Management Report

ICAR

For the period ended September 30, 2018

THE GLOBAL STANDARD FOR LIVESTOCK DATA

Prepared on

October 15, 2018

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Profit and Loss

January - September 2018

	As at September 30th			Versus Budget		Versus Prior Year	
	Actual 2018	Budget 2018	Actual 2017	Euro	%	Euro	%
REVENUES							
Member fees	330.846	293.690	304.415	37.156	11	26.431	9
Other income	4.838	0	0	4.838	100	4.838	
Special projects	0	0	0	0		0	
TOTAL REVENUES	**335.684**	**293.690**	**304.415**	**41.994**	**13**	**31.269**	**10**
EXPENSES							
Employee related expenses	145.816	150.000	142.046	(4.184)	(3)	3.770	3
Travel	27.801	30.000	26.210	(2.199)	(8)	1.591	6
Office (rental and supplies)	10.455	11.250	10.176	(795)	(8)	279	3
Administrative services (accounts, legal, bank, audit...)	17.221	7.500	26.707	9.721	56	(9.486)	(36)
Depreciation	0	0	46	0		(46)	
Special project expenses	12.774	26.250	4.840	(13.477)	(106)	7.934	164
TOTAL OPERATING COSTS	**214.065**	**225.000**	**210.024**	**(10.935)**	**(5)**	**4.041**	**2**
OPERATING PROFIT/ (LOSS)	**121.618**	**68.690**	**94.391**	**52.928**	**44**	**27.227**	**29**
Other extraordinary income (expense)	(19.076)	(18.750)	(17.043)	(326)	2	(2.033)	12
Investment income (expense)	(6)	0	0	(6)		(6)	
NET PROFIT (LOSS)	**102.536**	**49.940**	**77.348**	**52.596**	**44**	**25.188**	**33**

REVENUES

1. Member fees
Total amount invoiced to members for annual fees 2018.

2. Other income
Various reimbursement from SLU:

- 1.680 Euro for the joint dinner in Auckland.
- 2.571 Euro to support EFFAB action.
- 587 Euro partial reimbursement for joint meeting in London.

EXPENSES

3. Employees and related expenses
Expenses related to management and administration including staff, consultants, and contracted services.

4. Travel
Total cost for travel, accommodation and meals of the office, Board, and General Assembly.

5. Office
Total cost to run the office (postage, telephone, office material, printing, Web site, etc.) including rent.

6. Administrative services
Cost for outsourcing services (accounting, legal, bank expenses, etc.). Compare to the budget there is one-time payment for the GDPR for an amount of 3.647,80 Euro and the invoices from EFFAB for an amount of 5.142 Euro partially reimbursed by SLU.

In 2018 the Association decided to move the accounting system to Quickbooks which represents an additional cost of 2.488 Euro.

7. Depreciation
Depreciation for the year of computers and furniture owned by the Association. In QTR3 equal to 0.

8. Special projects expenses
There are two special projects:

- Guidelines and new Web page development with a total cost by QTR3 of 11.043 Euro.
- Future ICAR II with a total cost by QTR3 of 1.730 Euro.

9. Other extraordinary income / (expense)
In QTR3 there is an extraordinary cost for legal fee related to AR case for an amount of 19.076 Euro and a bank adjustment extraordinary expenses for an amount of 6 Euro.

10. Investment income / (expense)
The Association has no investment portfolio at the moment.

Note: For quarterly follow-up budget see Annex 3.

Balance Sheet

As of September 30, 2018

	Actual 30/09/2018	Actual 30/09/2017	Year over Year (2018 vs. 2017) Euro	%
ASSETS				
Cash	412.819	432.876	(20.056)	(5)
Member Fees receivable	53.600	8.894	44.706	83
Other receivables	1.079	1.145	(66)	(6)
Prepayments	36.149	34.604	1.545	4
TOTAL CURRENT ASSETS	**503.647**	**477.519**	**24.583**	**5**
Fixed assets	183	320	(137)	(75)
Financial assets	11.700	11.700	0	0
TOTAL NON-CURRENT ASSETS	**11.883**	**12.020**	**(137)**	**(1)**
TOTAL ASSETS	**515.530**	**489.539**	**25.991**	**5**
EQUITY AND LIABILITIES				
Retained earnings	401.695	398.774	2.921	1
Operating profit (loss)	102.536	77.348	25.188	25
MEMBER'S EQUITY	**504.231**	**476.122**	**28.109**	**6**
Accounts payable	9.999	13.417	(3.417)	(34)
Deferred income	1.300	0	1.300	
LIABILITIES	**11.299**	**13.417**	**(3.417)**	**(25)**
TOTAL LIABILITIES & EQUITY	**515.530**	**489.539**	**25.992**	**5**

ASSETS

Current assets

1. Cash

Includes cash on hand and current bank account balances.

2. Member fees receivable

Includes members with maximum two years of arrears (2016 and 2017) in the current financial year and the outstanding fees for the current year (detail in Annex 1).

3. Other receivables

These are credits to be received from the Italian tax office.

4. Prepayments

The Association owns the ICAR, Interbull and InterBeef logos. This is the total amount remains and a summary and calendar of annual depreciation is presented in Annex 2.

Long term assets

5. Fixed assets

Net book value of computers and furniture owned by the Association (cost less depreciation).

6. **Financial assets**
The amount of €10,400 represents the share of capital in the business company “SERVICE-ICAR S.r.l.” owned by the Association. The amount is unchanged since the creation of SERVICE-ICAR Srl in 2001.
In addition, there is the deposit with ExecutiveOffice for an amount of €1.300,00 for the rent of one room.

EQUITY AND LIABILITIES

Liabilities

7. **Accounts payable**
Invoices related to QTR3 business activities but to be paid in October 2018 (e.g. employees, consultants, and operational expenses).

8. **Deferred income**
Fee payment for 2019 received in advance by Royal Jersey.

Reserves
Total reserves: 16.5 months (policy target of 6 months)
Liquid reserves: 16.5 months equivalent (policy target of 3 months)

Annex 1 Outstanding fees

Outstanding fees in 2017

EMBRAPA, Brazil	1.650,00
Ministry Agric., Portugal	5.250,00
Sheep&Goat Assoc., Turkey	2.450,00
TOTAL	**9.350,00**

Outstanding fees in 2018

ACHA, Argentina	4.400,00
EMBRAPA, Brazil	1.650,00
DCRC, China	1.750,00
NFCSO, Hungary	1.800,00
AIA, Italy	10.150,00
Milk Test, New Zealand	1.000,00
Ministry Agric., Portugal	4.100,00
Russian Research Institute	1.000,00
FEAGAS, Spain	10.100,00
Radgivarna, Sweden	1.000,00
OEP, Tunisia	2.400,00
Sheep&Goat Assoc., Turkey	2.450,00
Holstein Hellas (Assoc. Member)	1.000,00
Fusion Electronics (Assoc.Member)	1.000,00
TOTAL	**43.800,00**

Annex 2 Breakdown logos

ICAR, Interbull and InterBeef logos

Country/Organisation	Date payment	Amount paid	Concept	Description	New deadline
OHIM	22/03/2012	1,950	Interbull	Renewal	18/06/2022
OHIM	22/03/2012	1,950	ICAR	Renewal	01/07/2022
France	22/03/2012	540	Interbull	Renewal	08/02/2022
France	22/03/2012	540	ICAR	Renewal	11/02/2022
Australia	02/05/2012	525	ICAR	Renewal	01/07/2022
Australia	02/05/2012	525	Interbull	Renewal	18/06/2022
International	03/05/2012	280	ICAR	Change address	n.a.
WIPO	03/05/2012	2,840	ICAR	Renewal	01/07/2022
USA	03/05/2012	2,240	Interbull	Affidavit	n.a.
WIPO	29/05/2012	2,060	Interbull	Renewal	18/06/2022
Total 2012		**13,450**			
Yearly depreciation: €1.345					
USA	13/08/2013	1,300	ICAR/Interbull	Change address	n.a.
USA	13/08/2013	3,400	ICAR	Affidavit	n.a.
USA	16/09/2013	4,066	ICAR	Renewal	23/12/2023
Canada	25/11/2013	957	ICAR/Interbull	Change address	n.a.
EU	04/07/2013	3,508	InterBeef	Registration	04/07/2023
International	12/09/2013	1,218	InterBeef	Registration	12/09/2023
Total 2013		**14.449**			
Yearly depreciation: €1.445					
USA	19/12/2016	1,902	Interbull	Renewal	19/12/2026
Total 2016		**1,902**			
Yearly depreciation: €190					

Cost for new logo registration starting in 2017: €15,366; yearly depreciation: €1,536.60.

Annual cost: €4.517

Annex 3 Follow-up budget

	Actuals March 2018	Q1 Budget March 2018	Diff. Vs. Budget Q1	Actuals June 2018	Q2 Budget June 2018	Diff. Vs. Budget Q2	Actuals Sept. 2018	Q3 Budget Sept. 2018	Diff. Vs. Budget Q3	Actuals Dec. 2018	Year-end Budget 2018	Diff. Vs. Budget 2018
REVENUES												
Member fees	76.400	71.790	4.610	265.850	261.060	4.790	330.846	293.690	37.156		326.325	(326.325)
Special projects	0	0	0	0	0	0	0	0	0		0	0
Other income	0	0	0	0	0	0	4.838	0	4.838		0	
TOTAL REVENUES	**76.400**	**71.790**	**4.610**	**265.850**	**261.060**	**4.790**	**335.684**	**293.690**	**41.994**	**0**	**326.325**	**(326.325)**
EXPENSES												
Employees and related expenses	48.569	50.000	(1.431)	97.192	100.000	(2.808)	145.816	150.000	(4.184)		200.000	(200.000)
Travel	15.295	14.000	1.295	19.698	20.000	(302)	27.801	30.000	(2.199)		40.000	(40.000)
Office costs	3.982	3.750	232	8.827	7.500	1.327	10.455	11.250	(795)		15.000	(15.000)
Administrative services (accounting, legal, audit, bank...)	220	2.500	(2.280)	11.168	5.000	6.168	17.221	7.500	9.721		10.000	(10.000)
Depreciation	0	0	0	0	0	0	0	0	0		0	0
Special project expenses	0	8.750	(8.750)	0	17.500	(17.500)	12.774	26.250	(13.477)		35.000	(35.000)
TOTAL OPERATING COSTS	**68.066**	**79.000**	**(10.934)**	**136.885**	**150.000**	**(13.115)**	**214.065**	**225.000**	**(10.935)**	**0**	**300.000**	**(300.000)**
OPERATING PROFIT / (LOSS)												
Other extraordinary income / (expense)	(9.203)	(6.250)	(2.953)	(7.278)	(12.500)	5.222	(19.076)	(18.750)	(326)		(25.000)	25.000
Investment income / (expense)	0	0	0	0	0	0	(6)	0	(6)		0	0
NET PROFIT / (LOSS)	**(869)**	**(13.460)**	**12.591**	**121.687**	**98.560**	**23.127**	**102.536**	**49.940**	**52.596**	**0**	**1.325**	**(1.325)**