	(1,115)	(868)
KMP related entity purchases	(83,155)	(156,506)
Founding member trade debtors	32,446	6,565
KMP related entity trade debtors	79,601	141,090
KMP related entity trade creditors	<u>(3,274)</u>	<u>(18,814)</u>



**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Total compensation paid or payable to key management personnel	<u>1,093,431</u>	<u>1,070,304</u>

**NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE**

There has been no matter or circumstance, which has arisen since 30 June 2024 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2024, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2024, of the Group.

**NOTE 19: MEMBERS' GUARANTEE**

The Group is incorporated under the *Corporations Act 2001* and is a Group limited by guarantee. If the Group is wound up, the Constitution states that each member is required to contribute to a maximum of \$10 each towards meeting any outstandings and obligations of the Group. At 30 June 2024 the number of members was 27. The combined total amount that members of the Group are liable to contribute if the Group is wound up is \$270.

**NOTE 20: CONTINGENT LIABILITIES**

A contingent liability exists for the portion of office space and car parks relating to the other tenants of Dairy House, as the lease agreement holds all 3 tenants equally liable for any lease payments. The value of the contingent liability is determined by discounting the cashflows of the full lease agreement less DataGene's share that is already recognised as a lease liability under AASB 16.

A contingent liability exists for bank guarantees for rental of Dairy House, Agri Bio, Bundoora. The term deposit is restricted collateral for this lease.

Estimates of the maximum amounts of contingent liabilities that may become payable:

Lease liability	1,042,378	1,126,667
Bank guarantee	<u>42,006</u>	<u>42,006</u>
	<u>1,084,384</u>	<u>1,168,673</u>

**DATAGENE LTD AND CONTROLLED ENTITY**  
**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 21: REMUNERATION OF AUDITORS</b>		
Remuneration of auditors for:		
<i>Pitcher Partners (MELBOURNE)</i>		
Audit and assurance services		
- Audit or review of the financial report	30,175	28,150

**NOTE 22: ENTITY DETAILS**

The registered office of the Group is:

DataGene Ltd and controlled entity  
AgriBio, 5 Ring Road  
BUNDOORA VIC 3083

**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. In the Directors' opinion, the financial statements and notes thereto, as set out on pages 11 - 30, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - (a) complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
  - (b) giving a true and fair view of the financial position as at 30 June 2024 and performance for the year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulations 2022*.



Director: \_\_\_\_\_

Graeme Gillan



Director: \_\_\_\_\_

Tim Jelbart

Dated this 10th day of October 2024

**DATAGENE LTD AND CONTROLLED ENTITY**  
**ABN: 78 613 579 614**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF DATAGENE LTD AND CONTROLLED ENTITY**

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of DataGene Ltd and controlled entity "the Company" and its subsidiaries, "the Group", which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or

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*Other Information (Continued)*

our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Financial Report*

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the ACNC Act and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Group's internal control.

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*Auditor's Responsibilities for the Audit of the Financial Report (Continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.

We 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 we identify during our audit.



J J MITCHELHILL  
Partner



PITCHER PARTNERS  
MELBOURNE

Date 10 October 2024



DataGene acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.



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