

Appendix 3: Explanatory Notes to Service ICAR Financials 2015 (20/03/16 UPDATE)

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EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS **For the period 1st January to 31st December, 2015**

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, social charges and VAT.
- 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 to the company when it decides to move.

LIABILITIES

- 6. Accounts payable**
Total amount for invoices for services received to be paid in 2016.
- 7. Withholding taxes**
These are taxes 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 2015 there was two part-time staff.
- 9. Deferred income**
The total amount of €195,509 refers to three items:
 1. 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 €177,540.00 as follows:
 - ID €86,415 (relevant cost from the lab will amount to €62,890)
 - RD €91,125 (relevant cost from the lab will amount to €68,368)

2. Contribution from EU for SOLID project for future activities for an amount of €17,294.
3. Invoices issued for ID (marketed products) in 2013 for a period of 3 years from which there is a residual €675 due income for 2016.

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

The total amount of €98,000 is referred to 2 items:

1. Contribution from EU for SOLID project to cover the current annual expenses (€40,000)
2. Sponsors for the Pretoria Workshop (€58,000).

3. Extraordinary income

The total amount of €26,311 is referred to 2 items:

1. There was an error in 2014 balance sheet for double accounting of 3 invoices paid in 2014 and referred to 2013 for an amount of €19,929. The invoices were:
 - o €1,800.00 for auditing CoQ
 - o €2,766.44 for travel auditing CoQ
 - o €15,363.00 for ID tests (DLG invoice)
2. In 2015 S.I. charged ICAR with €6,382 for legal expenses due to notary for preparation of documents for DBI.

NOTES: Statement of Financial Position (Expenses)

4. Purchasing and service costs

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

5. Staff costs

This is the cost for staff and consultants including social charges, benefits, and insurance.

6. Other expenses

The expenses are for the SOLID project (€32,601) and for Pretoria Workshop (€37,282).

BREAKDOWN INCOME REVENUES AND PURCHASING AND SERVICE COSTS

For the 12 months ending December 31, 2015 - All figures in Euro

ACTIVITIES	EXPENSES	INCOME	BALANCE 2015
Identification			
Cost laboratories, travel, accommodation	288,155		
Income from tests		387,668	
			99,513
Recording Devices			
Cost laboratories, travel accommodation	16,745		
Income from tests		26,995	
			10,250
Tagging			
Cost for printing tags	15,622		
Income from manufacturers for tags		48,716	
			33,094
Certificate of Quality			
Honorarium auditors, travel and accommodation	6,583		
Income from MO requests of CoQ		18,932	
			12,349
InterBeef			
Cost laboratory	100,000		
Income from organisations		99,514	
			(486)
Office costs			
Telephone, cleaning, stationary, postage, awards, printing, etc.	21,111		
Renting office and services	21,813		
Legal, administrative and insurance	36,633		
Assistance (server, IT support)	10,672		
Travel and accommodation	5,913		
Technical support GENOEX	20,000		
TOTAL	543,245	581,825	154,721