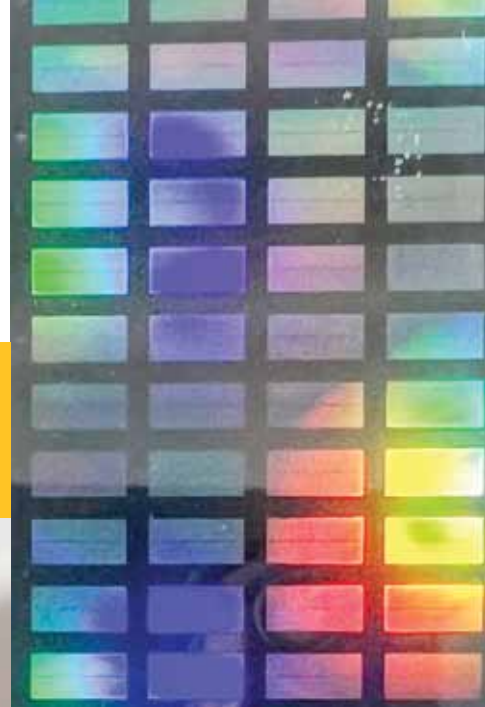


**Consolidated Financial Report for  
the year ended 30 June 2022**





# DataGene Ltd and controlled entity

ABN: 78 613 579 614

## Consolidated Financial report

For the year ended 30 June 2022

*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 2022 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:

Ross Joblin

Lucinda Corrigan

Graeme Gillan

Tim Jelbart

Simone Jolliffe (resigned 18 November 2021)

Anthony Shelly

Samantha Simpson

Daniel Meade (appointed 18 November 2021)

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

**Results**

The surplus of the group for the year after providing for depreciation, amortisation and income tax amounted to \$98,290 (2021: \$17,630).

## **DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

### **DIRECTORS' REPORT**

#### **Review of operations**

During the 2021-22 financial year, the group continued to engage in its principal activity of promoting the development of Australian agricultural and pastoral resources through delivering innovative solutions to meet the dairy industry's current and future needs, particularly by herd development. The vision, mission and strategic priorities are described more fully on the following pages. In another year impacted by the global pandemic, DataGene was able to continue its services largely uninterrupted and the results are disclosed in the attached financial statements.

Since DataGene's inception, the industry now has a modern genetic evaluation system, a Central Data Repository refreshed daily and DataVat a user-friendly platform for delivering individualised results, tools and services. This infrastructure has opened up opportunities that were once previous not possible, such as farmers granting electronic access to their advisors for herd test results, mastitis focus report, fertility focus report and the genetic futures report.

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 a great result, there were record numbers of both males and females genomically tested during the year 2021/22. This was achieved by a combination of process/technology improvements and a collaborative awareness campaign between DataGene, Dairy Australia and the broader industry.

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 iDDEN to develop the capacity to exchange data collected on farm.

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. A significant delivery during the year was the implementation of the WebConnect project with DataGene's counterpart in the US, the CDCB. This was a multi-year project that is now live.

DataGene delivered a surplus of \$98,290 (2021: \$17,630 surplus) for the year ended. Cash reserves increased to \$1,794,266 (2021: \$1,377,677) demonstrating prudent financial management. The reserve will assist with the management of risks and enabling strategic investment in our people, infrastructure and innovative solutions for the industry.

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

DataGene continued to experience a limited impact from the COVID-19 pandemic. The group has largely maintained its operational activity so far, notwithstanding staff have been working from home. There have been no significant short-term implications to either revenue or operational expenditure. There have, however, been operational delays to projects which may have longer term implications beyond the balance date, however, the extent of these changes to date are relatively minor.

## **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. The company's mission is to deliver worldclass genetic evaluation, software and decisionmaking tools to enable Australian farmers to improve their herd and maximise their profit through datadriven 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 animal performance 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 underpins the reliability of Australian Breeding Values (ABVs) and indices.

Short-term objectives include: integrating the Centralised Data Repository (CDR) and the International Dairy Data Exchange Network data exchange hub, and leveraging the connection for industry value; supporting the roll-out and implementation of HerdPlatform and associated tools through DataVat; and completing the next phase of Centre Software re-development.

#### **Strategic Pillar 2: Increased animal performance 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 heifer genomic testing through the Accelerating Genomics Project; the public release of Red Breeds Genomic breeding values and improved Semen Fertility Values; and improving 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 Central Data Repository (CDR) and Ginfo will enable the development of breeding values for traits that are difficult to measure, such as health traits and enable the industry to use new technologies such as MIR.

Short-term objectives include: working with DairyBio and stakeholders to create an implementation plan for a sustainability metric to leverage herd improvement data; ensuring automated connectivity for MIR spectra from lab to CDR; 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 Committees, 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.

#### **Principal activities**

DataGene's objective is to promote the development of Australian agricultural and pastoral resources through development of the dairy industry, in particular by herd improvement.

#### **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 four main areas: the genetic merit of the national herd; the market acceptance and uptake of its products; the level of herd recording within the industry; and the reach of its extension and communication activities. 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 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:

The operational changes to working conditions and travel restrictions imposed are likely to impact the timing and level of the group's international projects over the next period.

The impact of the pandemic on the group continues to be relatively small and the group continues to operate largely at its normal capacity.

#### 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

##### Ross Joblin

##### Qualifications

##### Experience

Chairman and Director, nominated by Dairy Australia

LLB (Hons), Dip Corporate Management, FAICD, FCIS, FGIA

Ross Joblin was previously part of Dairy Australia's senior management team leading its business operations group. Responsibilities included finance, strategic planning, human resources, issues management, corporate communications, human resources, IT, and legal. His prior experience includes a range of roles as a corporate lawyer and in senior management in listed public companies. This has provided him with a broad range of commercial experience in areas including operations management, corporate strategy, mergers, acquisitions and start-ups and human resources. Ross has also worked with a number of industry boards in the area of board governance and effectiveness.



## DATAGENE LTD AND CONTROLLED ENTITY

ABN: 78 613 579 614

### DIRECTORS' REPORT

#### Information on directors (Continued)

<b>Lucinda Corrigan</b>	Director
Qualifications	Bachelor of Science in Agriculture (Honours), FAICD
Experience	<p>Lucinda and her husband run 3,500 performance recorded cattle on seven properties in the NSW Murray Valley, near Albury. Over the past 30 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.</p> <p>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)</p> <p>In 2007 Lucinda received the Helen Newton Turner Medal from AAABG in recognition for her contribution to animal breeding and genetics.</p>
<b>Graeme Gillan</b>	Director
Qualifications	
Experience	<p>Graeme Gillan is 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.</p>
<b>Tim Jelbart</b>	Director
Qualifications	Bachelor of Applied Science (Valuations), AAPI
Experience	<p>Tim Jelbart is a dairy farmer and Holstein breeder from Inverloch, West Gippsland, Victoria. He is the general manager of the 1000 cow dryland grazing operation, Jelbart Dairy, which is owned by Tim and his brother. 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 property valuation. He remains a part time rural and agribusiness property valuer with Colliers and has valued some of the largest agribusiness assets across Australia.</p>

## DATAGENE LTD AND CONTROLLED ENTITY

ABN: 78 613 579 614

### DIRECTORS' REPORT

#### Information on directors (Continued)

<b>Simone Jolliffe</b>	Director (resigned 18 November 2021)
Qualifications	Bachelor of Rural Science, GAICD
Experience	Raised into beef farming and studying a Bachelor of Rural Science, Simone held an interest in animals, genetics and their production potential long before she joined her husband in the dairy industry. Together they milk about 250 cows near Wagga in NSW. Simone has held a range of industry roles at the local, state and national level over many years. They include Australian Dairyfarmers and Dairy NSW boards and the NSW Primary Industry Minister's Advisory Council. She has also been actively involved in local Holstein Australia committees and a variety of community organisations.
<b>Anthony Shelly</b>	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.
<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 17 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 a number of industry groups including promoting dairy to the local community and school groups. 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.

**DATAGENE LTD AND CONTROLLED ENTITY**

ABN: 78 613 579 614

**DIRECTORS' REPORT****Information on directors (Continued)**

<b>Daniel Meade</b>	Director (appointed 18 November 2021)
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.

**Meetings of directors**

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Ross Joblin	9	8
Lucinda Corrigan	9	9
Graeme Gillan	9	9
Tim Jelbart	9	9
Simone Jolliffe	3	3
Anthony Shelly	9	9
Samantha Simpson	9	9
Daniel Meade	6	6

**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 outstanding obligations of the group. At 30 June 2022 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.

**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**DIRECTORS' REPORT**

**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.

**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

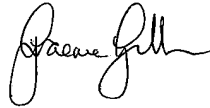
**DIRECTORS' REPORT**

Signed on behalf of the board of directors.



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

Ross Joblin



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

Graeme Gillan

Dated this 28 day of September 2022

**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 2022, 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 entities it controlled during the year.



K L BYRNE

Partner



PITCHER PARTNERS

Melbourne

Date: 28 September 2022

**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 2022**

	Note	2022 \$	2021 \$
<b>Revenue and other income</b>			
Sales revenue	2	6,025,897	5,325,620
Other revenue	3	76,461	2,385
Other income	3	<u>32,168</u>	<u>89,159</u>
		<u>6,134,526</u>	<u>5,417,164</u>
<b>Less: expenses</b>			
Depreciation and amortisation expense	4	(548,214)	(544,676)
Employee benefits expense	4	(2,639,572)	(2,574,506)
Occupancy expense		(20,706)	(2,260)
Advertising expense		(140,917)	(204,404)
Finance costs	4	(42,849)	(43,744)
Travel expense		(47,877)	(28,947)
Operating expense		(115,058)	(61,101)
Professional fees		(50,043)	(57,164)
Software expense	4	(901,206)	(817,466)
Data collection expense		(608,906)	(410,934)
Software development		(367,160)	(239,826)
Other expenses		<u>(553,728)</u>	<u>(414,506)</u>
		<u>(6,036,236)</u>	<u>(5,399,534)</u>
<b>Surplus from operating activities</b>		98,290	17,630
<b>Other comprehensive income for the year</b>		<u>-</u>	<u>-</u>
<b>Surplus</b>		<u><u>98,290</u></u>	<u><u>17,630</u></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 2022**

	Note	2022 \$	2021 \$
<b>Current assets</b>			
Cash and cash equivalents	5	1,794,266	1,377,677
Receivables	6	607,381	512,947
Other financial assets	7	109,813	109,387
Other assets	8	<u>6,474</u>	<u>1,466</u>
<b>Total current assets</b>		<u>2,517,934</u>	<u>2,001,477</u>
<b>Non-current assets</b>			
Intangible assets	9	3,618,910	4,033,873
Lease assets	10	1,070,476	1,093,213
Property, plant and equipment	11	<u>439,420</u>	<u>417,679</u>
<b>Total non-current assets</b>		<u>5,128,806</u>	<u>5,544,765</u>
<b>Total assets</b>		<u>7,646,740</u>	<u>7,546,242</u>
<b>Current liabilities</b>			
Payables	12	821,120	736,065
Lease liabilities	10	46,846	85,662
Provisions	13	<u>419,277</u>	<u>463,776</u>
<b>Total current liabilities</b>		<u>1,287,243</u>	<u>1,285,503</u>
<b>Non-current liabilities</b>			
Lease liabilities	10	1,076,564	1,044,674
Provisions	13	<u>45,151</u>	<u>76,573</u>
<b>Total non-current liabilities</b>		<u>1,121,715</u>	<u>1,121,247</u>
<b>Total liabilities</b>		<u>2,408,958</u>	<u>2,406,750</u>
<b>Net assets</b>		<u>5,237,782</u>	<u>5,139,492</u>
<b>Equity</b>			
Accumulated surplus	14	<u>5,237,782</u>	<u>5,139,492</u>
<b>Total equity</b>		<u>5,237,782</u>	<u>5,139,492</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 2022**

	<b>Accumulated surplus \$</b>	<b>Total equity \$</b>
<b>Consolidated</b>		
<b>Balance as at 1 July 2020</b>	5,121,862	5,121,862
Surplus for the year	<u>17,630</u>	<u>17,630</u>
<b>Total comprehensive income for the year</b>	<u>17,630</u>	<u>17,630</u>
<b>Balance as at 30 June 2021</b>	<u>5,139,492</u>	<u>5,139,492</u>
<b>Balance as at 1 July 2021</b>	5,139,492	5,139,492
Surplus for the year	<u>98,290</u>	<u>98,290</u>
<b>Total comprehensive income for the year</b>	<u>98,290</u>	<u>98,290</u>
<b>Balance as at 30 June 2022</b>	<u>5,237,782</u>	<u>5,237,782</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 2022**

	Note	2022	2021
		\$	\$
<b>Cash flow from operating activities</b>			
Receipts from customers		6,650,563	6,047,532
Payments to suppliers and employees		(6,052,603)	(5,378,928)
Interest received		2,711	2,385
Finance costs		<u>(42,849)</u>	<u>(43,744)</u>
<b>Net cash provided by operating activities</b>		<u>557,822</u>	<u>627,245</u>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	16,327
Payment for property, plant and equipment		(93,973)	(35,851)
Payment for investments		<u>(426)</u>	<u>(1,234)</u>
<b>Net cash used in investing activities</b>		<u>(94,399)</u>	<u>(20,758)</u>
<b>Cash flow from financing activities</b>			
Principal portion of lease payments		<u>(46,834)</u>	<u>(42,028)</u>
<b>Net cash used in financing activities</b>		<u>(46,834)</u>	<u>(42,028)</u>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		1,377,677	813,218
Net increase in cash held		<u>416,589</u>	<u>564,459</u>
<b>Cash at end of financial year</b>		<u>1,794,266</u>	<u>1,377,677</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 2022**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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*.

This financial report is the first financial report of the group prepared in accordance with Australian Accounting Standards - Simplified Disclosures. The prior year financial report was prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. The transition from the previous financial reporting framework to Australian Accounting Standards - Simplified Disclosures has not affected the group's reported financial position, financial performance and cash flows.

The financial report covers DataGene Ltd and its consolidated 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 as at the date of the directors' report.

The following are the significant accounting policies adopted by the group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Basis of preparation of the financial 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.

**(b) 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.

**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) 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 and other comprehensive income and the consolidated statement of financial position respectively.

**(d) 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 2022**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) 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.

**(f) Other revenue and other income**

*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.

*Interest*

Interest revenue is measured in accordance with the effective interest method.

All revenue is measured net of the amount of goods and services tax (GST).

**(g) 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*.

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) 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.

*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*

Financial assets are tested for impairment at each financial year end to establish whether there is any objective evidence for impairment as a result of one or more events ('loss events') having occurred and which have an impact on the estimated future cash flows of the financial assets.

- (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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Financial instruments (Continued)**

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.

**(i) 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>
Motor vehicles at cost	14 - 20%	Straight line
Office equipment at cost	15%	Straight line
Computer equipment at cost	25 - 33%	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 2022**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) Intangible assets**

*Software development expenditure*

The software expenditure relates to a re-write project for genetic software. 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.

**(k) Research and development expenditure**

Expenditure on research activities is recognised as an expense when incurred.

Development costs are capitalised when the group can demonstrate all of the following: the technical feasibility of completing the asset so that it will be available for use or sale; the intention to complete the asset and use or sell it; the ability to use or sell the asset; how the asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and the ability to measure reliably the expenditure attributable to the asset during its development. Capitalised development costs are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to capitalised development costs is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, capitalised development costs are measured at cost, less accumulated amortisation and any accumulated impairment losses.

Other development expenditure is recognised as an expense when incurred.



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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(I) 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.

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.

*Covid-19 related rent concessions*

As permitted by Australian Accounting Standards, the group has elected not to assess whether covid-19 related rent concessions are 'lease modifications', and to instead account for any changes in lease payments resulting from such rent concessions as if the changes were not 'lease modifications'.

**DATAGENE LTD AND CONTROLLED ENTITY**

**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(l) Leases (Continued)**

The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments due on or before 30 June 2022; and
- (c) there is no substantive change to other terms and conditions of the lease.

**(m) 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.

*(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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(n) Goods and services tax (GST)**

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(o) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Rendering of services	3,604,897	2,895,620
Dairy Australia funding	2,421,000	2,425,000
Membership fees	-	5,000
	<u>6,025,897</u>	<u>5,325,620</u>

**NOTE 3: OTHER REVENUE AND OTHER INCOME**

Interest income	2,711	2,385
Other revenue	<u>73,750</u>	<u>-</u>
	<u>76,461</u>	<u>2,385</u>
Profit on sale/revaluation of non current assets	-	6,309
Other income	<u>32,168</u>	<u>82,850</u>
	<u>32,168</u>	<u>89,159</u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>NOTE 4: OPERATING SURPLUS</b>		
Surplus has been determined after:		
Finance costs	42,849	43,744
Depreciation	72,232	60,122
Amortisation	475,982	484,554
Employee benefits	2,639,572	2,574,506
Software expense	(a) 901,206	817,466

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

**NOTE 5: CASH AND CASH EQUIVALENTS**

Cash at bank	<u>1,794,266</u>	<u>1,377,677</u>
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**NOTE 6: RECEIVABLES**

CURRENT

Receivables from contracts with customers	605,486	498,878
Other receivables	<u>1,895</u>	<u>14,069</u>
	<u>607,381</u>	<u>512,947</u>

**NOTE 7: OTHER FINANCIAL ASSETS**

CURRENT

*Financial assets measured at amortised cost*

Cash on deposit	<u>109,813</u>	<u>109,387</u>
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**NOTE 8: OTHER ASSETS**

CURRENT

Prepayments	-	1,466
Accrued income	<u>6,474</u>	<u>-</u>
	<u>6,474</u>	<u>1,466</u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
<b>NOTE 9: INTANGIBLE ASSETS</b>		
Software - Centre	-	100,000
Accumulated amortisation and impairment	<u>-</u>	<u>(100,000)</u>
	-	-
Software development - GESNP, CDR and DataVat at cost	4,961,135	4,961,135
Accumulated amortisation and impairment	<u>(1,342,225)</u>	<u>(928,797)</u>
	3,618,910	4,032,338
Other intangibles - Good Bulls App at cost	52,154	52,154
Accumulated amortisation and impairment	<u>(52,154)</u>	<u>(50,619)</u>
	-	<u>1,535</u>
Total intangible assets	<u><u>3,618,910</u></u>	<u><u>4,033,873</u></u>

**(a) Reconciliations**

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

*Software Centre*

Opening balance	-	1,164
Amortisation expense	<u>-</u>	<u>(1,164)</u>
Closing balance	<u><u>-</u></u>	<u><u>-</u></u>

*Software Development - GESNP, CDR and DataVat*

Opening balance	4,032,338	4,445,766
Amortisation expense	<u>(413,428)</u>	<u>(413,428)</u>
Closing balance	<u><u>3,618,910</u></u>	<u><u>4,032,338</u></u>

*Good Bulls App*

Opening balance	1,535	11,966
Amortisation expense	<u>(1,535)</u>	<u>(10,431)</u>
Closing balance	<u><u>-</u></u>	<u><u>1,535</u></u>

**NOTE 10: LEASE ASSETS AND LEASE LIABILITIES**

**(a) Lease assets**

Land and buildings		
Under lease	1,252,626	1,212,488
Accumulated depreciation	<u>(182,150)</u>	<u>(119,275)</u>
Total carrying amount of lease assets	<u><u>1,070,476</u></u>	<u><u>1,093,213</u></u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
<b>NOTE 10: LEASE ASSETS AND LEASE LIABILITIES (CONTINUED)</b>		
<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	1,093,213	1,156,885
Depreciation	(61,109)	(59,531)
Impact of revised lease payments	<u>38,372</u>	<u>(4,141)</u>
Closing carrying amount	<u><u>1,070,476</u></u>	<u><u>1,093,213</u></u>
<b>(b) Lease liabilities</b>		
CURRENT		
Lease liability	<u>46,846</u>	<u>85,662</u>
NON CURRENT		
Lease liability	<u>1,076,564</u>	<u>1,044,674</u>
Total carrying amount of lease liabilities	<u><u>1,123,410</u></u>	<u><u>1,130,336</u></u>
<b>(c) Lease expenses and cashflows</b>		
Interest expense on lease liabilities	42,849	43,744
Depreciation expense on lease assets	61,109	59,731
Cash outflow in relation to leases	89,683	85,772
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT</b>		
Motor vehicles at cost	55,548	55,548
Accumulated depreciation	<u>(54,678)</u>	<u>(45,160)</u>
	870	10,388
Office equipment at cost	2,530	2,530
Accumulated depreciation	<u>(2,378)</u>	<u>(1,954)</u>
	152	576
Computer equipment at cost	385,308	291,334
Accumulated depreciation	<u>(266,011)</u>	<u>(222,970)</u>
	119,297	68,364
Office fit-out	384,992	384,992
Accumulated depreciation	<u>(65,891)</u>	<u>(46,641)</u>
	<u>319,101</u>	<u>338,351</u>
Total property, plant and equipment	<u><u>439,420</u></u>	<u><u>417,679</u></u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>		
<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>Motor vehicles</i>		
Opening carrying amount	10,388	34,873
Disposals	-	(10,018)
Depreciation expense	<u>(9,518)</u>	<u>(14,467)</u>
Closing carrying amount	<u>870</u>	<u>10,388</u>
<i>Office equipment</i>		
Opening carrying amount	576	1,001
Depreciation expense	<u>(424)</u>	<u>(425)</u>
Closing carrying amount	<u>152</u>	<u>576</u>
<i>Computer equipment</i>		
Opening carrying amount	68,364	60,237
Additions	93,973	35,851
Depreciation expense	<u>(43,040)</u>	<u>(27,724)</u>
Closing carrying amount	<u>119,297</u>	<u>68,364</u>
<i>Office fit-out</i>		
Opening carrying amount	338,351	355,857
Depreciation expense	<u>(19,250)</u>	<u>(17,506)</u>
Closing carrying amount	<u>319,101</u>	<u>338,351</u>
<b>NOTE 12: PAYABLES</b>		
<b>CURRENT</b>		
<i>Unsecured liabilities</i>		
Trade creditors	584,278	481,770
Amounts payable to:		
- associated companies (Holstein Australia, Jersey Australia and NHIA)	21,311	21,182
Other creditors	<u>215,531</u>	<u>233,113</u>
	<u>821,120</u>	<u>736,065</u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>NOTE 13: PROVISIONS</b>		
CURRENT		
Employee benefits	<u>419,277</u>	<u>463,776</u>
NON CURRENT		
Employee benefits	<u>45,151</u>	<u>76,573</u>
 <b>NOTE 14: ACCUMULATED SURPLUS</b>		
Accumulated surplus at beginning of year	5,139,492	5,121,862
Net surplus	<u>98,290</u>	<u>17,630</u>
	<u>5,237,782</u>	<u>5,139,492</u>

**NOTE 15: 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 2022.

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

	<b>2022</b>	<b>2021</b>
	\$	\$
Founding member funding and sales	2,561,616	2,731,428
KMP related entity sales	848,848	708,961
KMP related entity purchases	(159,057)	(153,750)
Founding member trade debtors	15,809	104,462
KMP related entity trade debtors	147,042	122,048
KMP related entity trade creditors	<u>(26,120)</u>	<u>(11,054)</u>
	<u>3,388,138</u>	<u>3,502,095</u>

**NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION**

Total compensation paid or payable to key management personnel	<u>888,648</u>	<u>826,353</u>
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**DATAGENE LTD AND CONTROLLED ENTITY**  
**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE**

There has been no matter or circumstance, which has arisen since 30 June 2022 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2022, of the group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2022, of the group.

**NOTE 18: 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 2022 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 19: 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.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Estimates of the maximum amounts of contingent liabilities that may become payable:		
Lease liability	1,103,811	1,110,616
Bank guarantee	<u>42,006</u>	<u>42,006</u>
	<u><u>1,145,817</u></u>	<u><u>1,152,622</u></u>

**NOTE 20: REMUNERATION OF AUDITORS**

Remuneration of auditors for:

*Pitcher Partners (Melbourne)*

Audit and assurance services

- Audit or review of the financial report

<u><u>25,686</u></u>	<u><u>25,025</u></u>
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**DATAGENE LTD AND CONTROLLED ENTITY**  
**ABN: 78 613 579 614**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**NOTE 21: 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**

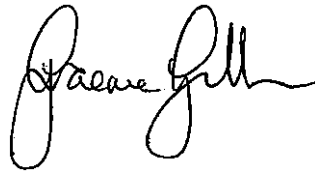
The directors of the company declare that:

1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



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



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

Dated this 28 day of September 2022

**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 2022, 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 a summary of significant accounting policies, 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 2022 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 Regulation 2013*.

*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 2022, 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.



K L BYRNE

Partner



PITCHER PARTNERS

Melbourne

Date: 28 September 2022





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