

# **ICBF Annual Report - February 2002 to January 2003**

*Irish Cattle Breeding Federation  
Society Limited*

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## 1 SUMMARY

Achieving the greatest possible genetic improvement in the national cattle herd for the benefit of Irish Farmers, the Dairy and Beef industries and Members is the reason for ICBF's existence.

Outputs from the database are now not only supporting IHFA's pedigree registration, grading-up and linear scoring services to Irish farmers but are also supporting a pilot operation of some 400 herds using Dairygold's milk recording services. The EBI herd report recently distributed to some 8,000 milk recorded herds and containing genetic information on relevant production, fertility, durability and type traits for both milking cows and replacement stock, encapsulates the progress that has been made in the last twelve months.

The Beef Breeding Quality Initiative provides a means for ensuring the data required is available and that the industry is able to deliver benefits to farmers through more productive stock and more efficient operations. The revamping of Tully has started to deliver better bulls for use in AI.

The database has improved the accuracy and scope of the data that can be used in improved genetic evaluations. Only when breeding decisions are based on these improved evaluations will the quality of beef and dairy cattle improve. While progress with the database and genetic evaluation system is pleasing to report much still remains to be done to ensure the breeding scheme design is optimised and that the benefits are being realised by all Irish cattle farmers.

## 2 INTRODUCTION

The Irish Cattle Breeding Federation Society Limited (ICBF) has been established with the objective of **achieving the greatest possible genetic improvement in the national cattle herd for the benefit of Irish Farmers, the Dairy and Beef industries and Members**. Genetic improvement comes about when the parents of the next generation are genetically superior to their contemporaries. Bringing about improvement requires:

- **Identification, ancestry and quantitative data** on those traits of importance for large numbers of animals in each generation.
- A **genetic evaluation** system to identify the genetically superior animals in each generation. An essential part of the genetic evaluation system is a clear knowledge of the objectives of cattle breeding.
- A **breeding scheme design** that ensures the required data is available and that commercial farmers have ready access to the genetically best animals in each generation.

ICBF's focus, so far, has been on the first two of these. While earlier years have seen good progress with establishing ICBF and determining breeding objectives, the last year has seen a great deal of progress in relation to the collection, storage and retrieval of the data so essential for cattle breeding. Much work remains to be undertaken before the breeding scheme design in Ireland can be described as optimal or near optimal.

This annual report has been prepared for the purpose of providing ICBF's shareholders and other stakeholders with a summary of activities and achievements in relation to the objective of the Society for the period 1<sup>st</sup> February 2002 and 31<sup>st</sup> January 2003.

### 3 Beef Cattle Breeding

Over this last year ICBF has focused its beef breeding efforts determining the ideal structure for obtaining the data required to support the breeding objectives for beef cattle. The outcome of this effort is the Beef Breeding Quality Initiative. In addition, the operation of the Central Performance Test Centre located at Tully has been taken over by ICBF.

#### 3.1 Beef Breeding Quality Initiative

After an evaluation of the alternatives a decision was taken to initiate a Beef Breeding Quality Initiative (BBQI). The key elements of the BBQI are:

- A **genetic evaluation system** to identify those animals that provide the best returns, net of production costs, from the markets available to Irish cattle farmers. Earlier work has identified the breeding objectives and selection criteria required. International evaluations are also required to enable animals in other countries to be considered objectively for use in Ireland.
- A **database** containing accurate identification, location, ancestry, reproduction, growth performance and slaughter data for a large part of the pedigree (stock bull breeding), suckler and dairy beef populations in Ireland.
- **Field services** to pedigree, suckler and dairy-beef populations that are attractive to herd owners and result in the collection of the data needed to ensure the database is accurately updated in a timely manner.
- **Information services** to the **cattle breeding industry** that ensure the highest ranked bulls for each of the high return markets are readily identified.
- **Information services** to the **purchasers of Irish beef cattle** to enable them to readily identify those animals that best satisfy their market for beef.

Assembling these elements is now a priority for ICBF.

#### 3.2 Tully

The role of the Central Performance Test Centre at Tully is to provide a focal point for the beef breeding industry and to identify beef bulls suitable for widespread use.

ICBF took over the operation of the Central Beef Performance Test Centre at Tully in September 2002. Prior to completing the take-over a review of operations identified a number of improvements that were implemented for the first intake of bulls under ICBF Management. These improvements included revised procedures for bull selection, bull testing and bull marketing. It is pleasing to report that results for the October '02 intake show better quality bulls entering test, better quality bulls completing test and a strong market for the top bulls at the end of the test. Four bulls from this first test under ICBF management have gone into AI.

### 4 Cattle Breeding Data - Dairy

A central element of ICBF's strategy for ensuring the data so essential for cattle breeding decisions is readily available has been the establishment of the Cattle Breeding Database. This

large and complex project has continued to absorb much of ICBF's financial and human resources for the year under review.

In this year a great deal of progress was made in improving the quality and availability of essential cattle breeding data especially for dairy cattle. ICBF's strategy involves the establishment of a single integrated database for efficiently collecting and holding the data required to support the critical cattle breeding decisions. The overlap between the data requirements for beef and dairy cattle breeding is substantial. Even though much of the focus in 2002 has been on dairy cattle the facilities being established will also be used for beef cattle with little or no modification required.

The efficiency of data collection has been addressed through the introduction of Animal Events and the development of close links with DAF's calf registration and CMMS systems. Replication of effort by farmers and by servicing organisations is eliminated by this strategy. These data collection systems are now operational for some 8,000 herds using IHFA and or Milk Recording services.

The most difficult part of establishing the database has been the consolidation of historical data. During the year a great deal of time and effort was required to ensure historical data from HUKI, DAF and Milk Recording was correctly loaded into the database. Some indication of the complexity of the task is provided by the fact that there were 19 different systems used for identifying animals in this historical data. It is pleasing to be able to report that this task is now largely complete, although some work is still continuing.

One of the benefits of an integrated database is the ease with which data and information can be collated and combined to support decision-making. A good example of the way the cattle breeding database is now bringing a great deal of information together is provided by IHFA's Pedigree Certificate – it contains the latest information on Identification, Ancestry, Milk Records and Genetic Evaluations on an animal and three generations of its ancestors. The new EBI Herd Report, recently distributed to all milk recorded herds, provides a good example of how a large amount of data can be consolidated into a few figures to guide a farmer's decisions on breeding replacement stock.

Outputs from the database are now not only supporting IHFA's pedigree registration, grading-up and linear scoring services to Irish farmers but are also supporting a pilot operation of some 400 herds using Dairygold's milk recording services.

## **5 Genetic evaluations**

Genetic evaluation is the process whereby available and relevant data is used to provide a prediction of the genetic merit of an animal. ICBF has responsibility for providing genetic evaluations for both dairy and beef cattle.

Efforts to improve the accuracy of the EBI, introduced in 2001, are ongoing. After twelve months of intense effort, ICBF's database is now both the source of data for dairy cattle genetic evaluations and the repository of results. As a consequence the time taken to complete genetic evaluations has been reduced from some eight weeks to less than one week. More importantly, all new data added to the database and data corrections made on the database are immediately available for incorporation in the next run of genetic evaluations.

The main technical developments in the last year have been:

- Refinement of the statistical model to include ‘days-dry’ and ‘days-pregnant’ instead of relying on pre-adjustments for these environmental effects.
- Introduction of an ‘animal model’ for calving interval and survival. As a consequence EBI’s for bulls and cows are now directly comparable and make use of all available information.

Genetic evaluations are published on a number of media including ICBF’s website for use by farmers and the breeding industry. Revenue from this information is generated through ICBF’s AI approval and genetic evaluation service to licensed organisations.

Results from the central performance test centre at Tully were published at the end of each test and were also made available to bulls owners for the purposes of marketing the tested bulls.

Genetic evaluations for beef traits were computed and provided to the breeders of Limousin, Charolais and Simmental cattle. These evaluations utilised weight and linear score data collected by the respective Herd Books and weight data as part of DAFRD’s weight recording service.

## **6 Breeding schemes**

Breeding scheme design – number of bulls progeny tested, number of offspring per test sire and use of proven bulls - has received little attention over the last year. This omission is a reflection of the priority allocated rather than its lack of importance. Irish cattle breeding will not be internationally competitive until the design of its breeding scheme for each breed has been optimised. Work to identify and implement optimal breeding scheme designs will a priority in the near future.

### **6.1 Kerry Cattle**

Support for the conservation of the Kerry cattle is provided in a project funded by DAF. The scope of this project has been extended from the identification of bulls for AI to the establishment of a bank of embryos for use in the event of a serious disease wiping out the existing population.

## **7 Resources**

ICBF is using a number of resources in pursuit of its mission. These include:

### **7.1 Financial**

In the year under review ICBF income included contributions from Irish Taxpayers (€1.51 million), Cattle Farmers through the Tag Contribution (€0.82 million) and the cattle breeding industry through service fees (€0.32 million). These funds covered the cost of on-going operations and the cattle breeding infrastructure projects undertaken during the year.

### **7.2 People**

ICBF staff have been appointed in keeping with plans and budgets.

During the year four new staff were appointed to operate the Bull Performance Test Centre at Tully bring the total number of staff at year-end to 13. The full time staff includes one person on secondment from the Department of Agriculture Food and Rural Development (DAFRD).

Seven contractors on contracts of six months to three-years are assigned to the database implementation and other projects, mainly in order to save on 3<sup>rd</sup> party costs.

During the last year our staff and contractors have put in a magnificent effort overcoming a great number of problems associated with implementing the cattle breeding database.

### **7.3 Offices**

ICBF's main office and database computers are located at Shinagh House, Bandon where space is rented from SWS.

### **7.4 Tully**

The Bull Performance Test Centre at Tully are leased from DAF. These facilities are in good condition and have required only minor modification to meet ICBF's requirements.

## **8 Publications**

### **8.1 Irish Cattle Breeding Statistics**

Irish Cattle Breeding Statistics was published for the third time in June of 2002. This publication brings together statistical information on all aspects of cattle breeding and has been well received by the cattle breeding industry.

### **8.2 Industry Presentations**

ICBF's staff has continued to be heavily involved in presenting information to the Irish cattle breeding industry through a range of meetings and conferences.

### **8.3 Web Site**

The ICBF web site ([www.icbf.com](http://www.icbf.com)) has been revamped and to include a wider range of information to Irish farmers and the cattle breeding industry.

## **9 Support**

ICBF wishes to acknowledge and express its appreciation for the support and cooperation received from a large number of individuals and organisations. The collaborative nature of ICBF's activities depends to a large extent on the goodwill of its membership, the wider agricultural community and cattle farmers. This goodwill has been expressed in a number of specific ways including:

- Provision of sponsorship for a range of activities including the Tully Bull Sale and the Animal Events notebook.

- Cooperation in the development of the animal events system as provided by DAFRD, the owners of the many herds that participated in the first year of operation, and staff of SWS who ensured a smooth operation.
- Support by many organisations and individuals during the database implementation including HUKI for providing data and support, Irish Holstein Friesian Association who have undertaken a major change in their operation, and the Milk Recording service providers during a change-over that has yet to be completed.
- Support during the design, introduction and enhancement of the EBI has been provided by ICBF's AI members, private AI companies, TEAGASC and many farmers.

These many acts of support are gratefully acknowledged.

## **10 Future Prospects**

Over the next twelve months the main focus for ICBF will be the database implementation project. While a large amount of work has been completed the focus is on ensuring milk-recording services are rolled out and that the service to beef herd books meet their expectations.

The BBQI provides a sound basis for bringing about a major step forward in the development of beef cattle breeding in Ireland. A large effort will be required to ensure this initiative receives the support of bull breeders and suckler herd owners.

As the database becomes ever more operational ICBF must move its focus on to increasing the number of cattle involved in keeping the records required to support an effective cattle-breeding programme. Increases of the order of 100% are required for dairy cattle and of 500% to 1000% for beef cattle.

It is now very timely for the cattle breeding industry to give consideration to optimising the breeding scheme design for each breed.

Only when the breeding schemes are optimised and substantial increases in the uptake of cattle breeding services have been achieved that Ireland be in a position to realise rates of genetic gain competitive with the best cattle practices world-wide. Clearly this will be a major challenge and it will only be achieved if the cattle breeding industry takes full advantage of the infrastructure being established by ICBF. The challenge for ICBF is to ensure the infrastructure is so efficient and effective that the wider cattle breeding industry uses it comprehensively to deliver “world best” cattle breeding services to Irish cattle farmers.

Brian Wickham  
Chief Executive

John Malone  
Chairman



## 11 FINANCIAL STATEMENTS for the year ended 31 January 2003

### 11.1 Society Information

#### COMMITTEE

Mr. J. Malone (Chairman)  
Mr. J. O’Sullivan (Vice-Chairman)  
Mr. D. Cahill  
Mr. K. Connolly  
Dr. D. Corridan  
Mr. D. Deane  
Dr. B. Eivers  
Mr. S. Fitzgerald  
Mr. J. Galvin  
Mr. K. Kinsella  
Mr. M. Magan  
Mr. T. Maher  
Mr. K. Meade  
Mr. B. Nagle  
Mr. R. O’Malley  
Mr. P. Walsh

#### SECRETARY

Ms. E. McGeough  
Department of Agriculture, Food and Rural Development  
c/o Livestock Breeding Division  
Government Buildings  
Farnham Street  
Cavan

#### CHIEF EXECUTIVE

Dr. B. Wickham

#### SOCIETY’S ADDRESS AND REGISTERED OFFICE

Shinagh House  
Bandon  
Co. Cork

#### SOLICITORS

P. J. O’Driscoll & Sons  
Solicitors  
South Main Street  
Bandon  
Co. Cork

#### AUDITOR

L. P. O’Dwyer FCA  
Public Auditor  
Ernst & Young  
Stapleton House  
89 South Mall  
Cork

## 11.2 Independent Auditors' Report To The Members Of The Society

I have audited the financial statements for the year ended 31 January 2003, which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 13. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the society's members, as a body, in accordance with the Industrial and Provident Societies Acts, 1893 to 1978. My audit work has been undertaken so that I might state to the society's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for my audit work, for this report, or for the opinions I have formed.

### Respective responsibilities of committee and auditor

The Industrial and Provident Societies Acts, 1893 to 1978 require the Committee of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the income and expenditure of the Society for that period. In preparing the financial statements, the Committee are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Society and which enables them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Industrial and Provident Societies Acts, 1893 to 1978. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

My responsibilities, as independent auditor, are established in Ireland by statute, the Auditing Practices Board and by my profession's ethical guidance. I report to you my opinion as to whether the financial statements give a true and fair view.

### Basis of audit opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Committee in the preparation of the financial statements and of whether the accounting policies are appropriate to the Society's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In my opinion, the financial statements give a true and fair view of the state of the affairs of the Society as at 31 January 2003 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Industrial and Provident Societies Acts, 1893 to 1978.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Society. The financial statements are in agreement with the books of account.

L. P. O'Dwyer FCA  
Public Auditor  
Ernst & Young  
Stapleton House  
89 South Mall  
**Cork**  
**13 May 2003**

### 11.3 Profit And Loss Account For The Year Ended 31 January 2003

	<i>Note</i>	2003 €	2002 €
REVENUE		2,313,473	1,334,596
OPERATING EXPENSES		(2,314,238)	(768,654)
		<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(765)	565,942
Tax on (loss)/profit on ordinary activities	3	(4,564)	-
		<hr/>	<hr/>
(LOSS)/PROFIT FOR YEAR		(5,329)	565,942
RETAINED PROFIT/(LOSS) AT 1 FEBRUARY		491,066	(74,876)
		<hr/>	<hr/>
RETAINED PROFIT AT 31 JANUARY		485,737	491,066
		<hr/>	<hr/>

There are no recognised gains or losses in either year other than the (loss)/profit attributable to the shareholders of the Society.

On behalf of the Committee of Management

John Malone : Chairman

John O'Sullivan : Vice Chairman

8 May 2003

#### 11.4 Balance Sheet At 31 January 2003

	<i>Note</i>	2003 €	2002 €
FIXED ASSETS	4	3,791,171	3,639,061
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	5	400,927	212,820
Cash at bank		916,737	1,042,082
		<hr/>	<hr/>
		1,317,664	1,254,902
CREDITORS: amounts falling due within one year	6	(400,601)	(563,514)
		<hr/>	<hr/>
NET CURRENT ASSETS		917,063	691,388
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,708,234	4,330,449
GOVERNMENT GRANTS FOR CAPITAL PROJECTS	7	(2,206,526)	(1,826,574)
		<hr/>	<hr/>
TOTAL ASSETS LESS LIABILITIES		2,501,708	2,503,875
		<hr/>	<hr/>
FINANCED BY			
SHAREHOLDERS' FUNDS			
Share capital	8	2,015,971	2,012,809
Profit and loss account	9	485,737	491,066
		<hr/>	<hr/>
Shareholders' funds (all equity interests)	9	2,501,708	2,503,875
		<hr/>	<hr/>

On behalf of the Committee of Management

John Malone : Chairman

John O'Sullivan : Vice Chairman

8 May 2003

## 11.5 Notes To The Financial Statements For The Year Ended 31 January 2003

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The financial statements are prepared under the historical cost convention.

The financial statements are expressed in Euro (€).

#### *Fixed assets and depreciation*

Fixed assets are stated at cost. Depreciation is calculated on a straight line basis by reference to the expected useful lives as follows:

*Office equipment* 5 years

#### *Project development expenditure*

Project development expenditure on clearly defined projects whose outcome can be assessed with reasonable certainty is capitalised. When the development of these projects reaches completion, the Society provides services to its members in return for fee income. This expenditure is amortised over four to five years and amortisation begins in the year the Society starts to benefit from the expenditure.

#### *Government Grants*

##### *Grants for operating and related capital expenditure*

Grants received from the Department of Food, Agriculture and Rural Development to fund the establishment of the Society are credited to the profit and loss account so as to match them with the expenditure to which they relate. The portion of the grant that applies to capital expenditure is deferred and is amortised over the life of the asset to which it relates.

##### *Grants for project expenditure:*

National Development Plan grants received towards the cost of project development expenditure are deferred and amortised over the same period in which the related project development expenditure is depreciated.

2. <b>STAFF COSTS</b>	2003	2002
	€	€
The staff costs are comprised of:		
Wages and salaries	474,489	313,463
Social welfare costs	49,153	48,454
	-----	-----
	523,642	361,917
	-----	-----

The average number of persons employed by the Society in the financial year was 10 (2002: 8) and is analysed into the following categories:

	<i>No.</i>	<i>No.</i>
Management	1	1
Administration	1	1
Technical	8	6
	-----	-----
	10	8
	-----	-----

3.	<b>TAXATION</b>	2003	2002
		€	€
	The charge for taxation is made up as follows:		
	Corporation tax for the year (note 11)	3,657	-
	Adjustment relating to prior years	907	-
		4,564	-

Taxation is payable on deposit interest received at 25%.

4.	<b>FIXED ASSETS</b>	<i>Project development expenditure (Note) €</i>	<i>Office equipment €</i>	<i>Total €</i>
	Cost:			
	At 1 February 2002	3,722,241	74,033	3,796,274
	Additions	1,287,067	1,597	1,288,664
		5,009,308	75,630	5,084,938
	Depreciation:			
	At 1 February 2002	118,073	39,140	157,213
	Charge for the year	1,121,428	15,126	1,136,554
		1,239,501	54,266	1,293,767
	Net book value:			
	At 31 January 2003	3,769,807	21,364	3,791,171
	At 31 January 2002	3,604,168	34,893	3,639,061

Project development expenditure consists of computer hardware, software consultancy, database and other project costs.

5.	<b>DEBTORS</b>	2003	2002
		€	€
	Trade debtors and prepayments	400,927	212,820
		400,927	212,820

6.	<b>CREDITORS:</b> amounts falling due within one year	2003 €	2002 €
	Trade creditors and accruals	400,601	563,514

7. **GOVERNMENT GRANTS FOR CAPITAL PROJECTS**

(i) Project grants from National Development Plan administered by Department of Agriculture, Food and Rural Development (DAFRD).

(ii) Grant from Department of Agriculture, Food and Rural Development (DAFRD)

	(i) €	(ii) €	Total €
Received:			
At 1 February 2002	1,858,324	74,033	1,932,357
Received during year	901,939	-	901,939
	2,760,263	74,033	2,834,296
Amortisation:			
At 1 February 2002	66,643	39,140	105,783
Credited in year	507,180	14,807	521,987
	573,823	53,947	627,770
Net amount:			
At 31 January 2003	2,186,440	20,086	2,206,526
At 31 January 2002	1,791,681	34,893	1,826,574

8.	<b>SHARE CAPITAL</b>	2003 €	2002 €
	Authorised:		
	28,768 "A" ordinary shares of €12.697381 each	365,278	365,278
	28,768 "B" ordinary shares of €12.697381 each	365,278	365,278
	28,768 "C" ordinary shares of €12.697381 each	365,278	365,278
	73,696 "D" ordinary shares of €12.697381 each	935,746	935,746
		2,031,580	2,031,580

Issued and fully paid:		
28,768 “A” ordinary shares of €12.697381 each	365,278	365,278
28,768 “B” ordinary shares of €12.697381 each	365,278	365,278
27,538 “C” ordinary shares of €12.697381 each	349,669	346,507
73,696 “D” ordinary shares of €12.697381 each	935,746	935,746
	2,015,971	2,012,809

All shares rank pari passu in all respects.

During the year, the following shares were issued and fully paid:

249 “C” ordinary shares of €12.697381 each

**9. RECONCILIATION OF SHAREHOLDERS’ FUNDS AND MOVEMENT ON RESERVES**

	<i>Share capital</i> €	<i>Profit and loss account</i> €	<i>Total</i> €
At 1 February 2001	1,650,383	(74,876)	1,575,507
Received during the year	362,426	-	362,426
Profit for year	-	565,942	565,942
	2,012,809	491,066	2,503,875
At 31 January 2002	2,012,809	491,066	2,503,875
Received during the year	3,162	-	3,162
Loss for year	-	(5,329)	(5,329)
	2,015,971	485,737	2,501,708
At 31 January 2003	2,015,971	485,737	2,501,708

**10. PENSION**

The Society does not operate a pension scheme. Each employee has the option of joining a Revenue approved scheme and the society facilitates the payment of contributions through its payroll system.

**11. CONTINGENT LIABILITY**

The Society’s principal source of income is derived from its members.

The Society is in correspondence with the Revenue Commissioners in relation to its tax status. No provision for taxation has been made on the results which assumes that the Society’s revenues are not taxable.

In the event of the Society being taxable a liability may arise which is not possible to quantify because it is dependent upon the treatment of certain categories of revenue and expenditure for taxation purposes.



12. **SUBSEQUENT EVENTS**

There have been no significant events affecting the Society since the year end.

13. **COMPARATIVE FIGURES**

Comparative figures have been reclassified where necessary on a basis consistent with the current year.

**11.6 Detailed Trading And Profit And Loss Account**

**The following information does not form part of the audited financial statements**

	2003 €	2002 €
<b>REVENUE</b>		
Tag contribution	821,169	738,396
Operating grants received from DAFRD	611,905	420,266
Capital grants amortised	521,987	64,392
Milk recording service fees	155,703	-
Herdbooks service fee	77,089	-
AI approval and animal evaluation fees	67,319	95,612
Bull performance test fee	44,665	-
Interest received	13,636	15,930
	<hr/>	<hr/>
	2,313,473	1,334,596
	<hr/>	<hr/>
<b>OPERATING EXPENSES</b>		
Depreciation	1,136,554	104,665
Animal events expenses	245,451	12,665
Animal evaluation unit expenses	83,836	74,501
Bull performance test expenses	91,988	-
Database operations	50,337	10,953
Repairs and computer maintenance	20,180	14,664
Wages and salaries	523,642	361,917
Office overheads and expenses	51,459	76,811
Professional fees	38,599	39,564
Telephone and fax	30,851	20,347
Travel and subsistence	29,128	26,361
Literature and brochures	9,218	14,094
Membership fees	1,191	8,189
Advertising and marketing	930	2,044
Bank charges and interest	874	1,879
	<hr/>	<hr/>
	2,314,238	768,654
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<b>(LOSS)/PROFIT BEFORE TAXATION</b>	<b>(765)</b>	<b>565,942</b>
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