

**SERVICE-ICAR Srl**  
**Rome (Italy) - Via Savoia 78, sc. A, int. 3**  
**VAT Number IT 06753481008**

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**For the period 1<sup>st</sup> January to 31st December, 2014**

**NOTES: Balance Sheet**

**ASSETS**

- 1. Accounts receivable**  
This is the total amount for invoices issued and still outstanding.
- 2. Other debtors**  
This is the credit for taxes, and VAT credit.
- 3. Cash**  
Includes cash on hand current bank account balances (cash and BNL).
- 4. Capital assets**  
Net book value of computers and furniture owned by the Company (cost less depreciation).
- 5. Investment / Deposit**  
This is the amount deposited with Executive Office for the renting of two rooms. This amount will be paid back in the company decides to move.

**LIABILITIES**

- 6. Accounts payable**  
Total amount for invoices received for this period to be paid.
- 7. Withholding taxes**  
These are tax **credit** for social charges and other taxes for personnel costs.
- 8. Severance Reserve Fund**  
The Company is required to collect and accumulate prescribed annual amounts as they relate to permanent employees in accordance with the legal requirements of Italy. Those amounts will be retained by S.I. and shall be dispersed to the employees when they will leave the organization. In 2014 Elena Couto started as part-time in July.
- 9. Deferred income**  
The total amount refers to three items:
  - Invoices issued but deferred as the relevant cost from the laboratory is still due and we do not know when the invoice will arrive. The total amount is 54.495,12 €.
  - Contribution from EU for SOLID project for future activities for an amount of 25.495,12 €.
  - Two-third part of the invoices issued in ID for marketed products with 3-years validity for an amount of 11.575,00 €.

### **NOTES: Statement of Financial Position (Income Statement)**

**1. Revenues**

This is the revenue for current activities of the Company. The detail is given in the annex 1.

**2. Other revenues**

This is the contribution from EU for SOLID project to cover the current expenses (15.377,60 €).

### **NOTES: Statement of Financial Position (Expenses)**

**3. Purchasing and service costs**

These are the total cost to run the company. In the annex 1 there is the detail by activity.

**4. Staff costs**

This is the cost for staff and consultants including social charges and taxes.

**5. Other expenses**

The expenses are for the EU SOLID project (10.868,01 €).

## **BREAKDOWN INCOME AND EXPENSES BY ACTIVITY**

For the 12 months ending December 31, 2014 - All figures in Euro

| ACTIVITIES                                      | EXPENSES | INCOME  | BALANCE 2014 | BALANCE 2013 |
|-------------------------------------------------|----------|---------|--------------|--------------|
| <b><i>Identification</i></b>                    |          |         |              |              |
| Cost laboratories, travel, accommodation        | 174.569  |         |              |              |
| Income from tests                               |          | 280.448 |              |              |
|                                                 |          |         | 105.879      | 149.480      |
| <b><i>Recording Devices</i></b>                 |          |         |              |              |
| Cost laboratories, travel accommodation         | 63.620   |         |              |              |
| Income from tests                               |          | 82.850  |              |              |
|                                                 |          |         | 19.230       | 26.445       |
| <b><i>Tagging</i></b>                           |          |         |              |              |
| Cost for printing tags                          | 11.244   |         |              |              |
| Income from manufacturers for tags              |          | 45.377  |              |              |
|                                                 |          |         | 34.133       | 33.686       |
| <b><i>Certificate of Quality</i></b>            |          |         |              |              |
| Honorarium, travel and accommodation            | 18.270   |         |              |              |
| Income from MO requests of CoQ                  |          | 8.008   |              |              |
|                                                 |          |         | (10.262)     | 23.837       |
| <b><i>EU Projects (Solid)</i></b>               |          |         |              |              |
| Honorarium and direct costs                     | 10.868   |         |              |              |
| Grant from EU                                   |          | 15.378  |              |              |
|                                                 |          |         | 4.510        | 2.580        |
| <b><i>Other activities Aarhus Workshop)</i></b> |          |         |              |              |
| Travel, accommodation, facilities               | 0        |         |              |              |
| Sponsorship                                     |          | 0       |              |              |
|                                                 |          |         | 0            | 1.161        |

**InterBeef**

Cost laboratory

Income from organisations

|         |        |         |       |
|---------|--------|---------|-------|
| 100.000 |        |         |       |
|         | 93.961 |         |       |
|         |        | (6.039) | 4.295 |

**Genomic agreement**

Honorarium and direct costs

Grant from EU

|        |        |   |   |
|--------|--------|---|---|
| 13.000 |        |   |   |
|        | 13.000 |   |   |
|        |        | 0 | 0 |

**TOTAL**

|         |         |         |         |
|---------|---------|---------|---------|
| 391.571 | 539.022 | 147.451 | 241.484 |
|---------|---------|---------|---------|

**ORDINARY EXPENSES****EXPENSES****INCOME****BALANCE 2014****BALANCE  
2013****Office costs**

Telephone, cleaning, stationary, postage, insurance, awards, printing, etc.

Renting office and services

Staff costs (permanent and consultants)

Assistance (server, accounts, legal)

Travel and accommodation

Technical support GENOEX

Depreciation

Bank charges

Taxes

Bank interest

|        |     |           |           |
|--------|-----|-----------|-----------|
| 21.400 |     |           |           |
| 11.472 |     |           |           |
| 78.339 |     |           |           |
| 21.391 |     |           |           |
| 16.049 |     |           |           |
| 20.000 |     |           |           |
| 1.725  |     |           |           |
| 637    |     |           |           |
| 814    |     |           |           |
|        | 776 |           |           |
|        |     | (171.051) | (176.506) |

**NET PROFIT / (LOSS)**

|          |        |
|----------|--------|
| (23.600) | 64.978 |
|----------|--------|