

Management Report

International Committee for Animal Recording ICAR
For the period 1st January – 30th June, 2019



THE GLOBAL STANDARD
FOR LIVESTOCK DATA

Prepared on
July 15, 2019

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Profit and Loss

January - June 2019

| | As at June 30th | | | Versus Budget | | Versus Prior Year | |
|---|-----------------|----------------|-----------------|----------------|------------|-------------------|-----------|
| | Actual 2019 | Budget 2019 | Actual 2018 | Euro | % | Euro | % |
| REVENUES | | | | | | | |
| Member fees | 153.000 | 161.440 | 133.000 | (8.440) | (5) | 20.000 | 15 |
| Special projects | 0 | 0 | 4.251 | 0 | | (4.251) | (100) |
| TOTAL REVENUES | 153.000 | 161.440 | 137.251 | (8.440) | (5) | 15.749 | 11 |
| EXPENSES | | | | | | | |
| Employee related expenses | 93.734 | 100.000 | 90.641 | (6.266) | (6) | 3.093 | 3 |
| Travel | 12.585 | 20.000 | 20.508 | (7.415) | (37) | (7.923) | (39) |
| Office (rental and supplies) | 9.392 | 6.000 | 6.898 | 3.392 | 57 | 2.495 | 36 |
| Administrative services (accounts, legal, bank, audit...) | 30.991 | 10.000 | 28.095 | 20.991 | 210 | 2.896 | 10 |
| Special project expenses | 10.044 | 30.000 | 4.996 | (19.956) | (67) | 5.049 | 101 |
| TOTAL OPERATING COSTS | 156.746 | 166.000 | 151.137 | (9.254) | (6) | 5.609 | 4 |
| OPERATING PROFIT/ (LOSS) | (3.746) | (4.560) | (13.886) | 814 | | 10.139 | |
| Investment income (expense) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NET PROFIT (LOSS) | (3.746) | (4.560) | (13.886) | 814 | | 10.139 | |

Notes to Profit and Loss

As of June 30, 2019

REVENUES

1. Membership fees

Total amount received from membership fees in this period.

2. Special projects and other income

Nil.

EXPENSES

3. Contracted consultant costs

Expenses related to the management and administration including the Chief Executive and other consultants for an amount of 32.758 Euro, and contracted services paid to SERVICE-ICAR Srl for an amount of 60.976 Euro.

4. Travel

Total cost for travel, accommodation and meals of the office, Board, Groups and General Assembly.

5. Office

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

6. Administrative services

Cost for outsourcing services (accounting, legal, bank expenses, etc.), including 26.804 Euro for extra legal fees.

7. Special projects expenses

These are the special projects budgeted in 2019:

1. Recording Devices Projects/Test Lab S/W upgrades (€14k).
2. CDN Parentage Discovery S/W (€6k).
3. Transfer of the seat (€30k).

In this period there is 1.269 Euro expenses are related to special project 1, and 8.776 Euro to special project 3.

Balance Sheet

As of June 30, 2019

| | | | Year over Year (2019 vs. 2018) | |
|---------------------------------------|----------------------|----------------------|-----------------------------------|------------|
| | Actual 30/06/2019 | Actual 30/06/2018 | Euro | % |
| ASSETS | | | | |
| Cash | 479.286 | 471.912 | 7.374 | 2 |
| Member Fees receivable | 18.500 | 9.350 | 9.150 | 98 |
| Other receivables | 0 | 2.862 | (2.862) | (100) |
| Prepayments | 31.633 | 36.149 | (4.516) | (12) |
| TOTAL CURRENT ASSETS | 529.419 | 520.273 | 9.146 | 2 |
| Fixed assets | 0 | 183 | (183) | (100) |
| Financial assets | 11.700 | 11.700 | 0 | 0 |
| TOTAL NON-CURRENT ASSETS | 11.700 | 11.883 | (183) | (2) |
| TOTAL ASSETS | 541.119 | 532.155 | 8.964 | 2 |
| EQUITY AND LIABILITIES | | | | |
| Retained earnings | 420.520 | 401.695 | 18.825 | 5 |
| Operating profit (loss) | (3.746) | (13.886) | 10.140 | (73) |
| MEMBER'S EQUITY | 416.774 | 387.809 | 28.965 | 7 |
| Accounts payable | 3.684 | 10.388 | (6.704) | (65) |
| Deferred income | 120.661 | 133.958 | (13.297) | (10) |
| LIABILITIES | 124.345 | 144.346 | (6.704) | (5) |
| TOTAL LIABILITIES & EQUITY | 541.119 | 532.155 | 8.964 | 2 |

Notes to Balance Sheet

As of March 31, 2019

ASSETS

Current assets

1. Cash

Includes cash on hand and current bank account balances.

2. Member fees receivable

Includes members with maximum two years of arrears (2017 and 2018) in the current financial year (detail in Annex 2).

3. Prepayments

The Association owns the ICAR, Interbull and InterBeef logos. The depreciation of the cost is over 10 years. This is the total amount remains.

Long term assets

4. Fixed assets

Net book value of computers and furniture owned by the Association (cost less depreciation). Nil in 2019.

5. Financial assets

The amount of Euro 10.400 represents the share of capital in the business company "SERVICE-ICAR S.r.l." owned by the Association. The amount is unchanged since the creation of SERVICE-ICAR Srl in 2001.

In addition, there is the deposit with ExecutiveOffice for an amount of Euro 1.300 for the rent of one room.

EQUITIES AND LIABILITIES

Current liabilities

6. Accounts payable

Invoices related to QTR2 of 2019 business activities but to be paid in July 2019 (e.g. consultants and operational expenses).

7. Deferred income

Membership fees 2019 already paid but deferred to the next QTR.

Reserves

Cash Position June 30th, 2019 = €479.286

Total reserves: 17.4 months (policy target of 6 months)

Liquid reserves: 17.4 months equivalent (policy target of 6 months)

Based on ICAR Annual Operating Costs as budgeted for 2019 of €330.000

Appendix 1

Follow-up budget by QTRs

| | 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 | 57.982 | 75.000 | (17.018) | 153.000 | 161.440 | (8.440) | | 242.155 | | | 322.875 | |
| Special projects | 0 | 0 | 0 | 0 | 0 | 0 | | 10.000 | | | 10.000 | |
| TOTAL REVENUES | 57.982 | 75.000 | (17.018) | 153.000 | 161.440 | (8.440) | 0 | 252.155 | | 0 | 332.875 | |
| EXPENSES | | | | | | | | | | | | |
| Employees and related expenses | 50.143 | 50.000 | 143 | 93.734 | 100.000 | (6.266) | | 150.000 | | | 200.000 | |
| Travel | 3.167 | 7.000 | (3.833) | 12.585 | 20.000 | (7.415) | | 30.000 | | | 35.000 | |
| Office costs | 3.803 | 3.000 | 803 | 9.392 | 6.000 | 3.392 | | 10.000 | | | 15.000 | |
| Administrative services (accounting, legal, audit, bank...) | 8.925 | 2.000 | 6.925 | 30.991 | 10.000 | 20.991 | | 15.000 | | | 20.000 | |
| Special project expenses | 133 | 15.000 | (14.867) | 10.044 | 30.000 | (19.956) | | 45.000 | | | 60.000 | |
| TOTAL OPERATING COSTS | 66.171 | 77.000 | (10.829) | 156.746 | 166.000 | (9.254) | 0 | 250.000 | | 0 | 330.000 | |
| OPERATING PROFIT / (LOSS) | | | | | | | | | | | | |
| NET PROFIT / (LOSS) | (8.189) | (2.000) | (6.189) | (3.746) | (4.560) | 814 | 0 | 2.155 | | 0 | 2.875 | |

Appendix 2

Outstanding fees 2017 and 2018

| | 2017 | 2018 |
|---------------------------|-------------|-------------|
| EMBRAPA, Brazil | 1.650 | 1.650 |
| Ministry Agric., Portugal | 5.250 | 4.100 |
| ACHA, Argentina | | 4.400 |
| Res.Institute, Russia | | 1.450 |

TOTAL FEES RECEIVABLE for 2017 and 2018: 18.500 Euro

Note: The outstanding fees from EMBRAPA (Brazil) and the Research Institute (Russia) are considered as a risk.