Management Report

International Committee for Animal Recording (ICAR) and
SERVICE-ICAR SRL
Budgets 2019

THE GLOBAL STANDARD
FOR LIVESTOCK DATA

Prepared on
January 17, 2019

Table of contents

ICAR Budget 2019

REVENUES	
Membership fees	322.875
Special projects	10.000
TOTAL REVENUES	**332.875**
EXPENSES	
Contracted Consultant costs	200.000
Travel	35.000
Office costs	15.000
Administrative services (accounts, legal, audit, bank)	30.000
Special projects expenses	50.000
TOTAL OPERATING COSTS	**330.000**
Investment income / (expenses)	0
NET PROFIT / (LOSS)	**2.875**

REVENUES

1. **Member fees**
   Total amount to be invoiced to members for annual fees 2019.
2. **Special Projects**
   Special projects income is referred to the contribution from LOC2019 for the organization of the annual conference.

EXPENSES

3. **Contracted Consultant Costs**
   Expenses related to QPlus Ltd CE services and for other contracted technical consultants and staff support paid to SERVICE-ICAR for an amount of 122.000 Euro (100.000 Euro + 22% VAT).
4. **Travel**
   Total cost for travel, accommodation and meals of the office, Board, and General Assembly. (covers 20.000 Euro for Board meetings, 10.000 Euro for office, and 5.000 Euro for Groups.
5. **Office**
   Total cost to run the ICAR office (postage, telephone, office material, printing, Web site, etc.) This includes office rental in Rome for 10.500 Euro (for the rent of two rooms at Executive Service).
6. **Administrative services**
   Cost for outsourcing services (accounting, legal, bank expenses, etc.)
   As well our normal administrative services budget we have budgeted extra 15.000 Euro to reflect expected extra spend on legal fees related to the AR case
7. **Special projects expenses**
   There are three ICAR special projects earmarked for 2019:
   - Recording Devices Test Lab S/W upgrade and Sensor evaluations – at a cost of 20.000 Euro.
   - DNA Accreditation Software Development for Parentage Discovery - at a cost of 6.000 Euro.
   - Future ICAR II relocation of the seat – budgeted a cost of 24.000 Euro.
8. **Investment income / (expense)**
   The Association has no investment portfolio at the moment.

ICAR Actuals vs Budgets 2018 and 2019

	Actual 2018	Budget 2018	Budget 2018 vs Actual 2018	Budget 2019	Budget 2019 vs actual 2018
REVENUES					
Membership fees	323.946	326.325	-2.379	322.875	-1.071
Special projects	9.170	0	9.170	10.000	830
TOTAL REVENUES	**333.116**	**326.325**	**6.791**	**332.875**	**(241)**
EXPENSES					
Contracted Consultant costs	200.729	200.000	729	200.000	-729
Travel	33.815	40.000	-6.185	35.000	1.185
Office costs	14.193	15.000	-807	15.000	807
Administrative services (accounting, legal, audit, bank...)	51.328	10.000	41.328	30.000	-21.328
Depreciation	183	0	183	0	-183
Special projects expenses	14.042	35.000	-20.958	50.000	35.958
TOTAL OPERATING COSTS	**314.290**	**300.000**	**14.290**	**330.000**	**15.710**
Investment income / (expenses)	0	0	0	0	0
NET PROFIT / (LOSS)	**18.826**	**26.325**	**(7.499)**	**2.875**	**(15.951)**

NB. In 2019 additional legal expenses and settlement costs may be incurred based on a pending court proceeding relating to an employment dispute

Quarterly Reporting Template - ICAR Budget 2019 (follow-up by Quarter)

	Q1 Actuals March 2019	Q1 Budget March 2019	Diff. Vs. Budget Q1	Q2 Actuals June 2019	Q2 Budget June 2019	Diff. Vs. Budget Q2	Q3 Actuals Sept. 2019	Q3 Budget Sept. 2019	Diff. Vs. Budget Q3	Q4 Actuals Dec. 2019	Year-end Budget 2019	Diff. Vs. Budget 2019
REVENUES												
Member fees		75.000			260.000			300.000			322.875	
Special projects		0			0			10.000			10.000	
TOTAL REVENUES	**0**	**75.000**		**0**	**260.000**		**0**	**310.000**		**0**	**332.875**	
EXPENSES												
Contracted consultant costs		50.000			100.000			150.000			200.000	
Travel		7.000			20.000			30.000			35.000	
Office costs		3.000			6.000			10.000			15.000	
Administrative services (accounting, legal, audit, bank...)		5.000			20.000			25.000			30.000	
Special project expenses		15.000			30.000			45.000			50.000	
TOTAL OPERATING COSTS	**0**	**80.000**		**0**	**176.000**		**0**	**260.000**		**0**	**330.000**	
OPERATING PROFIT / (LOSS)												
NET PROFIT / (LOSS)	**0**	**(5.000)**		**0**	**84.000**		**0**	**50.000**		**0**	**2.875**	

SERVICE-ICAR Budget 2019

REVENUES	
Labels	40.000
CoQ	40.000
Identification	325.000
Recording Devices	40.000
DNA Accreditation	10.000
Milk PT	45.000
InterBeef	115.000
Other services	0
Sales income	615.000
Contracted personnel service income	100.000
Special projects	8.110
TOTAL REVENUES	**723.110**
EXPENSES	
Employees and related expenses	290.000
Travel	10.000
Office (rental and suppliers)	35.000
Administrative services (legal, account, audit, insurance, IT, bank…)	45.000
Office Expenses	380.000
Labels	10.000
CoQ	10.000
Identification	185.000
Recording Devices	28.000
DNA Accreditation	0
Milk PT	25.000
InterBeef	100.000
Other services	0
Contract services	358.000
Depreciation	1.200
Special project expenses	0
TOTAL OPERATING COSTS	**739.200**
Investment income / (expense)	0
Taxes	-2.000
NET INCOME (LOSS)	**-18.090**

REVENUES

1. **Services income**

1.1. Labels – sales of the ‘Certified’ labels on Recording Devices, (based on 80.000 labels at €0,50 each).

1.2. CoQ – Certificate of Quality audit fees based on ICAR’s 2019 schedule of Site Visit and Consultative Reviews.

1.3. Identification – income forecasted from ID Device testing based on lower rate of 2018.

1.4. Recording Devices - income forecasted from Recording Device testing based on input of RSD chair and committee.

1.5. DNA Accreditation – income based on 2018 activities for DNA Centres and Parentage Testing.

1.6. Milk Proficiency Testing – based on same as 2018 rates of lab participation.

1.7. Interbeef – fees income based on 2018 participation and Interbull fees remaining stable.

2. Contracted Personnel service income

Total amount paid by ICAR for the technical and administrative services/support.

3. Special projects

Special project income is referred to the SMARTER EU Project. The project started on 1/11/2018 for a duration of 48 months with a total grant of 175.850 Euro, including overhead for 32.440 Euro. In 2019 it has been considered as ¼ (8.110 Euro) without any forecast for expenses. The items will be adjusted during the year according to the activities.

EXPENSES

4. Employees and related expenses

This item includes the staff (salaries, social charges, health insurance, benefits) and consultants with the following breakdown:
Staff: 170.000 Euro
Consultants: 120.000 Euro

5. Travel

Cost for travel of office and Board.

6. Office

Total cost to run the office including renting for an amount of 22.080 Euro.

7. Administrative services

Total cost for outsourcing services (hosting server and IT support, accounting, legal, external audit, office and officers' insurance) including bank expenses.

8. Contract services

Cost of sales to our suppliers for services (laboratories, auditors CoQ, printing labels, etc.) – listed per activity to match services income in revenues.

9. Depreciation

Depreciation for 12 months for computers and furniture owned by the company.

10. Special projects expenses

No costs for special projects.

11. Investment income / (expense)

Nil.

12. Taxes

Taxes due by the company.

SERVICE-ICAR Estimate 2018 vs Budgets 2018 and 2019

	Actual 2017	Estimate 2018	Budget 2018	Budget 2018 vs Estimate 2018	Budget 2019	Budget 2019 vs Estimate 2018
REVENUES						
Labels	42.700	37.750	40.000	-2.250	40.000	2.250
CoQ	30.535	37.600	28.260	9.340	40.000	2.400
Identification	454.677	316.000	440.000	-124.000	325.000	9.000
Recording Devices	143.500	67.150	60.000	7.150	40.000	-27.150
DNA Accreditation	1.200	14.700	4.500	10.200	10.000	-4.700
Milk PT	46.653	48.500	47.000	1.500	45.000	-3.500
MIR	16.000	0	24.000	-24.000	0	0
InterBeef	99.514	116.315	115.000	1.315	115.000	-1.315
Other services	0	0	0	0	0	0
Sales income	834.779	638.015	758.760	-120.745	615.000	-23.015
Contracted personnel service income	80.000	95.000	95.000	0	100.000	5.000
Special projects	6.664	9.000	0	9.000	8.110	-890
TOTAL REVENUES	**921.443**	**742.015**	**853.760**	**-111.745**	**723.110**	**-18.905**
EXPENSES						
Employees and related expenses	311.103	310.000	315.000	-5.000	290.000	-20.000
Travel	8.317	12.000	10.000	2.000	10.000	-2.000
Office (rental and suppliers)	43.956	33.000	36.000	-3.000	35.000	2.000
Administrative services (legal, account, audit, insurance, IT, bank…)	42.777	60.000	59.200	800	45.000	-15.000
Labels	10.872	8.950	9.600	-650	10.000	1.050
CoQ	6.699	12.000	8.150	3.850	10.000	-2.000
Identification	246.283	168.000	228.000	-60.000	185.000	17.000
Recording Devices	111.927	50.600	48.000	2.600	28.000	-22.600
DNA Accreditation	0	0	0	0	0	0
Milk PT	30.447	31.750	28.000	3.750	25.000	-6.750
MIR	3.120	0	4.500	-4.500	0	0
InterBeef	102.200	100.000	100.000	0	100.000	0
Other services	0	0	0	0	0	0
Contract services	511.548	371.300	426.250	-54.950	358.000	-13.300
Depreciation	557	1.700	1.700	0	1.200	-500
Special project expenses	0	7.350	8.000	-650	0	-7.350
TOTAL OPERATING COSTS	**918.257**	**795.350**	**856.150**	**-60.800**	**739.200**	**-56.150**
Investment income / (expense)	2.892	0	0	0	0	0
Taxes	-2.120	-2.000	-2.000	0	-2.000	0
NET INCOME (LOSS)	**3.957**	**-55.335**	**-4.390**	**-50.945**	**-18.090**	**37.245**

SERVICE-ICAR Budget 2019 follow-up by Quarter

	Q1 Actuals March 2019	Q1 Budget March 2019	Diff. Vs. budget Q1	Q2 Actuals June 2019	Q2 Budget June 2019	Diff. Vs. budget Q2	Q3 Actuals Sep. 2019	Q3 Budget Sep. 2019	Diff. Vs. budget Q3	Q4 Actuals Dec. 2019 (Year end)	Q4 Budget 2019 (Year end)	Diff. Vs. budget Q4 (Year end)
REVENUES												
Labels		12.000			24.000			30.000			40.000	
CoQ		30.000			35.000			40.000			40.000	
Identification		70.000			135.000			220.000			325.000	
Recording Devices		0			20.000			30.000			40.000	
Data Interpretation Centres-GenoEx PSE		2.500			5.000			7.500			10.000	
Milk PT		25.000			25.000			25.000			45.000	
InterBeef		0			0			115.000			115.000	
Sales income		*139.500*			*244.000*			*467.500*			*615.000*	
Contracted service income		25.000			50.000			75.000			100.000	
Special projects		0			0			0			8.110	
TOTAL REVENUES		**164.500**			**294.000**			**542.500**			**723.110**	
EXPENSES												
Employee related expenses		75.000			150.000			225.000			290.000	
Travel		2.500			7.000			8.500			10.000	
Office (rental and suppliers)		8.750			17.500			25.000			35.000	
Administrative services		10.000			20.000			40.000			45.000	
Labels		2.500			5.000			7.500			10.000	
CoQ		7.500			8.500			10.000			10.000	
Identification		10.000			85.000			135.000			185.000	
Recording Devices		0			14.000			21.000			28.000	
Milk PT		0			12.500			14.000			25.000	
InterBeef		0			0			100.000			100.000	
Contract services		20.000			125.000			287.500			348.000	
Depreciation		300			600			900			1.200	
Special project expenses		0			0			0			0	
TOTAL OPERATING COSTS		**116.550**			**320.100**			**586.900**			**739.200**	
Taxes		-500			-1.000			-1.500			-2.000	
NET INCOME (LOSS)		**47.450**		**0**	**-27.100**			**-45.900**			**-18.090**	