

Interbull Centre Financial Report

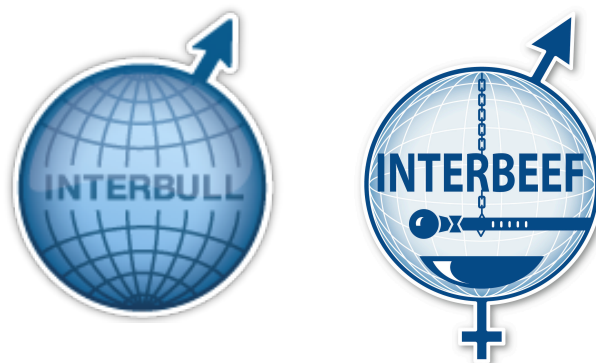


2022

INTERBULL CENTRE FINANCIAL REPORT 2022

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inter  **genomics**

GEN  **EX**
International Genotype Exchange Platform



INTERBULL CENTRE FINANCIAL REPORT 2022

Introduction

The complete Interbull Centre Financial Report 2022 can be found in this document. A description of the activities that these are related to can be found in the “*Interbull Centre Activity Report 2022*”.

The Interbull Centre Financial Report 2022 includes final accounts for 2021 and 2022 and the budget for 2023:

- The accounts have been audited within the normal procedures for the Swedish University of Agricultural Sciences (SLU).
- Layouts, tables and budget items are the same as used since 2020.

Financial Report Tables

The financial situation of the Interbull Centre is presented in the following Tables:

- Table I: Interbull (Dairy) Finances; Finances related to Dairy Services, GenoEx, other ICAR related activities (excluding Interbeef) and European Union Reference Centre (EURC).
- Table II: Interbeef Finances; Finances related to the Interbeef Service
- Table III: Interbull Centre - Overall Finances; A consolidation of Tables I and II.

Notes for all Tables

- Tables are reported in Euro (€).
- SLU bank account and Interbull Centre operate in Swedish Crowns (SEK), which may lead to exchange rate differences in reporting.
- Exchange rates used are provided with each table. The exchange rate used are based on the following:
 - 2021 (Actual); average exchange rate during 2021: 10.14 SEK:€
 - 2022 (Budget); exchange rate on 12 October 2021: 10.1 SEK:€.
 - 2022 (Actual); average exchange rate during 2022: 10.6 SEK:€
 - 2023 (Budget); average exchange rate during 2022: 10.6 SEK:€

Income

Service Fee Income:

- The methodologies for the calculation of **Interbull Service Fees** are detailed in chapter 10 of the Interbull Code of Practice: https://interbull.org/ib/cop_chap10.
- The **service fee models** (for Interbull, Interbeef and GenoEx) have not changed.
- In line with the Interbull policy, the Interbull Steering Committee reviews the service fee levels annually, the **service fee level** increase for services provided by the Interbull Centre were 2% in 2021 and 3% in 2022. The increase in service fee level for 2023 has been set at 3%.
- **Invoices** for the delivery of all expected services in 2022 were sent in May and June 2022. In December 2022, supplementary invoices were issued for the delivery of services that were requested after May.

Grants:

- The **EURC Grant** is set, and paid, by the European Commission (EC) according to its rules, regulations and overall budget for all EURCs. Due to delays in preparation of a new model of grant agreements, the Interbull Centre received the grant agreement for 2021-2022 in April 2022, being retroactive to 1 January 2021. The maximum grant for the Interbull Centre for 2021-2022 was € 334 308,42.

- The Interbull Centre is situated within the Department of Animal Breeding and Genetics of the Swedish University of Agricultural Sciences (SLU). In line with university and department policies “**SLU Grants**” may be provided to the Interbull Centre at various time and to varying levels.

Other income includes:

- Currency exchange differences between invoicing and receipt of payments.

Costs

- “Salary and associated costs” are the biggest drivers of costs at the Interbull Centre.
- “Support Functions and Overheads” relates to costs incurred by Interbull Centre through internal SLU recharges, including overhead/indirect costs, but also Finance, HR Administration, and IT support staff.
- Both “Office Rent” and “Support Functions and Overhead” are calculated and charged as a percentage of “Salary and social costs” and vary from year to year.
- “Travel, conference, training” includes transport, accommodation, conference fees, training costs, travel allowance.
- “Bought services” includes consultancy and license fees.
- “Running/Other costs” relates to all other cost including office supplies, medical expenses, expenses with people not employed by SLU, etc.



Table I: Interbull (Dairy) Finances

Finances related to Dairy Services, GenoEx, other ICAR related activities (excluding Interbeef) and EURC (Values in €).

	2021 Actual	Budget	2022 Actual	Variance	2023 Budget
Income					
Service fees*	941 340	939 442	955 636	16 194	988 183
SLU grants	29 586	29 703	28 302	- 1 401	28 302
Grants (EU)	150 000	150 000	184 308	34 308	167 154
Other income*	9 615	-	12 320	12 320	-
Total income	1 130 541	1 119 145	1 180 566	61 421	1 183 639
Costs					
Salaries incl social costs	601 013	655 099	603 725	- 51 374	627 010
Other staff costs	5 297	4 950	8 633	3 683	14 638
Office Rent	73 226	85 163	79 058	- 6 105	88 033
Overhead and support	248 022	268 590	261 884	- 6 706	268 925
Bought services (incl consultancy)	87 971	60 000	52 591	- 7 409	74 633
Travel	132	24 852	16 071	- 8 781	17 736
IT-hardware	46 682	54 538	41 088	- 13 450	35 906
Running costs	14 194	9 882	5 084	- 4 798	11 515
Total costs	1 076 537	1 163 074	1 068 133	- 94 941	1 188 396
Net results (income-costs)	54 004	- 43 929	112 432		- 4 757
Accumulated Balance	425 448	381 519	537 880		533 123
Exchange rate (SEK:€)	10.14	10.1	10.6	10.6	10.6

+ Other income: Exchange rate difference between invoice and payment received.

	2021 Actual	Budget	2022 Actual	Variance	2023 Budget
* Service Fees:					
Interbull Services	846 588	870 442	886 015	15 573	915 470
InterGenomics	59 203	59 000	60 595	1 595	62 413
GenoEx	8 747	10 000	9 025	- 975	10 300

Interbull (Dairy); Results 2022

Income:

Service Fee Income:

- Difference between budget and actual service fee and other income is mainly due to variations in exchange rates.

EU Reference Centre:

- The (maximum) value of the two-year EURC Grant for the period 2021-2022 was anticipated to be € 300 000. €150 000 of the grant has been allocated to 2021. During 2022, the Interbull Centre was informed that the maximum grant value for 2021-2022 was € 334 308.42. The remainder of the grant (€ 184 308.42) has been included in 2022.

Costs:

Salaries and associated costs

- The Interbull Centre had a vacancy for a total duration of 4 months in 2022.

'Office Rent' and 'Support functions and Overhead'

- Costs for 'Office Rent' and 'Support functions and Overhead' were reduced as a result of the reduction in staff costs.

Travel, Conference and training:

- In 2020 and 2021 travel was severely restricted due to the Covid-19 pandemic. During 2022, Interbull Centre staff was able to participate in face-to-face meetings again, including WCGALP (Rotterdam, The Netherlands) and the Interbull-ICAR Annual Meeting (Montreal, Canada). Online activities (including attendance of meetings and training) also took place during 2022.

Hardware and depreciations

- Hardware purchase and depreciation costs for the Interbull Centre infrastructure were lower than budget, due to a number of items having been depreciated during the year, and budgeted items purchased towards the end of 2022 (for which depreciation costs will mainly be seen from 2023).

Bought Services (incl. Consultancy):

The total costs for bought services were slightly under budget.

- SNPMace feasibility study.
- Evaluation software development.
- Auditor and certification fees (ISO9001).
- Governance Review.
- Human Resources and Training.
- Licence Fees.

Interbull (Dairy); Budget 2023

Income:

Service Fee Income:

- **Interbull Dairy Service Fee Income** for 2023 as compared to 2022 is a result of:
 - An increase in the Service Fee Level of 3% in comparison to 2022 for all Interbull Dairy services and GenoEx-PSE.
 - No income through new services or additional participation in current services.

Grants:

SLU Grant:

- Level of 'regular' SLU Grant is 300 000 SEK for 2023.

EURC Grant:

- The 2023-2024 EURC Grant has been budgeted at the same level as for 2021-2022: €334 308.42 for a two-year period, divided equally over 2023 and 2024 into €167 154.21 each year.

Other income:

- None foreseen.

Costs:

Salaries and associated costs:

- Salaries are included for activities for Interbull Centre. Interbull Centre staff also performs activities for HGEN and EU projects: These are only not included in the Interbull Centre Budget (and during 2023 not many of such activities are foreseen).
- The 2023 budget includes 10 FTE staff working on Interbull Centre activities (including Interbull, Interbeef and GenoEx services and applied R&D, and EU Reference Centre activities).
- Interbull activities are described in the "Interbull Centre Annual Operating Plan 2023" (AOP2023).

'Office Rent' and 'Support functions and Overhead':

- The following charges are in place, calculated as percentage of salary and social costs:

- Expected rate for “Office rent” is 14.04% in 2023 (12.14% in 2022).
- Expected rate for “Support Functions and Overhead” is 42.89% in 2023 (42.4 % in 2021).

Running costs include:

- Consumables, representation (hosting of visitors and meeting), and other running costs.

Travel, Conference and training:

- Both online and in-person attendance of meetings, and training is anticipated in 2023, including attendance at the ICAR Annual Meeting (Toledo, Spain) and Interbull Annual Meeting (Lyon, France).

Hardware and depreciations:

- Hardware purchase and depreciation costs for the Interbull Centre are scheduled to similar to 2023.

Bought Services (incl. Consultancy) include:

- Evaluation software development.
- SNPMace implementation
- Auditor and certification fees (ISO9001).
- Human Resources and Training.
- Marketing, Branding and Governance.
- Web services.
- Licence Fees.



Table II: Interbeef Finances

Finances related to the Interbeef Services (Values in €).

Income	2021		2022		2023
	Actual	Budget	Actual	Variance	Budget
Service fees	128 314	125 000	121 707	- 3 293	125 310
Other income +	167	-	1 184	1 184	-
Total income	128 481	125 000	122 890	- 2 110	125 310
Costs					
Salaries incl social costs	76 267	76 901	60 921	- 15 980	76 214
Other staff costs	588	550	54	- 496	849
Office Rent	9 259	9 997	7 978	- 2 019	10 700
Overhead and support	31 727	31 530	26 426	- 5 104	32 688
Bought services (incl consultancy)	-	-	2 336	2 336	-
Travel	-	2 376	211	- 2 165	3 962
IT-hardware and depreciation	345	1 407	2 503	1 096	2 990
Running/ Other costs	1 577	1 098	184	- 914	721
Total costs	119 763	123 859	100 612	- 23 247	128 124
Net results (income-costs)	8 718	1 141	22 279		2 814
Accumulated Balance	- 82 503	- 81 362	- 60 224		- 63 038
Exchange rate (SEK:€)	10.14	10.1	10.6	10.6	10.6

+ Other income: Exchange rate difference between invoice and payment received.

Interbeef; Results 2022

A net result of €22 279 has reduced the Interbeef deficit to €60K.

Income (Service Fee Income):

- The Interbeef Service Fee is paid to the Interbull Centre by ICAR for the International Beef Evaluations.
- The total Interbeef service fee income in 2022 was lower than budget, mainly due to withdrawal of S. Africa.

Costs:

- Staff time for beef activities has been lower than originally budgeted and expected. This is due to 1) departure of staff, and 2) additional inclusion of beef activities in the EURC Grant income.

Interbeef; Budget 2023

Service Fee Income:

- **Interbeef** Service Fee Income for 2023 as compared to 2022 is a result of:
 - An increase in the Service Fee Level of 3% in comparison to 2022 for the Interbeef services.
 - Modest additional data and participation in current services.
 - No income has been budgeted for additional countries or traits in 2023:
 - TYR of Norway has joined the Interbeef Service, with the organisation expected to join the Interbeef Test evaluation in October 2023, and the first Routine Evaluation in January 2024.
 - An additional trait group (Carcass traits) is in its final research phase, but no final decision on implementation has taken place.

Costs:

- Interbeef staff time and activities are scheduled in line with the service fee income, while also taking account of priorities and activities identified by the Interbeef WG; Interbeef activities are described in the "AOP 2023".
- Travel includes costs for attendance at the ICAR Annual Meeting and Interbeef WG meetings in Toledo.
- Plans for the implementation of an International Genomic Beef evaluation are under development. A decision on implementation of these plans is expected in the first half of 2023; approval and implementation of such plans would increase activities at the Interbull Centre and collaborators in 2023. Additional funding (also included in the planning) would be required to enable the implementation.

Table III: Interbull Centre – Overall Finances

A consolidation of Tables I and II.

Table III provides a consolidation of the information in Tables I and II, with the Interbull Centre Finances related to Dairy and Beef Services, GenoEx, EURC and other ICAR-related activities (**Values in €**).

	2021 Actual	Budget	2022 Actual	Variance	2023 Budget
Income					
Service fees	1 069 654	1 064 442	1 077 343	12 901	1 113 493
SLU grants	29 586	29 703	28 302	- 1 401	28 302
Grants (EU)	150 000	150 000	184 308	34 308	167 154
Other income ⁺	9 781	-	13 504	13 504	-
Total income	1 259 021	1 244 145	1 303 456	59 311	1 308 949
Costs					
Salaries incl social costs	677 280	732 000	664 645	- 67 355	703 224
Other staff costs	5 885	5 500	8 687	3 187	15 487
Office Rent	82 485	95 160	87 035	- 8 125	98 733
Overhead and support	279 749	300 120	288 310	- 11 810	301 613
Bought services (incl consultancy)	87 971	60 000	54 927	- 5 073	124 633
Travel	132	27 228	16 282	- 10 946	21 698
IT-hardware and depreciation	47 027	55 945	43 591	- 12 354	38 896
Running/Other costs	15 771	10 980	5 268	- 5 712	12 236
Total costs	1 196 300	1 286 933	1 168 745	- 118 188	1 316 520
Net results (income-costs)	62 721	- 42 788	134 711		- 7 571
Accumulated Balance	342 946	300 158	477 657		470 086
Exchange rate (SEK:€)	10.14	10.1	10.6	10.6	10.6

+ Other income: Exchange rate difference between invoice and payment received.

All planned activities are described in the “*Interbull Centre Annual Operating Plan 2023*”.

Interbull (dairy) includes:

- All Interbull Services (MACE, GMACE, InterGenomics, TMACE)
- EU Reference Centre
- GenoEx Platform services
- Services for ICAR

Interbeef includes:

- Costs related to providing Interbeef evaluation services and coordination of research for the Interbeef WG.

Interbull Centre; Results 2022

- The net result for 2022 is € 134.7K, compared to a budgeted deficit of € 42.5K.
- Both income and costs are affected by the changes in exchange rates.
- The income from service fees is higher than budget, mainly as a result of exchange rate differences.
- Lower costs were (in addition to exchange rate differences) due to a reduction in staff. One position was vacant during 2022 for 4 months. Salary costs and associated costs were, combined, €87K lower than budget.

Interbull Centre; Budget 2023

- The Service Fee Level has been increased by 3% for all Interbull, Interbeef and GenoEx services.
- A small deficit of €7 571 is foreseen for 2023. The Interbull SC are comfortable with this result in light of the accumulated balance of €470 086, planned employment and foreseen activities in the AOP2023.



INTERBULL CENTRE

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The
Interbull Centre:

- is the operational unit of the ICAR permanent sub-committee **Interbull**; and the ICAR Working Group **Interbeef**.
- holds the status of **European Union Reference Centre (EURC)** for Zootechnics (Bovine Breeding);
- is **ISO 9001:2015** certified.