

Management Report

International Committee for Animal Recording ICAR
For the period 1st January – 31st December, 2020



Prepared on
February 7th, 2021

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Introduction

Following the liquidation and closure of SERVICE-ICAR Srl and ICAR Italy, this management report is presenting a combined situation of the two entities plus ICAR Netherlands for 2020, with a compare to 2020 approved budget and 2019.

In 2021 there will be three 2020 financial statements to be approved:

1. **SERVICE-ICAR Srl.** The legal representative of S.I. is the liquidator, ICAR as sole owner appoint someone to represent the association at the GA. The ICAR Board will receive the final statements early mid-March and after approval the liquidator will convene the General Assembly via Zoom. As for the previous General Assembly Laurent Journaux may be appointed to represent ICAR;

Note: Any assets and cash in S.I. bank account to refund to ICAR Italy the sole owner of the company.

2. **ICAR Italy.** The ICAR Board will approve the closing financial statements (as appointed at the Extraordinary General Assembly in September 2020 as liquidator), and will present them for information to the ICAR General Assembly in Leeuwarden (Netherlands) in April 2021;
3. **ICAR Netherlands.** Will be presented to the Board end of March, then for approval by the General Assembly in Leeuwarden (Netherlands) in April 2021, and
4. Presentation of 2021 budget for information to the General Assembly in Netherlands in April 2021.

Profit and Loss

January - December 2020

		Year-end Budget 2020	Forecast 2020 at 31.10.2020	Actuals at 31.12.2020	Difference vs budget	Actuals 31.12.2019	Difference vs 2019
REVENUES							
Member fees		314.025	336.485	335.935	21.910	320.725	15.210
Business/certification services		710.254	650.000	712.852	2.598	799.053	(86.201)
Other operating income		35.000	16.595	16.595	(18.405)	45.926	(29.331)
TOTAL REVENUES		1.059.279	1.003.080	1.065.382	6.103	1.165.704	(100.322)
EXPENSES							
Employees and contracted services		463.000	480.000	456.099	(6.901)	410.095	46.004
Contracted testing and certification services		409.719	383.000	441.943	32.224	473.944	(32.001)
Travel		45.000	7.500	6.655	(38.345)	41.125	(34.470)
Office costs (rent, telephone, postage, material)		55.000	52.000	53.320	(1.680)	52.566	754
Administrative services (accounting, legal, IT, bank...)		55.000	65.000	71.329	16.329	99.348	(28.019)
Special project expenses		30.000	35.000	34.346	4.346	66.764	(32.418)
TOTAL OPERATING COSTS		1.057.719	1.022.500	1.063.692	5.973	1.143.842	(80.150)
OPERATING PROFIT / (LOSS)		1.560	(19.420)	1.690	130	21.862	(20.172)
Other extraordinary income / (expenses)		(55.000)	(60.000)	(80.258)	(25.258)	(14.100)	(66.158)
NET PROFIT / (LOSS)		(53.440)	(79.420)	(78.568)	(25.128)	7.762	(86.330)

Notes to Profit and Loss

As of December 31, 2020

REVENUES

1. Membership fees

Total amount from membership fees paid to ICAR NL.

2. Business / certification services

Total income from paid services carried out by SERVICE-ICAR Srl until 30/6/2020 and by ICAR NL from 1/7/2020 on.

3. Special projects and other income

Contribution from SMARTER EU Project for the activities during the year. ICAR Netherlands is taking over this project from SERVICE-ICAR Srl; the documentation is with the EU Officer.

The difference compare to the budget is due to the COVID-19 which obliged to the cancellation of ICAR 2020 Conference, and for this reason the 10.000 Euro due by the LOC, and in the SMARTER Project the face-to-face meetings were also cancelled, with the result of less direct expenses which implies lower overheads than budgeted.

EXPENSES

4. Employees and contracted services

Expenses related to the management and administration including the Chief Executive, staff (Italy and Netherlands) and consultants.

5. Contracted testing and certification services

Cost for tests and certification services. As for the income, until 30/6/2020 payments done by SERVICE-ICAR Srl and from 1/7/2020 by ICAR NL.

6. Travel

Total cost for travel, accommodation and meals. In 2020 due to Covid-19 the expenses for travel are reduced compare to the budget.

7. Office

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

8. Administrative services

Cost for outsourcing services (accounting, legal, bank expenses, etc.). This item was underestimated in the budget, in addition, there was a delay in closing ICAR Italy and SERVICE-ICAR Srl with extra costs. We were running two offices for a longer period than planned.

9. Special projects expenses

The total projects expenses breakdown for 2020 was as follows:

- | | |
|------------------------------|-------------|
| 1. InterBeef Phd scholarship | 15.000 Euro |
| 2. R software Test Centres | 6.000 Euro |
| 3. Cuckoo Software | 10.030 Euro |
| 4. EU SMARTER | 3.316 Euro |

10. Other extraordinary expenses

Cost for the transfer of the seat and extra-legal fees for AR case.

Expenses related to the transfer of the seat (legal and notary) and new accounting system, breakdown below:

- Legal and notary expenses
 - o Legal firm Van Diepen: 23.258 Euro
 - o Legal firm Benessia: 18.577 Euro
 - o Notary Nysingh: 7.211 Euro
 - o Notary Fabro: 1.500 Euro
 - o NDHIA notary: 2.941 Euro
- Accounting expenses
 - o DeJong and Laan: 6.554 Euro
 - o Tonina Angeli (liquidator) 6.500 Euro
- AR case expenses
 - o Studio Benessia: 9.517 Euro
- Bad debt membership
 - o Adjustment fee Argentina 4.200 Euro

Balance Sheet

As of December 31, 2020

		Actual 31/12/2020	Actual 31/12/2019	Difference
ASSETS				
Cash		365.466	600.535	(235.069)
Trade receivable		65.401	105.654	(40.253)
Other receivables (VAT, taxes)		9.940	340	9.600
Prepayments		31.160	32.927	(1.767)
TOTAL CURRENT ASSETS		471.967	739.456	(267.490)
Fixed assets		953	455	498
Financial assets		55.000	4.900	50.100
TOTAL NON-CURRENT ASSETS		55.953	5.355	50.598
TOTAL ASSETS		527.920	744.811	(216.892)
EQUITY AND LIABILITIES				
Capital		438.563	431.315	7.248
Operating profit (loss)		(78.568)	7.761	(86.329)
MEMBER'S EQUITY		359.995	439.076	(79.081)
Severance Reserve Fund		518	35.330	(34.812)
Accounts payable		100.840	100.007	833
Deferred income		66.567	170.399	(103.832)
LIABILITIES		167.925	305.736	(137.811)
TOTAL LIABILITIES & EQUITY		527.920	744.812	(216.892)

Notes to Balance Sheet

As of December 31, 2020

ASSETS

Current assets

1. Cash

Includes cash on hand and current bank account balances.

2. Trade receivable

Includes fees and invoices for services outstanding.

3. Other receivables

VAT refund due from Italian taxes office in Italy.

4. Prepayments

The Association owns the ICAR, Interbull and InterBeef logos. The total cost was paid in 2017 and put in depreciation over 10 years. This is the total amount remains.

DeJong&Laan recommended to delete this item from the BS and put as a cost in the IS, in this way there will be a clean situation for the transfer of the assets to ICAR NL.

Long term assets

5. Fixed assets

For devices used in the office and put in depreciation according to Dutch law.

6. Financial assets

ICAR Italy sustained SERVICE-ICAR Srl with this amount to cover expenses from the starting procedure of liquidation in July 2020 (rent office, payslips, etc.). The expenses for rent offices and staff were extended until 30/11/2020 and with S.I. stopping invoicing for services in July it was necessary to support the company. This amount now is under asset but only part of it will be recovered at the end of the procedure considering the cash in bank.

EQUITIES AND LIABILITIES

Current liabilities

7. Capital

Total reserve before 2020 financial year. The reserve does not correspond to the cash in bank, it includes some assets that probably will not be refund (i.e. the support from ICAR Italy to S.i.).

8. Operating profit/(loss)

Total loss in 2020.

9. Severance Reserve Fund

This is the annual amount (in this case corresponding only to 1/12 part of 2020 since the staff contracts started on 1/12/2020) put aside by the association for the Italian staff. The Severance Reserve Fund is part of the national contract in Italy and is mandatory. The fund will be devolved to the staff when leaving the association.

10. Accounts payable

Invoices related to QTR4 of 2020 to be paid in January 2021 (e.g., consultants, social charges, and operational expenses). This amount included also the 55.000 Euro paid by ICAR Italy to SERVICE-ICAR Srl.

11. Deferred income

This is the amount for invoices paid for ID and RD but deferred to 2021 as the cost was not yet received.

Identification:	income: 44.705 Euro	cost: 29.005 Euro
Recording devices:	income: 19.332 Euro	cost: 14.871 Euro

Reserves

Cash Position December 31st, 2020 = €367.663

Total reserves: 7,1* months (policy target of 12 months)

Liquid reserves: 7,1 months equivalent (policy target of 12 months)

Based on ICAR Annual Operating Costs as budgeted for 2021 of €624.200

** This is calculated by taking the total operating costs to run ICAR in 2021, not including testing costs (€986.050-€361.850) = €624.200. The Reserve then is how many months could we operate with cash of €367.663.
 $367/624 = 0,59$ then $12 \text{ months} \times 0,59 = 7,1 \text{ months}$*

Appendix 1

BUSINESS / CERTIFICATION SERVICES QUARTERLY BUDGET 2020

	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	Q4 Budget 2020 (Year end)	Diff. Vs. budget Q4 (Year end)
REVENUES												
Labels	9.350	8.750	600	17.860	17.500	360	27.460	26.250	1.210	36.360	35.000	1.360
CoQ	1.500	0	1.500	2.450	15.000	-12.550	5.700	22.500	-16.800	22.515	30.000	-7.485
Identification	37.310	82.500	-45.190	118.558	165.000	-46.442	167.365	247.500	-80.135	307.553	330.000	-22.447
Recording Devices	2.000	15.000	-13.000	122.226	30.000	92.226	122.226	45.000	77.226	124.766	60.000	64.766
Data Interpretation Centres-GenoEx PSE	1.200	900	300	1.800	5.000	-3.200	2.700	5.000	-2.300	11.400	10.000	1.400
Milk PT	0	0	0	27.618	32.500	-4.882	27.618	32.500	-4.882	52.741	65.000	-12.259
Milk Analysers	0	0	0	50.000	0	50.000	50.000	65.740	-15.740	50.000	65.740	-15.740
InterBeef	0	0	0	0	0	0	0	0	0	110.047	114.514	-4.467
<i>Sales income</i>	<i>51.360</i>	<i>107.150</i>	<i>-55.790</i>	<i>340.512</i>	<i>265.000</i>	<i>75.512</i>	<i>403.069</i>	<i>444.490</i>	<i>-41.421</i>	<i>715.382</i>	<i>710.254</i>	<i>5.128</i>
EXPENSES												
Labels	2.644	2.500	144	3.918	5.000	-1.082	8.068	7.500	568	8.902	10.000	-1.098
CoQ	0	2.500	-2.500	125	5.000	-4.875	125	7.500	-7.375	575	10.000	-9.425
Identification	24.850	43.750	-18.900	64.648	87.500	-22.852	80.495	131.250	-50.755	174.818	175.000	-182
Recording Devices	0	10.500	-10.500	101.169	21.000	80.169	101.169	31.500	69.669	101.169	42.000	59.169
Milk PT	0	0	0	13.746	15.000	-1.254	15.895	15.000	895	30.895	30.000	895
Milk Analysers	0	0	0	21.783	0	21.783	21.783	42.719	-20.936	21.783	42.719	-20.936
InterBeef	0	0	0	0	0	0	0	0	0	103.000	100.000	3.000
<i>Contract services</i>	<i>27.494</i>	<i>59.250</i>	<i>-31.756</i>	<i>205.389</i>	<i>133.500</i>	<i>71.889</i>	<i>227.535</i>	<i>235.469</i>	<i>-7.934</i>	<i>441.142</i>	<i>409.719</i>	<i>31.423</i>
NET INCOME (LOSS)	23.866	47.900	-24.034	135.123	131.500	3.623	175.534	209.021	-33.487	274.240	300.535	-26.295

