

Management Report

International Committee for Animal Recording (ICAR)
Follow-up Budget Quarter 2 / 2020



Prepared on
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1. Introduction

In 2020 ICAR is registered in The Netherlands and will operate under Dutch law as an association with trade number for paid services. In 2020 the goal was to produce one financial statement with one single balance sheet and profit and loss account. As the Rabo bank account opening was delayed to Q2 we still have individual ICAR and SERVICE-ICAR Srl. accounts for Q2 2020 on file. However, as the budget was approved for 2020 in a combined format, then for budget management purposes we are presenting as one here.

Note 1: This QTR2 2020 Actual versus Budget 2020 presents the figures for both income and expenses from membership and services and for the comparison with 2019 we used the combined numbers from both ICAR and SERVICE-ICAR Srl.

2. Budget 2020 ICAR (Board approved December 2019)

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

3. Income Statement QTR2 2020 vs Budget 2020 and QTR2 2019

				Versus Budget		Versus Prior Year	
	Actual 30/6/2020	Budget 2020 30/6/2020	Actual 30/6/2019	Euro	%	Euro	%
REVENUES							
Member fees	134.421	157.013	273.661	(22.592)	(14)	(139.240)	(51)
Business / certification services	340.512	355.127	287.206	(14.615)	(4)	53.306	19
Other operating income	41.633	17.500	4.600	24.133	138	37.033	
TOTAL REVENUES	516.566	529.640	565.467	(13.074)	(2)	(48.901)	(9)
EXPENSES							
Employee and contracted services	245.117	232.000	251.768	13.117	6	(6.651)	(3)
Contracted testing and certification services	205.390	204.860	144.832	530	0	60.558	42
Travel	4.449	23.000	23.228	(18.551)	(81)	(18.779)	(81)
Office costs (rental and suppliers)	26.728	27.500	25.650	(772)	(3)	1.078	4
Administrative services (accounts, legal, IT, bank)	27.309	27.500	57.900	(191)	(1)	(30.591)	(53)
Special project expenses	3.316	0	10.479	3.316		(7.163)	(68)
TOTAL OPERATING COSTS	512.309	514.860	513.857	(2.551)	(0)	(1.548)	(0)
OPERATING PROFIT/ (LOSS)	4.257	14.780	51.610	(10.523)		(47.353)	
Other extraordinary income / (expenses)	(52.590)	(27.500)	0	(25.090)		(52.590)	
NET PROFIT (LOSS)	(48.333)	(12.720)	51.610	(35.613)		(101.491)	

REVENUES

1. **Membership fees**

The request for membership fee was sent only in May as we were waiting for new bank account at Rabo Bank in Netherlands.

2. **Business/Certification Services**

Income from the business activities in ICAR, certification of devices and members' audits (see item 4 on next page for detail).

3. **Other operating income**

Income from EU SMARTER Project.

EXPENSES

4. **Employee and contracted Services**

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

5. **Contracted Testing and Certification Services**

The direct costs associated with test and certification laboratories contracted by ICAR (see item 4 for detail).

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 Groups.

8. **Administrative services**

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

9. **Special projects**

In this period the cost is related to direct expenses of EU Project Smarter.

10. **One Off Extraordinary Expenses**

The cost is related to the re-location of ICAR office in Netherlands (lawyers, notary, set-up new accounts system), and legal case.

Notes:

Cash flow: At 30/6/2020 cash on hand amounts to 602.388 Euro while at 30/6/2019 it was 682.822 Euro. This 2020 cash position equivalates to 7 months operating costs. This difference is mainly due to the delayed income from membership fees. At 30/6/2019 members paid 273.661 Euro compare to 134.421 Euro in the same period in 2020.

4. Income Breakdown by Activities

Income Breakdown by Activities SERVICE-ICAR Srl



THE GLOBAL STANDARD
FOR LIVESTOCK DATA

Year 2020 – QTR 2 (All figures in Euro)

30th June 2020	Labels	CoQ	ID	RSD	Milk PT	Milk Analysers	Inter Beef	Acc. DNA Data Centres	Total
Income	17,860	2,450	118,558	122,226	27,618	50,000	0	1,800	340,512
Cost	3,918	125	64,648	101,169	13,746	21,783	0	0	205,390
Actual Gross Margin	13,942	2,325	53,910	21,057	13,872	28,217	0	1,800	135,122
% Gross Margin	78%	95%	45%	17%	50%	56%	0%	100%	40%

Year 2019 - QTR2 (All figures in Euro)

30th June 2019	Labels	CoQ	ID	RSD	Milk PT	Milk Analysers	Inter Beef	Acc. DNA Data Centres	Total
Income	19,465	27,769	176,190	27,875	35,007	0	0	900	287,206
Cost	5,281	10,109	92,105	19,750	17,587	0	0	0	144,832
Actual Gross Margin	14,184	17,661	84,085	8,125	17,419	0	0	900	142,374
% Gross Margin	73%	64%	48%	29%	50%	0%	0%	100%	50%

ICAR QTR 2 2020 - BUSINESS / CERTIFICATION (ACTUAL VS BUDGET)

	Q1 Actuals March 2020	Q1 Budget March 2020	Diff. Vs. budget Q1	Q2 Actuals June 2020	Q2 Budget June 2020	Diff. Vs. budget Q2	Q3 Actuals Sep. 2020	Q3 Budget Sep. 2020	Diff. Vs. budget Q3	Q4 Actuals Dec. 2020 (Year end)	Q4 Budget 2020 (Year end)	Diff. Vs. budget Q4 (Year end)
REVENUES												
Labels	9,350	8,750	600	17,860	17,500	360		26,250			35,000	
CoQ	1,500	0	1,500	2,450	15,000	-12,550		22,500			30,000	
Identification	37,310	82,500	-45,190	118,558	165,000	-46,442		247,500			330,000	
Recording Devices	2,000	15,000	-13,000	122,226	30,000	92,226		45,000			60,000	
Data Interpretation Centres-GenoEx PSE	1,200	900	300	1,800	5,000	-3,200		7,500			10,000	
Milk PT	0	0	0	27,618	32,500	-4,882		32,500			65,000	
Milk Analysers	0	0	0	50,000	0	50,000		65,740			65,740	
InterBeef	0	0	0	0	0	0		114,514			114,514	
<i>Sales income</i>	51,360	107,150	-55,790	340,512	265,000	75,512	0	561,504		0	710,254	
EXPENSES												
Labels	2,644	2,500	144	3,918	5,000	-1,082		7,500			10,000	
CoQ	0	2,500	-2,500	125	5,000	-4,875		7,500			10,000	
Identification	24,850	43,750	-18,900	64,648	87,500	-22,852		131,250			175,000	
Recording Devices	0	10,500	-10,500	101,169	21,000	80,169		31,500			42,000	
Milk PT		0	0	13,746	15,000	-1,254		15,000			30,000	
Milk Analysers		0	0	21,783	0	21,783		42,719			42,719	
InterBeef	0	0	0		0	0		100,000			100,000	
<i>Contract services</i>	27,494	59,250	-31,756	205,389	133,500	71,889	0	335,469		0	409,719	
NET INCOME (LOSS) FOR LINE ITEMS	23,866	47,900	-24,034	135,123	-28,500	3,623	0	226,035		0	300,535	

