

Interbull Centre Financial Report



2016/2017



INTERBULL CENTRE FINANCIAL REPORT 2016/2017¹

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interGenomics

GENOEX
International Genotype Exchange Platform

¹ A draft version of this report was presented at the 2017 Interbull Meeting, Tallinn, Estonia, August 2017, and was subsequently updated to the current, final version.



INTERBULL CENTRE FINANCIAL REPORT

The complete Interbull Centre financial report 2016/2017 can be found in this document. The budgets and financial reports follow formats adopted in previous years. The accounts have been audited within the normal procedures for the Swedish University of Agricultural Sciences (SLU). The Tables include final accounts for 2016 in comparison with accounts for 2015 and budget for 2018. A prognosis for 2017 is made according to the financial status as of 30 June 2017. All figures are given in Euros.

Comments to accounts and budgets

Activities addressed through this report include Interbull, Interbeef and GenoEx. Although each of these addresses ICAR-related activities, they are managed separately, with distinct work plans and budgets, and therefore specific clarifications are provided separately.

The Interbull Centre budgets and financial report presented here are in draft version until they have been approved by the Interbull Steering Committee, following review during the 2017 Interbull Business Meeting in Tallinn, Estonia.

Financial Report Tables

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

- Table I: Interbull Centre - Overall Finances and Budget (€), August 2017;
- Table II: Interbull Centre - Interbull (Dairy) specific Finances and Budget (€), August 2017;
- Table III: Interbull Centre - Interbeef specific Finances and Budget (€), August 2017;
- Table IV: Interbull Centre - GenoEx specific Finances and Budget (€), August 2017.

Notes for all tables:

- Salary and associated costs are the biggest drivers of costs at the Interbull Centre
- Salary costs drive associated costs such as office rent and overheads. In 2016, office rent at SLU was charged as 17.21% of salary and social costs. University, faculty and departmental charges are also based on salary costs, and totalled to 39% of "Salary and social costs" in 2016. "Salary and social costs" drive associated costs such as "office rent" and University, faculty and departmental "Support Activities". Both are calculated as a % of "Salary and social costs".
- "Support Functions and Overheads" relates to costs incurred by Interbull Centre through internal SLU recharges; these include overhead/indirect costs, but also include salary and associated costs for SLU personnel whose activities can be directly associated with Interbull Centre, but who are employed at the Department for Animal Breeding and Genetics (administrator, IT support staff and publishing of Interbull Bulletin).
- "Other personnel expenses" include travel allowances, expenses with people not employed by SLU, medical expenses, etc.
- EURLZ/EURC Grants:
 - The Interbull Centre holds the status of European Union Reference Laboratory for Zootechnics (96/463/EC: Council Decision of 23 July 1996). This will cease on 31 October 2018.

- The European Commission designated the Interbull Centre as the European Union Reference Centre for the “scientific and technical contribution to the harmonisation and improvement of the methods of performance testing and genetic evaluation of purebred breeding animals of the bovine species”, as of 1 November 2018 (Commission Implementing Regulation (EU) 2017/1422, as published in the Official Journal of the European Union Issue L204/78, 5.8.2017).
- a. The cost items ‘Publications’ and ‘Phone, fax, post’ have declined in recent years, and were consistently listed with amounts less than €1000. Therefore, both items are now included in “Miscellaneous costs”.
- b. Costs for License fees and consultancy were previously included in ‘Outsourced activities’. They are now listed separately.

Accounts for 2016

Income was slightly higher versus budget, but costs were lower than budget, resulting in a positive balance for the year 2016 of €42 267.

- The SEK:€ exchange rate changed from 9.19 on 31 December 2015 to 9.55 on 31 December 2016.

Income:

- Previous years’ fee were paid by some customers;
- The invoices for some of the Interbull Service Users were reduced in order to correct for an invoicing error made in 2015 for these Interbull Service Users.
- The European Union continued its support of the Interbull Centre as the European Reference Lab.
 - The grant for 2015 was €150 000. During 2016, 50% of this amount was paid.
 - The total grant for 2016/2017 is €305 500, of which 30% was paid ‘in advance’ in 2016. During 2017 and 2018 respectively 30% and 40% will be paid (if associated costs are incurred).
- The World Guernsey Cattle Federation continues to be a fervent supporter of Interbull. During 2016, the grant it receives from the States of Guernsey has however been used towards genotyping the Guernsey Island Cattle population, rather than a donation to Interbull.
- SLU’s contribution to the Interbull Centre activities in the area of databases (including GenoEx) is included in 2016 for a sum of €20 000.

Costs:

The main reasons for the increased reserves at the end of 2016 are 10% lower than budgeted costs. These are mainly due to delays in recruitment, and the fact that two members of Interbull Centre worked part time during 2016:

- “Salary and social costs”: As a result of the recruitment of a new Director in September 2015, and a System Administrator in June 2016, the Interbull Centre was fully staffed from June 2016. As a result, “Salary and social costs” were higher than in 2015, and close to budget.
- “Office rental costs” and “University support functions” are calculated as a percentage of “Salary and social costs”. Hence both were – in line with slightly lower than budgeted Salary and social costs – slightly lower than budgeted.

Projected results for 2017

- The income for 2017 is expected to remain close to budget. Despite higher than budgeted “Support costs”, a reduction of costs is foreseen in comparison to the budget presented in

October 2016, thanks to reduced “Salary and social costs” (full staffing was achieved in August 2016) and operational costs (especially reduced “Computer costs”).

- A deficit of €88.5 K Euro had been budgeted for 2017. The projected result for 2017 is a deficit of €104K due to:
 - With the total EURLZ grant for 2016/2017 being €305 500, income of €152 750 was budgeted for 2017. Due to spreading of EU payments over 3 years, only 30% (€93K) of the total grant, with the remainder being paid in 2018.
 - Due to additional work required for the development and implementation of GenoEx-PSE, the GenoEx-PSE costs were higher than budgeted, while also no GenoEx service fees were received.

Income:

- Service Fees: Due to changes in the recording of number of milk-recorded cows at ICAR, the Interbull service fees were during 2014-16 calculated on the basis of the same number of milk-recorded cows in 2013.
- The 2017 Service Fees have been based on the latest number of Milk-recorded cows as provided by ICAR in 2017.
- SLU’s contribution to the Interbull Centre activities in the area of databases (including GenoEx) is included in 2017 for a sum of €20 000.

Costs:

Total costs are expected to increase in comparison to 2016:

- Computer and infrastructure costs are relatively low, as these exist mainly out of inexpensive components, which have been assembled by our expert team to create an integrated network capable of crunching the required data. Additional costs are however expected during 2017 due to the need for a new back up system.
- Since June 2016, the Interbull Centre is at full strength with 9 full members of staff².
- Therefore, even without above mentioned salary costs for departmental staff, the salary costs for 2016 and 2017 are higher than previous years.

Budget for 2018

Income:

For 2018, all income posts for Interbull and Interbeef are expected to stay at similar levels as in 2017, but there are significant changes for GenoEx.

Service Fees:

Interbull:

- Revisions in the fee structure (if any) for **Interbull and InterGenomics** services are not expected to result in a decrease in service fees.
- No additional Interbull Service Users have been budgeted for 2018.
- A successful introduction of InterGenomics-Holstein would generate additional income through service fees, but they have not been budgeted.

² Hossein Jorjani is included in this number, although he also had commitments to SLU’s Department of Animal Breeding and Genetics as the Head of Department until the end of 2016.

Interbeef:

- The **Interbeef** service fee for 2017 has remained at €100 000. Although the service fee level may be reviewed during 2018, for budgeting purposes, it has been assumed that Interbeef will continue with the same level of service fees for 2018.

GenoEx:

- Service-fee based income from **GenoEx-PSE** is budgeted for 2018 at €15 000.
- Although **Genomic Data Exchange** services (**GenoEx-GDE**) are likely to be in place during 2018, no revenues for GenoEx-GDE have been included in the budget.

Grants/other income:

- The EU grant for SLU to serve as the **EU Reference Laboratory** has been assumed for the period of 1 January 2018-31 October 2018.
- The EU grant for SLU to serve as the **EU Reference Centre** from 1 November 2018 has been budgeted at the same level of funding as that of the EURLZ.
- As a result of the genotyping activities in Guernsey, financial support by **WGCF** is not assumed for 2018.
- Continued support by **SLU** is assumed.
- SLU is involved in various collaborative projects. In two of these the Interbull Centre is also involved: **GenTORE** and **ReDiverse**; the finances and budgets for these two projects have however not been included in this report:
 - For the time that Interbull Centre staff is involved in the project, the Interbull Centre will be reimbursed by SLU;
 - GenTORE is funded by the EU Horizon2020 programme. Start date 1 June 2017. Five-year project;
 - ReDiverse is funded by the EraNet programme. Start date 1 September 2017. Three-year project;
 - Total SLU budget for each project is € 300K;
 - 100% of budgeted costs are funded for both projects.

Costs:

- The budget for 2018 has been prepared in line with the number of people employed at the Interbull Centre at the start of 2017, with 100% of salary costs for all 9 members of staff.
- The budget takes into account continued activities for GenoEx-PSE (but at a lower level than in 2016/2017), while other activities, costs and income continue at similar levels as in 2017.
- Approximately 85% of the Interbull Centre budgeted costs are related to “Salary and social costs” (~55% of total budgeted costs), and the costs that are directly related to this: “Office rent” (~10%) and “University support functions and Overheads” (~20%).
- A feasibility project for “Combining SNP solutions across countries (“SNPMACE”))” has been approved by the Interbull SC, and will be funded by Interbull (Dairy) Service Fees. €71K have been included in the budget for 2018 as part of ‘Consultancy’ (€17.5K has been included in the budget for 2017).

Interbull Centre - Overall Finances and Budgets

Overall finances and budgets for Interbull, Interbeef and GenoEx activities.

Table I: Interbull Centre: Overall Finances and Budget (€), August 2017

		2015		2016		2017		2018
		Actual	Budget	Actual	Budget	Projected Result	Budget	
		(31 Dec 15)	(Jul 15)	(31 Dec 16)	(Sep 16)	(30 Jun 17)	(Aug 17)	
Income								
1)	Interbull (Dairy) Service fee	809 565	815 000	796 331	805 000	825 512	825 512	
2)	SLU grants (a)	65 322	71 000	52 342	51 975	52 094	52 094	
3)	WGCF grant	4 165	3 480	0	3 000	0	0	
4)	InterGenomics	38 733	35 000	43 874	35 000	38 700	38 700	
5)	EURLZ/EURC (b)	92 082	150 000	162 672	152 750	92 596	213 850	
6)	Interbeef	101 691	100 000	102 016	100 000	100 000	100 000	
7)	GenoEx (c)	33 000	20 000	41 350	15 000	20 838	35 000	
8)	Total:	1 144 558	1 194 480	1 198 585	1 162 725	1 129 740	1 265 156	
Costs								
9)	Salaries + social costs	554 825	650 000	642 339	720 894	708 112	715 005	
10)	Other personnel expenses	13 106	50 000	26 046	29 626	5 804	8 516	
11)	Office rent	97 883	126 000	110 900	129 761	112 773	116 117	
12)	Support Functions and Overheads	212 612	231 000	234 539	281 149	275 684	283 857	
13)	Travels, conferences, training	44 932	40 000	69 142	41 580	50 877	57 304	
14)	ITC (Hardware)	13 431	50 000	19 685	9 356	10 440	22 923	
15)	ITC (License fees)	-	-	18 249	-	17 360	17360	
16)	Consultancy	69 208	25 000	24 105	20 790	38 787	92 037	
17)	ICAR	7 434	7 000	7 230	7 000	9 197	7 275	
18)	Miscellaneous (d)	12 508	15 500	4 084	11 019	5 111	10 419	
19)	Total:	1 025 940	1 194 500	1 156 318	1 251 174	1 234 146	1 330 813	
20)	Balance	118 619	-20	42 267	-88 449	-104 406	-65 656	
21)	Accum. Balance	548 597	548 577	590 864		486 458	420 801	
22)	Exchange rate (SEK:€)	9.19	9.29	9.5525	9.62	9.598	9.598	

Notes:

(a) Excluding contributions towards GenoEx.

(b) GenoEx income 2014-2017: ICAR Grant (€20K in 2014, 2015 and 2016), SLU Grant (€20K in 2014, €20K in 2016, €20K in 2017), Interbull Service fees (€13K in 2015).

(c) GenoEx/BC Platforms Software and License fees.

(d) The values for 'Publications' and 'Phone, fax, post' that were in 2015 and 2016 reported and/or budgeted have been added to 'miscellaneous'.



Interbull Centre - Interbull (Dairy) specific Finances and Budgets

These figures are extracted from the overall budget and finances for the Interbull Centre (Table I) to illustrate expenditure and income related to Interbull (Dairy) specific activities.



Table II: Interbull Centre - Interbull (Dairy) specific Finances and Budget (€), August 2017

	2015		2016		2017		2018
	Actual	Budget	Actual	Budget	Projected Result	Budget	
	(31 Dec 15)	(Jul 15)	(31 Dec 16)	(Sep 16)	(30 Jun 17)	(Aug 17)	
Income							
1)	Interbull (Dairy) Service fees	809 565	815 000	796 331	805 000	825 512	825 512
2)	SLU grants	65 322	71 000	52 342	51 975	52 094	52 094
3)	WGCF grant	4 165	3 480	0	3 000	0	0
4)	InterGenomics	38 733	35 000	43 874	35 000	38 700	38 700
5)	EURLZ/EURC	92 082	150 000	162 672	152 750	92 596	213 850
6)	Total:	1 009 867	1 074 480	1 055 219	1 047 725	1 008 902	1 130 156
7)	(% of total income – Table I)	88%	90%	88%	90%	89%	89%
Costs							
8)	Salaries + social costs	486 047	590 000	539 303	635 846	591 522	625 789
9)	Other personnel expenses	11 849	49 000	21 868	28 238	4 848	7 453
10)	Office rent	85 573	115 320	93 110	114 715	94 205	101 628
11)	Support Functions and Overheads	186 476	208 890	196 917	249 559	230 293	248 438
12)	Travels, conferences, training	39 035	37 500	62 658	37 295	45 785	50 923
13)	ITC (Hardware)	9 321	48 500	15 368	5 382	6 890	18 558
14)	ITC (License fees)	-	-	13 988	-	13 119	13 119
15)	Consultancy	59 784	25 000	24 105	16 475	38 787	92 037
16)	ICAR	7 434	7 000	7 230	7 000	9 197	7 275
17)	Miscellaneous	11 167	14 800	3 721	11 019	4 625	9 571
18)	Total:	896 686	1 096 010	978 268	1 105 529	1 039 272	1 174 793
19)	Balance (a)	113 181	-21 530	76 951	-57 804	-30 369	-44 637
20)	Accumulated Balance	523 225		600 176		569 807	525 169

Notes:

(a) During the Interbull Meeting in Chile it was confirmed that “Considering that the current accumulated balance is ~10 times larger than the deficit of €57K that is budgeted for 2017, it is felt that such deficit is justifiable”.

Interbull Centre - Interbeef specific Finances and Budgets

These figures are extracted from the overall budget and finances for the Interbull Centre (Table I) to illustrate the expenditure of the incoming service fees.

The specific budget for Interbeef is shown in Table III. As a result of a service/research agreement in 2012 with ICAR, Interbull Centre is the operational unit for the Interbeef Working Group. For this reason, the Interbeef income and costs are included in the overall financial reporting of the Interbull Centre.



Management of the finances follows a different model than Interbull, being under the responsibility of Service ICAR instead of the Interbull Centre. Service fees for each National Genetic Evaluation Centre are therefore not defined nor handled by the Interbull Centre, but by Service ICAR. Interbull Centre invoices Service ICAR for the full year for the agreed value of €100 000 per annum.

For the 2018 budget it is assumed that the Interbull Centre will continue to be the operational unit for Interbeef.

Table III: Interbull Centre - Interbeef specific Finances and Budget (€), August 2017

	2015		2016		2017		2018
	Actual		Budget	Actual	Budget	Projected Result	Budget
	(31 Dec 15)		(Jul 15)	(31 Dec 16)	(Sep 16)	(30 Jun 17)	(Aug 17)
Income							
1)	Interbeef Service Fees	101 691	100 000	102 016	100 000	100 000	100 000
2)	Total:	101 691	100 000	102 016	100 000	100 000	100 000
3)	<i>(% of total income – Table I)</i>	8.9%	8.4%	8.5%	8.6%	8.9%	7.9%
Costs							
4)	Salaries + social costs	59 879	60 000	57 024	58 732	67 332	58 159
5)	Other personnel expenses	1 257	1 000	2 312	1 387	552	693
6)	Office rent	10 778	10 680	9 845	10 572	10 723	9 445
7)	Support Functions and Overheads	22 754	22 110	20 821	22 905	26 214	23 089
8)	Travels, conferences, training	4 790	2 500	6 138	4 285	4 838	4 661
9)	ITC (Hardware)	1 437	1 500	1 748	1 422	993	1 865
10)	Miscellaneous	1 341	700	363	0	486	847
11)	Total:	102 237	98 490	98 251	99 303	111 138	98 758
12)	<i>Balance</i>	-546	1 510	3 765	697	-11 138	1 241
13)	<i>Accumulated Balance</i>	1 655		5 420		-5 718	-4 476

Interbull Centre - GenoEx specific Finances and Budgets

The International Genotype Exchange Platform ("GenoEx") was established thanks to contributions from ICAR and SLU, who provided grants of €60 000 each, and from Interbull (€13 000).



The specific finances for GenoEx are shown in Table IV. These figures are extracted from the overall budget and finances for the Interbull Centre (Table I) to illustrate the GenoEx specific finances.

Table IV: Interbull Centre - GenoEx specific Finances and Budget (€), August 2017

		2014	2015	2016	2017		2018
		Actual	Actual	Actual	Budget	Forecast	Budget
		(31 Dec 14)	(31 Dec 15)	(31 Dec 16)	(Sep 16)	(Jun 17)	(Aug 17)
Income							
1)	Service fees (a)	-	-	-	15 000	-	15 000
2)	Interbull (Dairy) Reserves (b)	-	13 000	-	-	-	-
3)	SLU Grant (c)	20 000	-	20 937	-	20 838	20 000
4)	ICAR grant	20 000	20 000	20 413	-	-	-
5)	Total:	40 000	33 000	41 350	15 000	20 838	35 000
6)	(% of total income – Table I)	3.3%	2.9%	3.4%	1.3%	1.8%	2.8%
Costs							
7)	Salaries + social costs	-	8 899	46 012	26 316	49 258	31 057
8)	Other personal expenses	-	-	1 866	-	404	370
9)	Office rent	-	1 531	7 944	4 474	7 845	5 044
10)	Support Functions and Overheads	-	3 382	16 801	8 684	19 177	12 330
11)	Travels, conferences, training	-	1 108	346	-	254	1 719
12)	ITC (Hardware) (d)	2 683	2 673	2 570	2 552	2 557	2 501
13)	ITC (License fees) (e)	19 584	9 424	4 261	4 315	4 241	4 241
14)	Total:	22 267	27 016	79 799	46 341	83 736	57 261
15)	Balance	17 733	5 984	-38 449	-31 341	-62 898	-22 261
16)	Accumulated Balance	17 733	23 717	-14 732		-77 631	-101 386

Notes:

(a) The first service-fee based income from GenoEx-PSE was budgeted for 2017, at €15 000, and was based on 15 GenoEx-PSE Service Users @ €1000 each. Due to delays in the implementation, this has been re-budgeted for 2018.

(b) A €13 000 contribution towards GenoEx was taken from the reserves built up through Interbull (dairy) service fees, as per Grant application to ICAR.

(c) An additional grant from SLU has been budgeted for 2018.

(d) ITC (Hardware): Annual depreciation costs for server.

(e) ITC (License fees): BC Platforms license.



INTERBULL CENTRE

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The Interbull Centre:

- *is the operational unit of the ICAR permanent sub-committee Interbull;*
- *holds the status of European Union Reference Laboratory (EURL) for Zootechnics (Bovine Breeding);*
- *is ISO 9001:2008 certified.*