


UNICEF MICROFICHE INPUT CONTROL AND INSTRUCTIONS RECORD

No. 576 (1)

(15\*) STRIPE COLOUR: White Blue Grey - Yellow - Green - Brown - ~~Pink~~ - Red

Date 4 Sept. 1977 (2)

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77.CF.0334	E/ICEF/AB/L.41 Through E/ICEF/AB/L.44											
ENGLISH	L.41(B-4); Add.1(C-6); UNICEF GREETING CARD FUND											
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34	L.44	36	37	38	39	40	41	42	43	44	45
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(19\*) ENVELOPE COLOUR: White - Blue - Yellow - Pink - Green - Grey

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UNITED NATIONS  
ECONOMIC  
AND  
SOCIAL COUNCIL



DISTR.  
LIMITED

E/ICEF/AB/L.41  
29 May 1964

ORIGINAL: ENGLISH



UNITED NATIONS CHILDREN'S FUND

Committee on Administrative Budget

UNICEF GREETING CARD FUND

FINANCIAL REPORT FOR THE YEAR 1 SEPTEMBER 1962 TO 31 AUGUST 1963\*

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

64-12277

(14p.)

Table of Contents

	<u>Paragraphs</u>	<u>Pages</u>
SUMMARY . . . . .	1 - 5	3 - 5
ASSETS AND LIABILITIES . . . . .	6 - 12	6 - 7
WORKING CAPITAL AND TRANSFERS TO THE GENERAL RESOURCES OF UNICEF . . . . .	13 - 14	7
INCOME AND EXPENDITURE . . . . .	15 - 18	8 - 9
INVENTORY . . . . .	19	9 - 10
CONTINGENT LIABILITIES . . . . .	20	10
STATEMENT OF BUDGETARY AUTHORIZATIONS, OBLIGATIONS INCURRED AND UNOBLIGATED BALANCES OF AUTHORIZATIONS . . . . .	21 - 22	10 - 11
 FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 1 SEPTEMBER 1962 TO 31 AUGUST 1963:		
I. Statement of assets and liabilities as at 31 August 1963 . . . . .		12
II. Statement of income and expenditure for the financial year 1 September 1962 to 31 August 1963 . . . . .		13
III. Statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations for the financial year ended 31 August 1963 . . . . .		14

UNICEF GREETING CARD FUND

FINANCIAL REPORT FOR THE YEAR 1 SEPTEMBER 1962 TO 31 AUGUST 1963

SUMMARY

1. The financial statements of the UNICEF Greeting Card Fund for the financial year 1 September 1962 to 31 August 1963 are presented herewith. They comprise the following statements:
  - I. Statement of assets and liabilities as at 31 August 1963;
  - II. Statement of income and expenditure for the financial year from 1 September 1962 to 31 August 1963;
  - III. Statement of budgetary authorizations, obligations incurred, and unobligated balances of authorizations for the financial year ended 31 August 1963.
  
2. The Greeting Card Fund produces greeting cards designed by prominent contemporary artists of many nationalities. They serve the double purpose of acquainting people throughout the world with UNICEF, and of raising money for the Fund. The artists are selected on the basis of their reputation, and the designs are representative of international or seasonal themes. The cards are sold through the efforts of national committees and other voluntary agencies by means of illustrated brochures and through publicity in national publications, the press, radio and television. In the campaign under review, eighteen new designs of cards by eleven artists were offered for sale. In addition, an engagement calendar was published for the first time, containing full-color reproductions of various Greeting Card designs of the past ten years, together with quotations in verse and prose by famous authors and philosophers, and a short message on the meaning and work of UNICEF.
  
3. During the 1962 campaign, 26.4 million cards were sold (compared with 21.7 million in 1961) realizing a net income of \$1.6 million (compared with \$1.1 million in 1961). Preliminary estimates for the 1963 campaign indicate that 32 million cards were sold with a net income of \$1.9 million.

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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>Campaign Year</u>	<u>Cards sold</u>	<u>Gross income (less discounts, duties and taxes)</u>	<u>Production, promotion and administrative costs (less inventories)</u>	<u>Net income</u>
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
1962	26,415,000	2,623,051 (e)	1,010,168 (f)	1,612,883

- (a) Includes gross income of \$49,692 in respect of the book "The Children Come Running", published in 1960: this book contained reproductions of Greeting Card designs sold over the years and the text written and contributed by the well known author Miss Elizabeth Coatsworth.
- (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; 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 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 (E/ICEF/AB/L.15, paras. 4-6). 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. Accordingly the financial statements of the Greeting Card Fund for 1961 campaign covered the nineteen-month period from 1 February 1961 to 31 August 1962.
- (e) Includes gross income of \$259,682 in respect of the engagement calendar (\$256,105) and the book "The Children Come Running" (\$3,577).
- (f) Includes production costs of \$96,621 in respect of the engagement calendar.

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5. Table 2 shows the percentage of sales as between countries with highest sales and other countries and areas; it also shows the percentage of increase in sales for 1962 over 1961.

Table 2

Country	1960		1961		1962		Percentage of increase over 1961
	Cards sold	Percentage of total sales	Cards sold	Percentage of total sales	Cards sold	Percentage of total sales	
<u>North America</u>							
United States of America	7,154,630	41.1	9,609,035	44.4	10,556,988	40.0	9.9
Canada	1,826,890	10.5	1,800,000	8.3	2,360,935	8.9	31.2
<u>Europe</u>							
United Kingdom of Great Britain and Northern Ireland	2,074,600	11.9	2,484,416	11.5	2,971,663	11.3	19.6
Federal Republic of Germany	846,083	4.9	1,291,011	6.0	1,416,571	5.4	9.7
France	692,780	4.0	848,950	3.9	1,144,036	4.3	34.8
Netherlands	550,000	3.1	700,000	3.2	845,110	3.2	20.7
Sweden	344,019	2.0	547,830	2.5	758,030	2.9	38.4
Norway	550,010	3.2	505,092	2.3	750,287	2.8	48.5
Denmark	384,598	2.2	652,691	3.0	697,264	2.6	6.8
Other European countries	929,242	5.3	1,117,864	5.2	1,630,864	6.2	45.9
Asia	803,866	4.6	632,265	3.0	1,113,247	4.2	76.1
Australia & New Zealand	643,050	3.7	691,111	3.2	936,150	3.5	35.5
Middle & South America	391,975	2.3	489,238	2.2	691,533	2.6	41.3
Africa & Eastern Mediterranean	216,507	1.2	281,784	1.3	542,033	2.1	92.4
TOTAL	17,408,250	100.0	21,651,287	100.0	26,414,711	100.0	22.0

ASSETS AND LIABILITIES

Assets

6. Funds with banks amounted to \$32,296.
7. Investments consisted of a deposit of \$1,220,000 in a bank account, bearing interest at  $3\frac{1}{2}$  per cent per annum.
8. Accounts receivable totalled \$474,088 of which \$447,277 had been collected by April 1964.
9. Inventories of cards and books have been valued at \$45,699 (cards \$37,891, books \$7,808). It should be noted that in accordance with the recommendation of the Board of Auditors, the Greeting Card Fund was asked to include the valuation of stocks in the annual balance sheet. Heretofore the valuation of stocks was shown only in a footnote to the statement of assets and liabilities. The valuation is based on average production costs less depreciation.
10. Prepaid expenses amounted to \$537,466, of which \$535,891 was in respect of the 1963 campaign, and \$1,575 in respect of the 1964 campaign. The expenses for the 1963 campaign consisted of \$412,351 in respect of production costs of cards, \$1,883 for production costs of calendars, \$79,623 for printing of brochures, \$17,343 for duties and taxes, and \$24,691 in respect of miscellaneous costs (freight, postage, packing and mailing services etc.). The prepaid expenses for the 1964 campaign were all in respect of production costs of cards.

Liabilities

11. Accounts payable and other unliquidated obligations totalling \$8,838 comprised the following items:

- |   |         |
|---|---------|
| a) Amounts due in respect of duties and taxes                   | \$4,344 |
| b) Amounts due to staff members under the Tax Equalization Fund | 2,499   |
| c) Obligations outstanding in respect of administrative costs   | 1,579   |
| d) Amounts due to sundry creditors                              | 416     |

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12. Surplus of assets over liabilities amounted to \$2,300,711 and consisted of the working capital of \$687,828 brought forward from the 1961 campaign, and of the net profit of \$1,612,883 earned in the campaign under review. Under the authority of the Executive Director, a sum of \$1,400,000 was transferred in September 1963 to the general resources of UNICEF, the remaining balance of \$900,711 to be used as working capital for the 1963 campaign.

WORKING CAPITAL AND TRANSFERS TO THE GENERAL RESOURCES OF UNICEF

13. 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 previous 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 should be followed in subsequent years (E/ICEF/391, Rev.1, para. 197).

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

Table 3

Campaign Year	Working capital at the beginning of the financial year	Net Income	Surplus of assets over liabilities at the end of the financial year (total of columns (1) and (2))	Transfer to general resources of UNICEF <sup>a/</sup>	Working capital for the follow- ing year
	(1)		(2)		(3)
			(In US dollars)		
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	1,612,883	2,300,711	1,400,000	900,711
1963	900,711				

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

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INCOME AND EXPENDITURE

Income

15. Sales of Greeting Cards: During the 1962 campaign sales of cards in all countries realized \$2,378,131 (gross proceeds \$3,040,124, less discount \$661,993 (21.8 per cent), for a total of 26,414,711 cards sold. The highest sales were in the United States of America (10,556,988 cards), the United Kingdom (2,971,663 cards) and Canada (2,360,935 cards). An increase in sales was achieved also in other countries and areas (shown in Table 2 above). As in previous campaigns, sales of greeting cards in the United States were the responsibility of the United States Committee for UNICEF, and the campaign in Canada was conducted by the Canadian United Nations Association. In most European countries the campaign is conducted by the National Committees on a commission basis; in others sales are made 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.

16. Sales of Calendars: During the 1962 campaign for the first time an engagement calendar was produced and sold. Sales were made primarily in the United States of America, Canada and the United Kingdom, and realized a total of \$259,537 (gross proceeds \$339,303, less discount \$79,766 (23.5 per cent) for a total of 177,276 calendars sold. In view of the success of the engagement calendar this campaign, future plans call for a production of a calendar as a continuing feature.

17. Other Income (\$27,221) was derived from the following sources:

- a) Interest on investments (\$20,217);
- b) Miscellaneous income (\$7,004) consisting of: profit on imprinting of cards (\$6,690) and sundry receipts and refunds (\$314).

Expenditure

18. During the 1962 campaign 32,461,000 cards were printed (approximately 65 per cent in the United States, 15 per cent in Spain and 10 per cent each in Denmark and Switzerland), of which 30,202,467 were collated, compared with 22,982,000 cards

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printed in 1961. Table 4 below shows the unit cost per card sold. For the sake of comparison, no deduction is made in the item "production costs" of the value of inventories which, as stated in paragraph 9 above, amounted to \$37,891:

Table 4

	1962 campaign (26,414,711 cards sold)		1961 campaign (19,851,287 cards sold <sup>a/</sup> )		1960 campaign (15,581,360 cards sold <sup>a/</sup> )	
	Total Expenditure <sup>b/</sup> (US dollars)	Cost per card cents	Total Expenditure <sup>b/</sup> (US dollars)	Cost per card cents	Total Expenditure <sup>b/</sup> (US dollars)	Cost per card cents
Staff costs	143,790	0.54	122,507 <sup>c/</sup>	0.62	91,776	0.59
Production costs	519,729 <sup>d/</sup>	1.97	393,249	1.98	261,269 <sup>e/</sup>	1.68
Sales promotion costs and other expenses <sup>f/</sup>	295,736	1.12	158,356 <sup>g/</sup>	0.80	162,276	1.04
	<u>959,246</u>	<u>3.63</u>	<u>674,112</u>	<u>3.40</u>	<u>515,321</u>	<u>3.31</u>

a/ In the 1960 and 1961 campaigns the bulk of the cards sold in Canada was produced by the Canadian United Nations Association, and the costs thereof were not included in expenditure. Canadian sales, therefore, have also been excluded.

b/ Payments or duties and taxes excluded.

c/ 12/19 of actual staff costs (\$193,969) - see paragraph 4 above, table 1(d).

d/ After deduction of production costs totalling \$96,621 in respect of engagement calendars.

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

f/ Includes freight, printing of brochures, etc.

g/ 12/19 of actual sales promotion costs (\$250,731).

INVENTORY

19. As may be seen from tables 1 and 2, sales have increased substantially over the years. A wider selection of designs, combined with an increasing number of sales outlets results in large stocks spread throughout the world. As at 31 August 1963,

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the total inventory amounted to 13,861,814 cards<sup>1/</sup> (as compared with inventory as at 31 August 1962 of 13,176,645 cards), the major portion of which was held in Europe and the United States. Losses in transit, shortages and free issues (samples) totalled 589,103 cards (approximately 1.3 per cent of the total cards to be accounted for); 2,513,484 cards of old designs were found to be unmarketable and were destroyed. Inventories at 31 August 1963 were valued at \$45,699, of which \$37,891 in respect of cards and \$7,808 in respect of stocks of the book "The Children Come Running". This valuation was based on average production costs less depreciation.

CONTINGENT LIABILITIES

20. At 31 August 1963 unfulfilled contracts placed with suppliers in regard to the 1963 campaign totalled \$246,453.

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

21. The Committee on Administrative Budget at its thirty-first session (E/ICEF/AB/L.22) approved the budget estimates of the Greeting Card Fund for the twelve-month period 1 September 1962 to 31 August 1963, totalling \$998,200 (gross), and authorized the Executive Director to spend an additional amount of up to 10 per cent of the gross budget, if necessary, to meet unpredictable costs of production and distribution, should they occur. Due to the increased demand for cards and calendars it was necessary for the Executive Director to act on this authorization, and to increase the gross budget from \$998,200 to \$1,098,020. Obligations incurred during the financial year amounted to \$1,055,867, leaving unobligated balances of authorizations totalling \$42,153, which surplus has been cancelled.

1/ Apart from 2,757,000 cards in sheet-form, printed in 1962 and prior years.

22. The approved budget for 1962 campaign provided for 16 established posts, 6 in New York and 10 in Europe (London and Paris). During the sales season additional temporary staff was employed when the volume of sales warranted it.

(Signed)

Maurice Pate  
Executive Director

29 May 1964

UNITED NATIONS CHILDREN'S FUND

GREETING CARD FUND

Statement of Assets and Liabilities as at 31 August 1963

<u>Assets</u>		<u>Liabilities</u>	
Cash on Hand and at Banks	\$ 32,296.15	Accounts payable and other unliquidated obligations	\$ 8,838.07
Investments	1,220,000.00		
Accounts Receivable:		Working Capital:	
UNICEF	\$339,729.02	Balance as at 1 September 1962	\$1,787,828.31
UNICEF National Committees	117,831.08	Less: Transfer to UNICEF	<u>1,100,000.00</u>
Miscellaneous	<u>16,527.93</u>		687,828.31
	474,088.03	Add: Excess of Income over Expenditure	
Inventories	45,698.88	for the financial year ended 31 August	
Prepaid Expenses	537,466.03	1963 as per Statement of Income and	
	<u>\$2,309,549.09</u>	Expenditure	<u>1,612,882.71</u>
			<u>2,300,711.02</u>
			<u>\$2,309,549.09</u>

CERTIFIED CORRECT:

APPROVED:

(Signed) Stanley Sroka  
Comptroller

(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.

(Signed)	<u>L. Götzen</u>	NETHERLANDS
	<u>A. Aljure</u>	COLOMBIA
	<u>Mushtaq Ahmad</u>	PAKISTAN

United Nations Children's Fund

Greeting Card Fund

E/ICEF/AB/L.41

ENGLISH

Page 13

Statement of Income and Expenditure

for the financial year 1 September 1962 to 31 August 1963

Operating Revenue

Proceeds of Sale:

Greeting Cards	\$3,040,124.37	
Calendars	339,303.36	
Books	<u>3,576.57</u>	
	3,383,004.30	
Less Discounts	<u>741,759.71</u>	\$2,641,244.59

Cost of Goods Sold:

Production Costs	616,340.71	
Less Inventories - 31 August 1963	<u>45,698.88</u>	<u>570,641.83</u>
Gross Profit on Sales		2,070,602.76

Operating Expenses

Staff Costs	143,789.71	
Sales Promotion Costs and other expenses	295,736.47	
Duties and Taxes	<u>45,415.11</u>	<u>484,941.29</u>
Net Operating Income		1,585,661.47

Other Income

Interest on Investments	20,217.54	
Miscellaneous	<u>7,003.70</u>	<u>27,221.24</u>
Excess of Income over Expenditure		<u>\$1,612,882.71</u>

CERTIFIED CORRECT:

APPROVED:

(Signed) Stanley Sroka  
Comptroller

(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.

(Signed) L. Götzen NETHERLANDS

A. Aljure COLOMBIA

Mushtaq Ahmad PAKISTAN

UNITED NATIONS CHILDREN'S FUND

GREETING CARD FUND

Statement of Budgetary Authorizations, Obligations Incurred  
 and Unobligated Balances of Authorizations  
 for the financial year ended 31 August 1963

	<u>Budgetary Authorizations</u> \$	<u>Obligations Incurred</u> \$	<u>Unobligated Balances of Authorizations</u> \$
<b>Chapter I - Staff Costs</b>			
Salaries and wages	143,650.00	128,684.99	14,965.01
Contributions Staff Pension Fund	10,050.00	9,456.41	593.59
Dependency Allowances	3,050.00	2,646.40	403.60
Contributions Medical and Social Insurance	<u>3,350.00</u>	<u>3,001.91</u>	<u>348.09</u>
	<u>160,100.00</u>	<u>143,789.71</u>	<u>16,310.29</u>
<b>Chapter II - Production Costs</b>			
Greeting Cards	526,200.00	519,719.71	6,480.29
Calendar	<u>99,220.00</u>	<u>96,621.00</u>	<u>2,599.00</u>
	<u>625,420.00</u>	<u>616,340.71</u>	<u>9,079.29</u>
<b>Chapter III - Sales Promotion Costs and Other Expenses</b>			
Addressing Services	850.00	776.98	73.02
Brochures Printing	94,200.00	93,713.63	486.37
External and Internal Audit Costs	8,000.00	8,000.00	-
Freight	71,620.00	71,208.49	411.51
Miscellaneous	4,600.00	3,728.05	871.95
Office Equipment	2,100.00	1,804.81	295.19
Packing and Mailing Services	14,200.00	11,481.89	2,718.11
Postage	14,700.00	12,077.84	2,622.16
Publicity and Promotion	28,400.00	27,489.61	910.39
Rental of Premises	27,250.00	26,223.14	1,026.86
Stationery and Office Supplies	7,550.00	7,206.34	343.66
Storage	30,330.00	28,129.56	2,200.44
Telephone and Cables	2,200.00	1,803.34	396.66
Travel on Official Business	<u>6,500.00</u>	<u>2,092.79</u>	<u>4,407.21</u>
	<u>312,500.00</u>	<u>295,736.47</u>	<u>16,763.53</u>
GRAND TOTAL	<u>1,098,020.00</u>	<u>1,055,866.89</u>	<u>42,153.11</u>

CERTIFIED CORRECT:

(Signed) Stanley Sroka  
 Comptroller

APPROVED:

(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.

(Signed) L. Götzen NETHERLANDS  
A. Aljure COLOMBIA  
Mushtaq Ahmad PAKISTAN