

Management Report

International Committee for Animal Recording (ICAR)
Budget 2020



Prepared on

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Introduction

In 2020 ICAR will be registered in The Netherlands and will operate under Dutch law as an association with trade number for paid services. In 2020 there will be only one financial statement with one single balance sheet and profit and loss account.

This budget 2020 presents the figures for both income and expenses from membership and services and for the comparison with 2019 and 2019 forecast we used the information available at 30th November 2019 from both ICAR and SERVICE-ICAR Srl.

1. Budget 2020 ICAR

January - December 2020 (all figures in Euro)

REVENUES	
Membership fees	314.025
Business/certification services	710.254
Other operating income	35.000
TOTAL REVENUES	1.059.279
EXPENSES	
Employee and contracted services	463.000
Contracted testing and certification services	409.719
Office	55.000
Travel	45.000
Administration (accounts, legal, audit, IT, bank)	55.000
Special projects expenses	30.000
TOTAL OPERATING COSTS	1.057.719
NET OPERATING PROFIT / (LOSS)	1.560
Other extraordinary income / (expenses)	- 55.000
Investment income / (expenses)	0
PROFIT / (LOSS) BEFORE TAXES	- 53.440
Taxes	0
NET PROFIT / (LOSS)	- 53.440

REVENUES

1. Membership fees

Total amount to be invoiced to members for annual fees 2020.

2. Business/Certification Services

Income from the business activities in ICAR, certification of devices and members' audits

Income Breakdown by Activities ICAR NL Year 2020 (All figures in Euro)

Estimate	Labels	CoQ	ID	RSD	Milk PT	Milk Analysers	InterBeef	DNA Accred	Total
Income	35,000	30,000	330,000	60,000	65,000	65,740	114,514	10,000	710,254
Cost	10,000	10,000	175,000	42,000	30,000	42,719	100,000	0	409,719
Gross Margin	25,000	20,000	155,000	18,000	35,000	23,021	14,514	10,000	300,535
% Gross Margin	71%	67%	47%	30%	54%	35%	13%	100%	42%

3. Other operating income

Income from the contribution from LOC2020 for the organization of the annual conference (€10K), Income from EU SMARTER (€25k).

EXPENSES

4. Employee and contracted Services

Salaries and related social charges / costs related to direct employees of ICAR NL and cost of engaging external consultant personnel and services to support ICAR NL in its operations

5. Contracted Testing and Certification Services

The direct costs associated with test and certification laboratories contracted by ICAR (ref income line item 2 direct costs budgeted at 58% of sales income).

6. Office

Total cost to run the office including renting in HNK Utrecht and office in Rome for 2020.

7. Travel

Total cost for travel, accommodation and meals of the office, Board, and General Assembly. (covers 20.000 Euro for Board meetings, 20.000 Euro for office, and 5.000 Euro for Groups).

8. Administrative services

Cost for outsourcing services (accounting, legal, IT, bank expenses, etc.)

9. Special projects

There are two ICAR special projects earmarked for 2020:

- Sensor evaluations – at a cost of 20.000 Euro.
- Other *TBD – 10.000 Euro*

10. One Off Extraordinary Expenses

There are two 'one off' extraordinary expenses forecasted for 2020;

- Relocation costs @ €35k (€20k legal, €10k recruitment, €5k Office set up)
- Interbull/Interbeef Contracts updating @ €20k (Legal).

2. Budget 2019 ICAR vs Budget 2020 ICAR and 2019 Forecast

	<u>Budget 2019</u>	<u>Forecast</u> <u>30th Nov. 2019</u>	<u>Budget 2020</u>
REVENUES			
Membership fees	322.875	321.725	314.025
Business/certification services	615.000	799.580	710.254
Other operating income	18.110	40.502	35.000
TOTAL REVENUES	955.985	1.161.807	1.059.279
EXPENSES			
Employee and contracted services	390.000	395.030	463.000
Contracted testing and certification services	358.000	481.645	409.719
Office	53.200	55.000	55.000
Travel	45.000	41.000	45.000
Administration (accounts, legal, audit, IT, bank)	65.000	95.000	55.000
Special projects expenses	60.000	61.500	30.000
TOTAL OPERATING COSTS	971.200	1.129.175	1.057.719
NET OPERATING PROFIT / (LOSS)	- 15.215	32.632	1.560
Other extraordinary income / (expenses)	0	- 14.100	- 55.000
Investment income / (expenses)	0	0	0
PROFIT / (LOSS) BEFORE TAXES	- 15.215	18.532	- 53.440
Taxes		- 1.765	0
NET PROFIT / (LOSS)	- 15.215	16.767	- 53.440

Notes on 2019 Estimate

- Membership fees**
Compare to 2019 in 2020 the cancelled members for outstanding fees have been removed. In the estimate 2019 only those with current year outstanding and that declared they will pay have been accrued.
- Business / certification services**
Estimate based on tests finished or ongoing and planned to be finalized within 2019.
- Other operating income**
Estimate 2019 based on real income from SMARTER project for the activities of current year.
- Employee and contracted services**
See notes for budget 2020.
- Contracted testing and certification services**
As for the income, estimate based on tests finished or ongoing and planned to be finalized within 2019.
- Office**
Estimate on track with budget.
- Travel**
Estimate on track with budget.
- Administration**
Estimate includes extraordinary legal fee for AR case for an amount of 28.407 Euro.
- Special project expenses**
Estimate on track with budget.
- Other extraordinary income / (expenses)**
Estimate bad debt for write off members with 2-years outstanding fees.
- Taxes**
Taxes due for profit in SERVICE-ICAR Srl