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UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



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E/ICEF/AB/L.28*
24 May 1963

ORIGINAL: ENGLISH

UNITED NATIONS CHILDREN'S FUND
Committee on Administrative Budget

UNICEF GREETING CARD FUND
FINANCIAL REPORT FOR THE PERIOD 1 FEBRUARY 1961 TO 31 AUGUST 1962**

* This is a limited edition of the report which will be issued in printed form as part of Supplement No. 6A to the Official Records of the General Assembly, eighteenth session.

** The report of the Board of Auditors will be issued as addendum 1.

63-12490

(13 p.)

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UNICEF GREETING CARD FUND
FINANCIAL REPORT FOR THE PERIOD 1 FEBRUARY 1961 TO 31 AUGUST 1962

SUMMARY

1. The financial statements of the UNICEF Greeting Card Fund for the financial period 1 February 1961 to 31 August 1962 are presented herewith. They comprise the following statements:

- I. Statement of assets and liabilities as at 31 August 1962;
- II. Statement of income and expenditure for the financial period from 1 February 1961 to 31 August 1962;
- III. Statement of budgetary authorizations, obligations incurred, and unobligated balances of authorizations for the financial period ended 31 August 1962.

2. The Greeting Card Fund offers seasonal greeting cards designed by outstanding contemporary artists. It not only acquaints people in many lands with UNICEF but, simultaneously, raises revenue for the Fund. Artists are selected on the basis of their national or international reputation, and designs are representative of international themes. Sales of greeting cards are effected through the medium of brochures mailed to individuals, through the efforts of national committees and other voluntary agencies and through publicity in national publications, the press, radio and television. In the campaign under review, fifteen new designs by ten artists were offered for sale. The production of note cards (without greetings) enables the Fund to promote and sell cards throughout the year. Sales of the book, "The Children Come Running", published in 1960, have continued during the campaign under review. This book contains reproductions of various Greeting Card designs sold over the years and the text, in verse and in prose, written and contributed by the well-known author, Miss Elizabeth Coatsworth.

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3. At its December 1961 session, the Committee on Administrative Budget of the Executive Board, on the recommendation of the Chairman of the Board of Auditors, approved^{1/} a change in the financial year of the Greeting Card Fund so that it would end each year on 31 August rather than on 31 January. The Board of Auditors suggested that the end of the financial year should not coincide with the busiest quarter of operations and that more time should be available for the receipt of the results of all financial transactions from local voluntary committees in various countries. In order to achieve a transition to the new financial year, the Committee approved the extension of the accounting period of the Greeting Card Fund from 31 January 1962 to 31 August 1962. Accordingly the financial statements of the Greeting Card Fund presented herewith cover the nineteen-month period from 1 February 1961 to 31 August 1962. During the 1961 campaign, 21.7 million cards were sold (compared with 17.4 million in 1960) bringing a net income to UNICEF of \$1.1 million (compared with \$1 million in 1960). Preliminary estimates for the 1962 campaign indicate that 26 million cards were sold which would bring a net income to UNICEF of approximately \$1.6 million.

4. The following tabulation shows the volume of sales, gross income, costs and net income of the Greeting Card Fund over the past three years:

Table 1

	<u>Cards sold</u>	<u>Gross income</u>	<u>Costs</u>	<u>Net income</u>
1959	14,166,000	1,258,906	489,014	769,892
1960	17,408,000	1,560,652 ^{a/}	541,555 ^{b/}	1,019,097
1961	21,651,000	1,954,552 ^{c/}	837,949 ^{d/}	1,116,603

a/ Includes gross income of \$49,692 in respect of the book, "The Children Come Running".

b/ Includes production costs of \$26,234 in respect of the above book.

c/ Includes gross income of \$10,713 in respect of the book "The Children Come Running".

d/ Costs for nineteen months.

1/ E/ICEF/AB/L.15, paragraphs 4--6.

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5. As in previous years the distribution of cards has been widened geographically. The following table shows the percentage of sales as between countries with highest sales and other countries and areas; percentage of increase in sales 1961 over 1960 is also shown:

Table 2

	1959		1960		1961		Percent- age of increase 1961 over 1960
	Cards sold	Percent- age of total sales	Cards sold	Percent- age of total sales	Cards sold	Percent- age of total sales	
United States of America	6,270,895	44.2	7,154,630	41.1	9,609,035	44.4	34.3
United Kingdom of Great Britain and Northern Ireland	2,012,664	14.2	2,074,600	11.9	2,484,416	11.5	19.8
Federal Republic of Germany	655,499	4.6	846,083	4.9	1,291,011	6.0	52.6
France	533,200	3.8	692,780	4.0	848,950	3.9	22.5
Netherlands	425,000	3.0	550,000	3.1	700,000	3.2	27.3
Denmark	294,242	2.1	384,598	2.2	652,691	3.0	69.7
Sweden	323,076	2.3	344,019	2.0	547,830	2.5	59.2
Norway	371,915	2.6	550,010	3.2	505,092	2.3	(8.2)
Other European Countries	566,666	4.0	929,242	5.3	1,117,864	5.2	20.3
Canada	1,200,000	8.5	1,826,890	10.5	1,800,000	8.3	(1.5)
Australia and New Zealand	500,630	3.5	643,050	3.7	691,111	3.2	7.5
Asia	576,871	4.1	803,866	4.6	632,265	3.0	(21.3)
Middle and South America	294,247	2.1	391,975	2.3	489,238	2.2	24.8
Africa and Eastern Mediterranean	140,779	1.0	216,507	1.2	281,784	1.3	30.2
TOTAL	14,165,684	100.0	17,408,250	100.0	21,651,287	100.0	24.4

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ASSETS AND LIABILITIES

Assets

6. Funds with banks amounted to \$35,125.
7. Investments consisted of a deposit of \$1,050,000 in a bank account bearing interest at 3-1/2 per cent per annum.
8. Accounts receivable totalled \$211,508 of which \$207,252 had actually been collected by April 1963.
9. Prepaid expenses of \$514,813 relating to the 1962/63 campaign consisted of production costs of cards \$380,312, production costs of a calendar^{2/} \$31,270, printing of brochures \$71,592, duties and taxes \$6,533 and other miscellaneous costs (freight, postage, packing, mailing services, etc.) \$25,106.

Liabilities

10. Accounts payable and other unliquidated obligations totalling \$23,617 comprised the following items:
 - (i) obligations outstanding in respect of administrative costs \$16,298;
 - (ii) amounts due to staff members under the Tax Equalization Fund \$6,650;
 - (iii) amounts due to sundry creditors \$669.
11. Surplus of assets over liabilities amounted to \$1,787,828 and consisted of the working capital of \$671,225 brought forward from the 1960 campaign, and of the net profit of \$1,116,603 earned in the campaign under review. Under the authority of the Executive Director a sum of \$1,100,000 was transferred in September 1962 to the general resources of UNICEF, the remaining balance of \$687,828 to be used as working capital for the 1962 campaign.

^{2/} UNICEF has published in 1962 an engagement calendar showing a selection from different children's series of cards published in the last 10 years: 185,000 copies were sold during the 1962 campaign.

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WORKING CAPITAL AND TRANSFERS TO THE GENERAL RESOURCES OF UNICEF

12. The Executive Board at its September 1959 session on the recommendation of the Committee on Administrative Budget, authorized the Executive Director to finance the approved Greeting Card Fund budget from the net income of the prior year's campaign and to transfer to the general resources of UNICEF any surplus of income which remains over and above the authorized budgetary estimates; the Board also agreed that this procedure was to be followed in subsequent years^{3/}.

13. The tabulation given hereunder shows: working capital at the beginning of the financial year, net income, transfers to the general resources of UNICEF and working capital for the subsequent campaign:

Table 3

Campaign year	Working capital at the beginning of the financial year (1) \$	Net Income (2) \$	Surplus of assets over liabilities at the end of the financial year (Total columns (1) and (2)) (3) \$	Transfer to general resources of UNICEF ^{a/} (4) \$	Working capital for the following year (5) \$
1959	524,986	769,892	1,294,878	742,578	552,300
1960	552,300	1,019,097	1,571,397	900,172	671,225
1961	671,225	1,116,603	1,787,828	1,100,000	687,828
1962	687,828				

a/ These amounts are shown in UNICEF accounts under "miscellaneous income" in the subsequent calendar year.

^{3/} E/ICEF/391/Rev. 1, para. 197

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INCOME AND EXPENDITUREIncome

14. Sales of Greeting Cards: During the 1961 campaign sales in all countries realized \$1,903,656 for a total of 21,651,287 cards sold. The highest sales were in the United States (9,609,035 cards), and in the United Kingdom (2,484,416 cards). An increase in sales was achieved also in other countries and areas (as tabulated in para.5). As in the previous years, sales of greeting cards in the United States were the responsibility of the United States Committee for UNICEF, and the campaign in Canada (1,800,000 cards sold) was conducted by the Canadian United Nations Association. Net proceeds from the Canadian campaign amounted to \$86,023. In other countries there are various arrangements; in some, sales being made by National Committees on a commission basis, in others by the Greeting Card Fund directly. The able co-operation of National Committees and countless voluntary organizations all over the world contributes greatly to the success of the campaigns.

15. Other Income (\$50,896) was derived from the following sources:

- (i) the sale of the book "The Children Come Running" (\$10,713);
- (ii) investments (\$23,778);
- (iii) miscellaneous income (\$16,405) consisting of Staff assessment plan (\$11,162); profit on imprinting of cards (\$3,364); cancelled administrative obligations of the previous campaign (\$1,828) and sundry receipts and refunds (\$51).

Expenditure

16. Expenditure during the 1961 campaign amounted to \$837,949 as shown in the statement of income and expenditure on page 12. Table 4 below gives a comparison of expenditure for the three years: 1959, 1960 and 1961. As the 1961 campaign's financial period under review is for nineteen months, figures for 1961 campaign in regard to "Staff costs" and "Sales promotion costs and other expenses" are shown in the table at 12/19 of actual expenditure; "production costs" are shown in full.

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In 1961 the total number of cards printed (excluding cards produced by the Canadian Committee) was 22,982,373 (of which approximately 80 per cent in the United States and 20 per cent in Denmark) compared with 16,052,426 in 1960.

Table 4

	1961 campaign (19,851,287 cards sold ^{a/})		1960 campaign (15,581,360 cards sold ^{a/})		1959 campaign (13,502,392 cards sold ^{a/})	
	Total Expenditure \$	Cost per card cents	Total expenditure \$	Cost per card cents	Total expenditure \$	Cost per card cents
Staff costs	122,507 ^{b/}	0.62	91,776	0.59	90,698	0.67
Production costs	393,249	1.98	261,269 ^{c/}	1.68	261,366	1.94
Sales promotion costs and other expenses ^{d/}	158,356 ^{e/}	0.80	162,276	1.04	136,950	1.01
Total costs	<u>674,112</u>	<u>3.40</u>	<u>515,321^{b/}</u>	<u>3.31</u>	<u>489,014</u>	<u>3.62</u>

a/ Excluding Canadian sales.

b/ 12/19 of the actual expenditure \$193,969.

c/ After deduction of production costs totalling \$26,234 incurred in respect of the book "The Children Come Running".

d/ Includes freight, brochure printing, etc.

e/ 12/19 of the actual expenditure \$250,731.

INVENTORY

17. As may be seen from Tables 1 and 2, sales have shown a substantial increase over the years. A wider distribution in more countries, combined with an ever-increasing number of sales outlets results in large stocks spread throughout the world. As at 31 August 1962, the total inventory amounted to 13,176,645 cards (as compared with inventory as at 31 January 1961 of 10,539,346 cards) the major portion of which was held in Europe and the United States. Losses in transit, shortages and free issues (samples) totalled 343,030 cards (approximately 1 per cent of the total cards to be accounted for); 150,757 cards of old designs which

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were unmarketable owing to deterioration - were destroyed. Stocks on hand as at 31 August 1962 mentioned above are valued at \$121,000. This valuation is based on average production costs less depreciation. Stock of 9,000 copies of the book "The Children Come Running" is valued at \$2,000 representing actual production costs less depreciation. The above amount of \$123,000 in respect of stocks is shown in a footnote to the statement of assets and liabilities.

STATEMENT OF BUDGETARY AUTHORIZATIONS,
OBLIGATIONS INCURRED AND UNOBLIGATED BALANCES OF AUTHORIZATIONS

18. The Committee on Administrative Budget at its September/October 1960 session^{4/} approved the budget estimates of the Greeting Card Fund for the twelve-month period 1 February 1961 to 31 January 1962 totalling \$671,225 (gross) and at its May 1961 session^{5/} authorized an increase in the total budget to \$751,225 (gross) to meet the increased costs of larger production (from 20 million to 24 million cards) and related expenses. Due to the change in the financial year for the 1961 campaign, namely extension from the twelve-month to the nineteen-month period, (see para. 3) the Committee at its December 1961 session^{6/} approved an additional \$129,175 for a further seven months, thus bringing to \$880,400 (gross) the revised budget for the nineteen-month period 1 February 1961 to 31 August 1962. Obligations incurred during the revised financial period amounted to \$837,949 and unobligated balances of authorizations to \$42,451. This surplus of \$42,451 has been cancelled.

19. The permanent staff of the Greeting Card Fund consisted of 13 persons, 5 in New York, and 8 in Europe (London and Paris). During the sales season, temporary staff are employed in Europe and other offices overseas where the volume of sales warrants such clerical assistance.

13 May 1963

(Signed) Maurice Pate
Executive Director

^{4/} E/ICEF/L.1241, para. 47.
^{5/} E/ICEF/AB/L.10, para. 38
^{6/} E/ICEF/AB/L.15, paras. 7 and 8.

UNITED NATIONS CHILDREN'S FUND

GREETING CARD FUND

Statement of Assets and Liabilities as at 31 August 1962
(expressed in U.S. Dollar Equivalent)

<u>Assets</u>		<u>Liabilities</u>	
Cash on Hand and at Banks	\$ 35,124.75	Accounts Payable and other unliquidated obligations	\$ 23,617.44
Investments	1,050,000.00		
Accounts Receivable:		Surplus of Assets over Liabilities:	
UNICEF	\$ 116,340.45	Balance as at 1 February 1961	\$ 1,571,397.27
UNICEF National Committees	87,431.04	Less: Transfer to UNICEF	<u>900,172.27</u>
Miscellaneous	<u>7,736.94</u>		\$ 671,225.00
	211,508.43	Add: Excess of Income over Expenditure	
Prepayments on account of		for the financial period ended	
following year's expenditure	514,812.57	31 August 1962 per Statement of	
		Income and Expenditure	<u>\$ 1,116,603.31</u>
	<u>\$ 1,811,445.75</u>		<u>1,787,828.31</u>
			<u>\$ 1,811,445.75</u>

Note: Stocks of cards and books on hand valued at \$123,000 are not included in the Assets above.

CERTIFIED CORRECT:

(Signed) Stanley Sroka
Comptroller

APPROVED:

(Signed) Maurice Pate
Executive Director

AUDIT CERTIFICATE

The above Statement of Assets and Liabilities has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion, the above Statement is correct.

_____ NETHERLANDS

_____ COLOMBIA

_____ NORWAY

UNITED NATIONS CHILDREN'S FUND

GREETING CARD FUND

Statement of Income and Expenditure
for the financial period 1 February 1961 to 31 August 1962

Income

Sales of Greeting Cards:

In the United States of America	\$ 913,972.79	
Outside of the United States of America	<u>1,018,681.01</u>	
	\$1,932,653.80	
Less: Duties and Taxes	<u>28,997.96</u>	\$1,903,655.84

Other Income:

Book Sales	\$ 10,713.07	
Interest on Investments	23,778.76	
Miscellaneous	<u>16,404.90</u>	<u>50,896.73</u>
		\$1,954,552.57

Expenditure

Staff Costs	\$ 193,969.50	
Production Costs	393,249.26	
Sales Promotion Costs and Other Expenses	<u>250,730.50</u>	<u>837,949.26</u>

Excess of Income over Expenditure \$1,116,603.31

CERTIFIED CORRECT:

(Signed) Stanley Sroka
Comptroller

APPROVED:

(Signed) Maurice Pate
Executive Director

AUDIT CERTIFICATE

The above Statement of Income and Expenditure has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion, the above Statement is correct.

NETHERLANDS

COLOMBIA

NORWAY

UNITED NATIONS CHILDREN'S FUND

GREETING CARD FUND

Statement of Budgetary Authorizations, Obligations Incurred
 and Unobligated Balances of Authorizations
 for the financial period ended 31 August 1962

	<u>Budgetary Authorizations</u> \$	<u>Obligations Incurred</u> \$	<u>Unobligated Balances of Authorizations</u> \$
<u>Chapter I - Staff Costs</u>			
Salaries and wages	173,100.00	172,966.32	133.68
Contributions Staff Pension Fund	14,550.00	14,530.03	19.97
Dependency Allowances	3,300.00	3,282.02	17.98
Contributions Medical and Social Insurance	<u>3,250.00</u>	<u>3,191.13</u>	<u>58.87</u>
	194,200.00	193,969.50	230.50
<u>Chapter II - Production Costs</u>			
Boxes	84,800.00	84,715.33	84.67
Collating	67,000.00	66,655.95	344.05
Envelopes	72,000.00	71,904.50	95.50
Paper	85,000.00	84,851.55	148.45
Printing	<u>105,500.00</u>	<u>85,121.93</u>	<u>20,378.07</u>
	414,300.00	393,249.26	21,050.74
<u>Chapter III - Sales Promotion Costs and Other Expenses</u>			
Addressing Services	1,000.00	647.13	352.87
Brochures Printing	79,550.00	76,789.05	2,760.95
External and Internal Audit Costs	5,200.00	5,200.00	-
Freight	70,400.00	69,030.55	1,369.45
Miscellaneous	2,600.00	2,358.23	241.77
Office Equipment	3,500.00	3,283.73	216.27
Packing and Mailing Services	19,100.00	14,048.60	5,051.40
Postage	13,700.00	13,406.75	291.25
Publicity and Promotion	25,500.00	22,174.62	3,325.38
Rental of Premises	20,500.00	18,565.05	1,934.95
Stationery and Office Supplies	6,800.00	6,501.41	198.59
Storage	11,000.00	10,965.37	34.63
Telephone and Cables	2,550.00	1,800.27	749.73
Travel on Official Business	<u>10,500.00</u>	<u>5,857.74</u>	<u>4,642.26</u>
	271,900.00	250,730.50	21,169.50
GRAND TOTAL	<u>880,400.00</u>	<u>637,949.26</u>	<u>42,450.74</u>

CERTIFIED CORRECT:

APPROVED:

(Signed) Stanley Sroka
 Comptroller

(Signed) Maurice Pate
 Executive Director

AUDIT CERTIFICATE

The above Statement of Budgetary Authorizations, Obligations Incurred and Unobligated Balances of Authorizations has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion, the above Statement is correct.

_____ NETHERLANDS

_____ COLOMBIA

_____ NORWAY