THE GLOBAL STANDARD
FOR LIVESTOCK DATA

MANAGEMENT REPORT

International Committee for Animal Recording (ICAR)
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The Netherlands

I. For the period Year End 2023

II. Other financial reports

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Prepared on 18th January 2024

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I. Period of Year End 2023

01. Introduction

This report 2023 presents the YTD December and Preliminary results 2023 figures for both income and expenses related to membership and services for 2023.

It also provides a comparison with the year 2022, along with the budget and preliminary year end 2023.

02. Profit and Loss Year -2023 vs 2022, Budget 2023 and Projection Year End 2023

Profit and loss in €	YTD December 2023 Actual	Year End 2023 Budget	Year End versus Budget	Year End 2022 Actual	Year End versus 2022	Preliminary Year end 2023
INCOME						
Membership fees	331.650	330.750	900	329.250	2.400	331.650
Business / certification services	815.873	737.000	78.873	689.329	126.544	815.873
LOC	10.000	10.000	0	10.000	0	10.000
EU Smarter project reimbursement				70.607	-70.607	
TOTAL INCOME	**1.157.523**	**1.077.750**	**79.773**	**1.099.186**	**58.337**	**1.157.523**
EXPENSES						
Special projects	67.719	50.000	17.719	60.000	7.719	67.719
Contracted testing and certification services	514.617	454.760	59.857	405.408	109.209	514.617
Wages, taxes, social security and TFR to be paid	558.577	480.000	78.577	487.762	70.815	558.577
Office costs	28.300	30.000	-1.700	27.443	856	28.300
Travel	80.640	47.800	32.840	53.774	26.866	80.640
Administration (account, legal, audit, IT)	57.430	60.000	-2.570	62.292	-4.861	57.430
TOTAL EXPENSES	**1.307.281**	**1.122.559**	**184.721**	**1.096.680**	**210.603**	**1.307.281**
TOTAL OPERATING RESULT (before extraordinary expenses)	**-149.758**	**-44.809**	**-104.948**	**2.506**	**-152.266**	**-149.758**
INCOME						
EU Smarter project reimbursement						**35.703**
EXPENSES						
Extra ordinairy expenses	**-34.831**	**0**	**-34.831**	**0**	**-34.831**	**-34.831**
Total result	**-184.589**	**-44.809**	**-139.779**	**2.506**	**-187.097**	**-148.886**

Notes to Profit and Loss

The analysis of the 2023 year-end results reveals several key insights:

1. **Total Operating Result:**
    - If the 2023 budget had accounted for extraordinary expenses amounting to EUR 34,831, the total budget for the year would have reflected a negative result of EUR 79,641.
    - The preliminary total result for 2023, excluding the Smarter amount of EUR 35,703, stands at EUR 149,759.
    - Anticipated bottom-line results for 2023 are expected to be EUR 148,887. This marks a EUR 69K difference from the budget, which is deemed relatively commendable given the perception of 2023 as an investment and transition year.

In summary, the 2023 year-end results highlight both challenges and positive developments.
Despite the discrepancy between the budget and the actual results, the performance is viewed as commendable, especially considering the transitional nature of the year.
Additionally, while membership retention remained steady, the focus on ID services in the last quarter contributed to increased activity, albeit with associated higher costs.

Income

Membership fees

Total amount registered at the end of 2023 regarding membership fees is EUR 331K which is below budget by EUR 20K. 94% of the total membership fees have been received.

Business/Certification services

Total income from certification services at the end of 2023 for which relevant fees have been paid.

Expenses

Special projects

ICAR has undertaken several special projects with the goal of fostering membership growth and increasing awareness of ICAR within the next two years.

To achieve this, a comprehensive review of tools and procedures was deemed essential, supported by the ongoing accreditation project.

Additionally, emphasis was placed on advancing the development and implementation of key projects, including Wiki, AMS Summit, revision of the ICAR Website structure, CRM.

The reinforcement of the ICAR Team through collaboration with external consultants, who are experts in this domain, was identified as a crucial aspect of this initiative.

Contracted testing and certification services

Expenses paid to the laboratories for the certification tests done.

Other expenses

- Employees and contracted services.
    - The costs for salaries and social charges for personnel employed by ICAR as well as for engaging external consultant personnel and services to support ICAR in its operations.
    - Please note that the YTD December 2023 shows the full results of the two CE payments that mainly happened during June, July, and August.

- Travel
    - Staff meeting – Rome - July 2023
    - Onsite visits as per the handover plan proposed by Martin Burke – July / Interbull meeting Lyon - August
    - Other trips related to the Chairs Committees and working groups (Rene)
    - Face to face Staff meeting – Utrecht – October
    - Face to face Board meeting – October

- Special projects
    - Website / dashboard
    - LinkedIn training
    - ISO Accreditation investigation
    - Trademark and legal agreement investigation
    - Wiki
    - AMS summit
    - Exact Online migration
    - Extra hours Consultants

- Other extraordinary expenses
    - Recruitment and legal costs related.

Note:

EU Smarter Project

ICAR participated in the EU Smarter Project, which was completed in June 2023. ICAR has claimed an amount of EUR 35.703. At the end of 2023 the settlement will be administered, which will have an impact on gross wages, external staff, housing, and travel costs.

External staff costs	€ 6.912,20
Gross Wages	€ 13.047,20
Travel costs	€ 8.875,60
Office rental	€ 6.868,70

Reserves

Total Cash Position December 31st, 2023 = € 262.819,22

Total reserves: 4,68* months (policy target of 12 months)
Liquid reserves: 4,68 months equivalent (policy target of 12 months)
Based on ICAR Annual Operating Costs as budgeted for 2023 of € 667.800

** This is calculated by taking the total operating costs to run ICAR in 2023, not including testing costs (€1.1221150-€454.760) = €667.800. The Reserve then equates to how may months we could operate with cash of € 262.819*
262/667 = 0,39 then 12 months x 0,39 = 4,68 months

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03. Balance Sheet

Closing Balance per YTD December 2023	
ASSETS	
Accounts receivable	152.953
Rabobank	265.844
BNL - Italy	18.303
TOTAL ASSETS	**437.100**
LIABILITIES	
Reserve	350.385
Loss YTD November 2023	-184.589
Accounts payable	68.660
Deferred income	199.411
VAT	3.234
TOTAL LIABILITIES	**437.100**

Notes to Balance Sheet

Assets

Accounts receivable

Outstanding membership fees and invoices still open.

Cash

Total cash in hand and in the bank accounts at Rabobank and BNL in Italy.

Liabilities

Capital Reserve

In December 2023 we have a reserve of 352.385 Euro.

Operating loss

Total loss from 2023 184.589 Euro.

Accounts Payable

Total amount due for invoices issued in 2023 to be paid in 2023, salaries for staff and consultants and social charges.

Deferred income

Contracted services invoiced but not finalized in 2023 for which we do not have the relevant costs yet to be received.

ID tests	income: 123.273 Euro	costs: 76.228 Euro
RD tests	income: 76.138 Euro	costs: 57.021 Euro

Comment on the deferred income:
- The final quarter of 2023 witnessed a surge in activities related to ID services.
- This increase can be attributed to a more robust follow-up on this activity during the last quarter 2023 and the willingness of participating companies to utilize the remaining budget allocated to this service in 2023.
- Bottom line, 2023 performed better by EUR 90K in comparison to 2022 in terms of deferred income.

II. Other financial reports

Appendix 1: Income Breakdown by Activities

Year 2023 (All figures in Euro) - YTD December 2023

31st December 2023	Labels	CoQ	ID	RSD	Milk PT	InterBeef	Acc. DNA Data Centres	Total
Income	28.440	44.660	434.570	76.051	81.560	134.892	15.700	**815.873**
Cost	6.858	11.188	263.491	53.421	53.268	134.891	0	**523.117**
Actual Gross Margin	21.582	33.472	171.079	22.630	28.292	1	15.700	**292.756**
% Gross Margin	76%	75%	39%	30%	35%	0%	100%	**36%**

Year End 2022 (All figures in Euro) - YTD December 2022

31st December 2022	Labels	CoQ	ID	RSD	Milk PT	InterBeef	Acc. DNA Data Centres	Total
Income	52.580	30.735	365.998	36.667	72.888	125.661	4.800	**689.329**
Cost	11.709	8.603	185.305	25.695	51.435	121.660	0	**404.408**
Actual Gross Margin	40.871	22.132	180.693	10.972	21.453	4.001	4.800	**284.922**
% Gross Margin	78%	72%	49%	30%	29%	3%	100%	**41%**

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Appendix 2: Outstanding membership fees

Invoice	Status	Date	Debtor	Name	Country	Topic	Amount
2023259	Open	09-05-23	20137	ASOCIACION CRIADORES DE HOLANDO ARGENTINO	Argentina	Membership 2023	2.600
2023174	Open	27-03-23	20139	SODEPA	Cameroon	Membership 2023	1.000
2023166	Open	27-03-23	20130	Cattle Breeders' Association of Turkey	Turkey	Membership 2023	4.800
2023160	Open	27-03-23	20144	CABROP	Pakistan	Membership 2023	1.750
2023158	Open	27-03-23	20074	Associacion Holstein Mexico AC	Mexico	Membership 2023	1.800
2023153	Open	27-03-23	20051	Shanghai Dairy Breeding Centre Co.Ltd.	China	Membership 2023	2.250
2023151	Open	27-03-23	20083	Association Baltata Romaneasca Simmental	Romania	Membership 2023	3.900
2023041	Open	10-01-23	20039	Page&Pedersen Inc.	USA	Membership 2023	1.000
2023004	Open	10-01-23	20148	Pupz do Brasil	Brasil	Membership 2023	1.000
2023476	Open	29-12-23	20170	TYR	Norway	Membership 2023	1.000
							21.100

01. Forecast till end of the year 2023 and January – April 2024

	YTD November 2023	Q4 Forecast Dec. 2023	Q4 Budget 2023 year end)	Diff. Vs. budget Q4 (Year end)	Forecast January 2024	Forecast February 2024 (cummulated)	Forecast March 2024 (cummulated)	Forecast April 2024 (cummulated)	Budget 2024 internal
REVENUES									
Labels	26.940	26.440	50.000	-23.560	0	5.000	5.500	5.500	54.000
CoQ	38.325	27.690	35.000	-7.310	9.975	9.975	25.895	37.715	41.000
Identification	363.317	410.046	380.000	30.046	41.152	41.152	41.152	41.152	402.773
Recording Devices	56.851	74.551	70.000	4.551	0	0	15.548	38.598	83.000
Data Interpretation Centres-GenoEx PSE /Genetic laboratories accredited by STR and SNP	14.700	14.800	12.000	2.800					10.000
Milk PT	81.560	80.694	70.000	10.694	0	0	0	0	76.000
InterBeef	128.559	128.559	120.000	8.559	0	0	0	0	133.227
Sales income	*710.252*	*762.780*	*737.000*	*25.780*	*51.127*	*56.127*	*88.095*	*122.965*	*800.000*
EXPENSES									
Labels	6.858	6.831	12.500	-5.669	0	1.000	1.260	1.260	19.500
CoQ	8.034	6.368	10.500	-4.132	3.225	3.225	7.425	10.225	16.338
Identification	215.388	271.332	220.000	51.332	30.026	30.026	30.026	30.026	140.773
Recording Devices	39.362	53.422	52.000	1.422	0	0	11.690	29.021	58.500
Data Interpretation Centres-GenoEx PSE /Genetic laboratories accredited by STR and SNP	0	0	0	0					0
Milk PT	53.268	51.894	39.760	12.134	0	0	0	22.870	45.740
InterBeef	128.558	128.558	120.000	8.558	0	0	0	0	130.000
Contract services	451.468	389.847	454.760	63.645	33.251		50.401		410.851
NET INCOME (LOSS)	**258.784**	**372.933**	**282.240**	**-37.865**	**17.876**	**56.127**	**37.694**	**122.965**	**389.149**

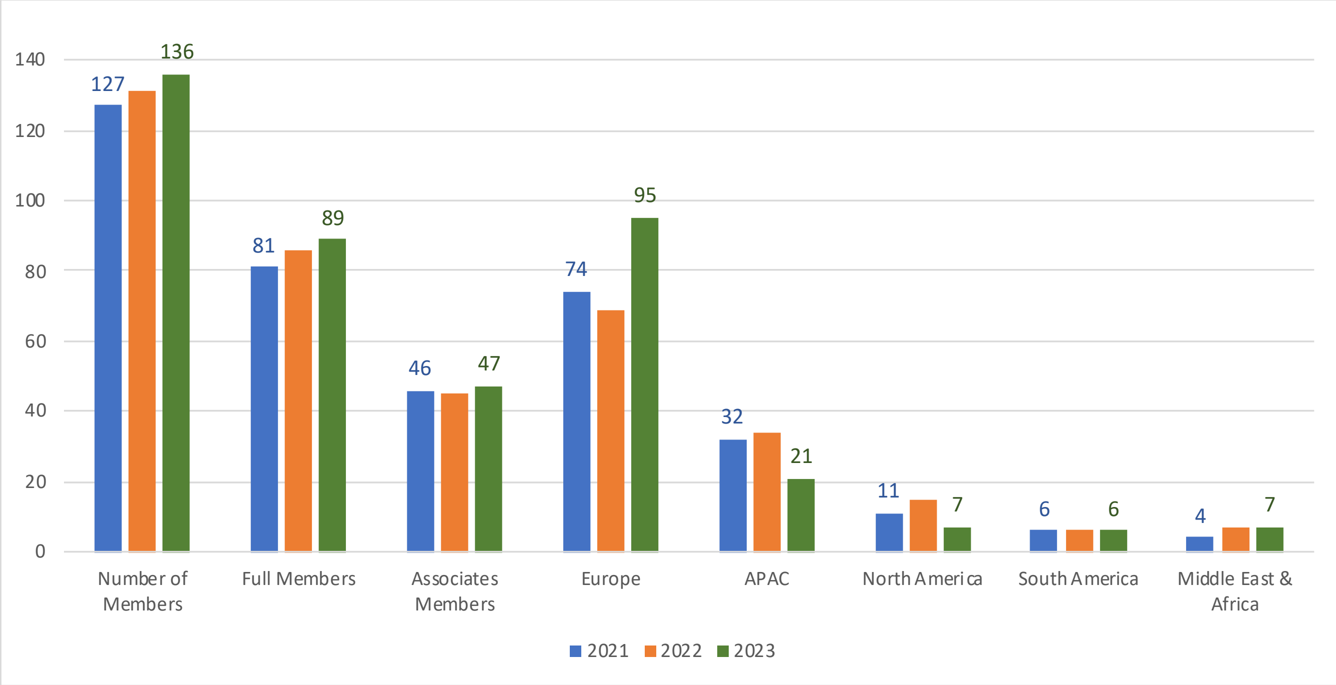
Notes to forecast end of the year 2023 and January – April 2024 – Budget 2024

The projection year end and budget 2024 are in line with the expectations already identified based on the Q4FY2023 close.

Next update will be done as soon as the results of the year end 2023 is officially closed (end of January 2024).

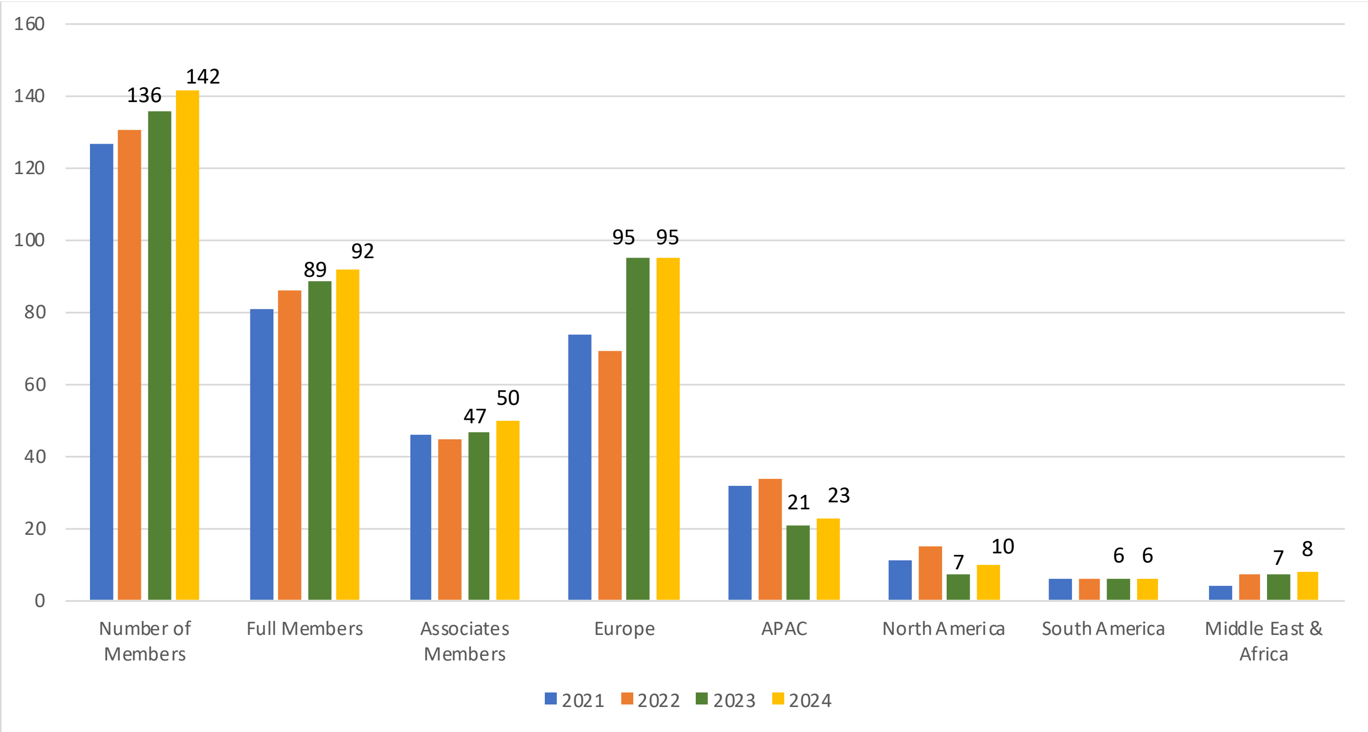
III. Membership analysis 2023 and objectives 2024

01. YEAR OVER YEAR ICAR MEMBERSHIP COMPARISON 2021 | 2022 | 2023 (as of Dec 31, 2023)



- Overall, ICAR membership continued to progress year over year in terms of number of Full members and Associates members.
- The membership retention remained steady during all year 2023.
- The trend of membership decreasing in certain regions should be considered as the main objective for 2024 to reach the same level of members as per the past years, especially in APAC, North America.

02. ICAR MEMBERSHIP OBJECTIVES 2024



The primary objectives for 2024 are as follows:

1. Sustain consistent Year-over-Year growth.
2. Prioritize attention on regions that have experienced a decline or showed no movement in the last three years.
3. Encourage every member of the ICAR Secretariat to recruit at least one new member in 2024 and actively motivate existing members to remain engaged within our community.