



UNICEF MICROFICHE INPUT CONTROL AND INSTRUCTIONS RECORD

No. 584 (1)

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

Date 8/ Sept. /77. (2)

↓ (4) (5)

(3)	77.CF.0340	E/ICFF/AB/L.55 Through E/ICFF/AB/L.56											
A		L.55(B-4): UNICEF GREETING CARD FUND										Blank	
(17*)	ENGLISH	L.56(C-6)										UNICEF	
(6)(7)(8) →	"NR"	Feb-April/66				"NR"				29p. + 1b.			
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C					○	L.56							
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F									---	▽			
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(14)	34	35	36	37	38	39	40	41	42	43	44	45	
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(16*)	46	47	48	49	50	51	52	53	54	55	56	57	

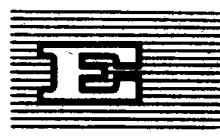
(16*) Blank (10)
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 (13) Code "NR", appearing in any location of Row A
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(19*) ENVELOPE COLOUR: White - Blue - Yellow - Pink - Green - Grey

TRAILERS YES ()
 NO ()

(14)



**UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL**



DISTR.
LIMITED
E/ICEF/AB/L.55
3 February 1966
ORIGINAL: ENGLISH

UNITED NATIONS CHILDREN'S FUND
Committee on Administrative Budget

UNICEF Greeting Card Fund

Financial Report for the Year 1 September 1964 to 31 August 1965 ^{1/}

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^{1/} The report of the Board of Auditors will be issued as Addendum 1.

Financial Report of UNICEF Greeting Card Fund
for the year 1 September 1964 to 31 August 1965

Summary

1. The financial statements of the UNICEF Greeting Card Fund for the financial year 1 September 1964 to 31 August 1965, covering the 1964 sales campaign, are presented herewith. They comprise the following statements:

- a) Statement of assets and liabilities as at 31 August 1965;
- b) Statement of income and expenditure for the financial year from 1 September 1964 to 31 August 1965;
- c) Statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations for the financial year ended 31 August 1965.

2. As mentioned in previous reports, the Greeting Card Fund produces greeting cards and an engagement calendar from designs contributed by contemporary artists and illustrators of many nationalities. They acquaint people throughout the world with UNICEF, raise money for its assistance to child care programmes and exhibit to the public the designs of other countries. Many designs are related to children and reflect some of the common elements of the life of children everywhere. The cards and calendars are sold through the efforts of national committees and other voluntary agencies by mail order and direct sale.

3. In the 1964 campaign, sixteen different boxes were offered for sale containing a total of twenty-one new designs by fifteen artists. Approximately 37.8 million cards and 342,147 calendars were sold as compared with 30.6 million cards and 222,867 calendars sold in 1963. The 1964 campaign brought a net income of \$2.17 million (as compared with \$1.7 million in 1963). Preliminary estimates for the 1965 campaign indicate that 45 million cards and 400,000 calendars were sold, bringing a net income of \$2.8 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 three years 1962 to 1964:

Table 1
Sales, costs and income of the Greeting Card Fund

1962 - 1964

<u>Campaign year</u> ^{a/}	<u>Number of cards sold</u> (1)	<u>Gross income</u> ^{b/} (less commission, duties and taxes) (2) <u>US dollars</u>	<u>Costs of production, promotion and administration</u> (3) <u>US dollars</u>	<u>Net income</u> (4) <u>US dollars</u>
1962	26,415,000	2,623,051	1,010,168	1,612,883
1963	30,575,000	2,973,982	1,242,658	1,731,324
1964	37,768,000	3,707,317	1,539,952 ^{c/}	2,167,365

a/ In these years, the "campaign year" ended on 31 August of the following calendar year.

b/ Includes: cards, the book "The Children Come Running" (see para. 16), engagement calendar (see paras. 2 and 16), interest on investments and other miscellaneous income (see para. 17).

c/ As the end-August 1965 inventory exceeded by \$33,259 the value of the inventory 12 months earlier, this amount has been deducted from the 1964 production costs.

5. Table 2 on the following page shows the breakdown of sales as between countries in 1962, 1963 and 1964 and the percentage of increase or decrease in sales in the 1964 campaign over that for 1963.

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Table 2

Sales of greeting cards, by area and country, 1962 - 1964

Country	1962		1963		1964		Increase of sales in 1964 over 1963 Per cent
	Number of cards sold	Sales as per cent of total	Number of cards sold	Sales as per cent of total	Number of cards sold	Sales as per cent of total	
North America							
United States of America	10,556,988	40.0	12,615,400	41.3	16,152,420	42.8	28.0
Canada	2,360,935	8.9	3,782,904	12.4	4,501,367	11.9	19.0
Europe							
United Kingdom of Great Britain and Northern Ireland	2,971,663	11.3	2,898,749	9.5	3,084,581	8.2	6.4
Federal Republic of Germany	1,416,571	5.4	1,633,027	5.3	2,021,772	5.4	23.8
France	1,144,036	4.3	1,081,120	3.5	1,562,450	4.1	44.5
Denmark	697,264	2.6	890,442	2.9	1,127,667	3.0	26.6
Sweden	758,030	2.9	788,590	2.6	1,059,078	2.8	34.3
Netherlands	845,110	3.2	858,890	2.8	934,200	2.5	8.8
Switzerland	690,380	2.6	684,480	2.2	850,360	2.2	24.2
Norway	750,287	2.8	617,478	2.0	796,806	2.1	29.0
Other European countries	940,484	3.6	1,314,250	4.3	1,688,731	4.5	28.5
Australia and New Zealand	936,150	3.5	1,062,221	3.5	1,182,521	3.1	11.3
Asia	1,113,247	4.2	1,085,353	3.5	1,151,401	3.0	6.1
Middle and South America	691,533	2.6	848,343	2.8	1,088,371	2.9	28.3
Africa and Eastern Mediterranean	542,033	2.1	413,868	1.4	566,207	1.5	36.8
Totals	26,414,711	100.0	30,575,115	100.0	37,767,932	100.0	23.5

Assets and Liabilities at 31 August 1965

Assets

6. Funds with banks amounted to \$13,820.
7. Investments consisted of a deposit of \$420,000 in a bank account, bearing interest at 4 per cent per annum.
8. Accounts receivable at 31 August 1965 totalled \$1,606,298, of which \$1,366,042 had been collected by December 1965.
9. Inventories of cards and books were valued at \$100,655 (cards \$93,610; books \$7,045), based on average production costs less depreciation.
10. Prepaid expenses amounted to \$980,397, of which \$980,087 was in respect of the 1965 campaign, and \$310 in respect of the 1966 campaign. The expenses for the 1965 campaign consisted of \$629,424 for the production of cards, \$76,251 for the production of calendars, \$152,141 for the printing of brochures, \$40,757 for duties and taxes and \$81,514 in miscellaneous costs (posters, promotion kits, other publicity material and certain equipment used for production purposes). The prepaid expenses for the 1966 campaign were in respect of paper and publicity material for the production of sample cards.

Liabilities

11. Accounts payable and other unliquidated obligations totalling US\$21,771 comprised the following items:

	<u>US dollars</u>
a) Refunds due to staff members for Federal and State income taxes	7,124
b) Obligations outstanding in respect of staff, production, and promotion and publicity costs	14,593
c) Amounts due to sundry creditors	54

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12. The surplus of assets over liabilities, \$3,099,400, consisted of the working capital of \$932,035 brought forward from the 1963 campaign, and the net profit of \$2,167,365 earned in the campaign under review. Under the authority of the Executive Director, a sum of \$2,000,000 was transferred in September 1965 to the general resources of UNICEF, leaving a balance of \$1,099,400 to be used as working capital for the 1965 campaign.

Working capital and transfers to the general resources of UNICEF

13. At its September 1959 session, the Executive Board, on the recommendation of the Committee on Administrative Budget, authorized the Executive Director to finance the approved budget of the Greeting Card Fund from the net income of the previous year's campaign and to transfer to the general resources of UNICEF any surplus of income remaining 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 table below shows, for the three years 1962 to 1964, the working capital at the beginning of each financial year, the net income during the year, transfers to the general resources of UNICEF and the working capital retained for the campaign in the following year.

Table 3

Working capital, net income and transfers to the general resources of UNICEF, 1962 - 1964

(in US dollars)

Campaign year	Working capital at beginning of the financial year	Net income during the year	Surplus of assets over liabilities at end of the financial year (columns (1) plus (2))	Transfer to general resources of UNICEF ^{a/}	Working capital for following year
	(1)	(2)	(3)	(4)	(5)
1962	687,828	1,612,883	2,300,711	1,400,000	900,711
1963	900,711	1,731,324	2,632,035	1,700,000	932,035
1964	932,035	2,167,365	3,099,400	2,000,000	1,099,400

^{a/} These amounts are shown in UNICEF accounts in the subsequent calendar year.

Income and Expenditure

Income

Income from sales of greeting cards

15. During the 1964 campaign the equivalent of \$3,314,645 was realized from sales of cards in all countries (gross proceeds \$4,421,863, less commissions totalling \$1,107,218 or (25.04 per cent of the gross proceeds), for the 37,767,932 cards sold. The highest sales were in the United States of America (16,152,420 cards), Canada (4,501,367 cards) and the United Kingdom (3,084,581 cards). As in previous campaigns, the sale of greeting cards in the United States was the responsibility of the United States Committee for UNICEF, and the campaign in Canada was conducted by the National UNICEF Committee of the United Nations Association in Canada. In the United Kingdom, the 1964 campaign was the first to be conducted by the United Kingdom Committee for UNICEF. The campaign is conducted by national committees in many countries; in others, sales are made by the Greeting Card Fund directly. The able co-operation of the national committees and of a great number of voluntary organizations all over the world contributes greatly to the success of the campaigns.

Income from sales of calendars and books

16. During the 1964 campaign, the third edition of the engagement calendar was produced and sold. Sales were made primarily in the United States of America, Canada, the United Kingdom and the Netherlands and realized a total of \$428,576 (gross proceeds \$579,425, less commissions totalling \$150,849) for the 342,147 calendars sold. In view of the success of the engagement calendar sales for the third year, future plans call for its production as a continuing feature. Sales of the Book "The Children Come Running"^{2/} continued in 1964 and realized a total of \$607 (gross proceeds \$895, less commissions totalling \$288) for the 707 books sold. The production costs and the proceeds of sale, are divided equally between the Greeting Card Fund and the Revolving Fund for UNICEF Public Information.

^{2/} This book, published in 1960, contains reproductions of greeting card designs sold over the years and text contributed by Elizabeth Coatsworth.

17. Interest on investments and other income totalled \$33,063, including:
- a) Interest on investments (\$11,873);
 - b) Other income (\$21,190), consisting of income from the staff assessment plan (\$11,234) and sundry receipts (\$9,956).

Expenditure

18. About 44 per cent of the cost of production of the greeting cards was incurred for printing cards in sheet form and about 56 per cent for collating them with envelopes in boxes. During the 1964 campaign, 52,931,509 cards were printed as against 41,623,975 in 1963. Approximately 61 per cent were printed in the United States, 19 per cent in Denmark, 14 per cent in Canada, 4 per cent in the United Kingdom, and 2 per cent in Switzerland. Of the 40,300,220 cards collated, approximately 49 per cent were handled in the United States, 27 per cent in Denmark, 15 per cent in Canada and 9 per cent in the United Kingdom. Table 4 below shows the unit cost per card sold.

Table 4
Unit cost per card sold, 1962-1964
 (in US currency)

	<u>1964 campaign</u>		<u>1963 campaign</u>		<u>1962 campaign</u>	
	37,767,932 cards sold		30,575,115 cards sold		26,414,711 cards sold	
	<u>Total Expenditure^{a/}</u>	<u>Cost per card</u>	<u>Total Expenditure^{a/}</u>	<u>Cost per card</u>	<u>Total Expenditure^{a/}</u>	<u>Cost per card</u>
	\$	cents	\$	cents	\$	cents
Staff costs	144,125	0.38	170,891	0.56	143,790	0.54
Production costs	805,342 ^{b/}	2.13	637,342 ^{c/}	2.08	519,720	1.97
Promotion costs and other expenses	412,270	1.09	323,684 ^{d/}	1.06	295,736	1.12
	1,361,737	3.60	1,131,917	3.70	959,246	3.63

^{a/} Excluding payments of duties and taxes.

^{b/} Consists of the value of inventory at 1 September 1964 (\$60,679), plus production costs for the period 1 September 1964 to 31 August 1965 (\$838,273), less the value of inventory at 31 August 1965 (\$93,610).

^{c/} Consists of the value of inventory at 1 September 1963 (\$37,891), plus production costs for the period 1 September 1963 to 31 August 1964 (\$660,130), less the value of inventory at 31 August 1964 (\$60,679).

^{d/} After deducting the value of the cost of posters (\$361) for promotion of the book, "The Children Come Running".

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Inventory at 31 August 1965

19. As shown in Tables 1 and 2 above, sales have increased substantially over the years. A broader selection of designs, combined with an increasing number of sales outlets, has resulted in large stocks spread throughout the world. At 31 August 1965, the total inventory amounted to 33,481,188 cards ^{3/}, as compared with the inventory at 31 August 1964 of 21,170,663 cards. The major portion of the inventory was held in Europe and the United States. Losses in transit, shortages and free issues (samples) totalled 1,629,934 cards (approximately 2.2 per cent of the total cards to be accounted for). A total of 174,018 cards of old designs were found to be unmarketable and were destroyed. Inventories at 31 August 1965 were valued at \$100,655, of which \$93,610 was in respect of cards ^{3/} and \$7,045 in respect of stocks of the book "The Children Come Running". This valuation was based on average production costs less depreciation, which was taken at 80 per cent, reflecting an estimate that 20 per cent of the remaining cards may be sold in future campaigns.

Contingent liabilities

20. At 31 August 1965, unfulfilled contracts placed with suppliers in regard to the 1965 campaign (\$219,424) and the 1966 campaign (\$185,493) totalled \$404,917.

Budgetary authorizations, obligations incurred
and unobligated balances of authorizations

21. The Executive Board at its session in June 1964 approved the budget estimates of the Greeting Card Fund for the twelve-month period 1 September 1964 to 31 August 1965, totalling \$1,400,850 (gross), and authorized the Executive Director to spend an additional amount of up to 15 per cent of the gross budget, if necessary,

^{3/} Apart from 2,240,780 cards in sheet form; printed in 1964 and prior years, recorded as of no value.

to meet unpredictable costs of production and distribution, should they occur (E/ICEF/500, para. 75.). Owing to an increased expectation of sales of cards and calendars (See E/ICEF/AB/L.50, para. 12), it was necessary for the Executive Director to act on this authorization, and to increase the gross budget from \$1,400,850 to \$1,610,978. Obligations incurred during the financial year amounted to \$1,573,211, leaving unobligated balances of authorizations totalling \$37,767; the balance of the allocation is therefore no longer required and has been cancelled.

22. The approved budget for the 1964 campaign provided for sixteen established posts, nine in New York and seven in London. During the sales season, additional temporary staff was employed when the volume of sales warranted it.

(Signed) Henry R. Labouisse
Executive Director

31 January 1966

UNITED NATIONS CHILDREN'S FUND

GREETING CARD FUND

I. Statement of Assets and Liabilities as at 31 August 1965

in US dollars

<u>Assets</u>		<u>Liabilities</u>	
Cash on hand and at banks	\$ 13,819.95	Accounts payable and other unliquidated obligations	\$ 21,770.52
Investments	420,000.00		
Accounts Receivable:		Working Capital:	
UNICEF	\$1,041,076.41	Balance as at 1 September 1964	\$2,632,035.35
UNICEF National Committees	548,468.79	Less: Transfer to UNICEF	<u>1,700,000.00</u>
Miscellaneous	<u>16,752.65</u>		\$ 932,035.35
	1,606,297.85	Add: Excess of Income over Expenditure	
Inventories	100,655.45	for the financial year ended 31 August	
Prepaid Expenses	<u>980,397.46</u>	1965 as per Statement of Income and	
	3,121,170.71	Expenditure (Statement II below)	<u>2,167,364.84</u>
	<u><u>\$3,121,170.71</u></u>		<u>3,099,400.19</u>
			<u><u>\$3,121,170.71</u></u>

CERTIFIED CORRECT:

APPROVED:

(Signed) Stanley Sroka
Comptroller

(Signed) Henry R. Labouisse
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) _____ BELGIUM
R. Peltot

(Signed) _____ COLOMBIA
A. Aljure

(Signed) _____ PAKISTAN
Mushtaq Ahmad

UNITED NATIONS CHILDREN'S FUND

GREETING CARD FUND

II. Statement of Income and Expenditure
for the Financial Year 1 September 1964 to 31 August 1965
 in US dollars

Proceeds of Sale:		
Greeting Cards	\$4,421,863.41	
Calendars	579,424.76	
Books	<u>895.18</u>	
	\$5,002,183.35	
Less Commission	<u>1,258,354.96</u>	\$3,743,828.39
Cost of Goods Sold:		
Inventories - 1 September 1964	\$ 67,396.80	
Production Costs	<u>1,016,816.04</u>	
	\$1,084,212.84	
Less Inventories - 31 August 1965	<u>100,655.45</u>	<u>983,557.39</u>
Gross Profit on Sales		\$2,760,271.00
Staff Costs	\$ 144,124.81	
Sales Promotion Costs and other expenses	412,269.81	
Duties and Taxes	<u>69,574.34</u>	<u>625,968.96</u>
Net Operating Income		\$2,134,302.04
Interest on Investments	\$ 11,872.88	
Other Income	<u>21,189.92</u>	<u>33,062.80</u>
Excess of Income over Expenditure		<u><u>\$2,167,364.84</u></u>

CERTIFIED CORRECT:

APPROVED:

(Signed) Stanley Sroka
 Comptroller

(Signed) Henry R. Labouisse
 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) _____ BELGIUM
 R. Peltot

(Signed) _____ COLOMBIA
 A. Aljure

(Signed) _____ PAKISTAN
 Fushdaq Ahmad

UNITED NATIONS CHILDREN'S FUND

GREETING CARD FUND

III. Statement of Budgetary Authorizations, Obligations Incurred
and Unobligated Balances of Authorizations
for the financial year ended 31 August 1965
 in US dollars

	Budgetary Authorizations \$	Obligations Incurred \$	Unobligated Balances of Authorizations \$
<u>Chapter I - Staff Costs</u>			
Salaries and Wages	135,150.00	129,396.47	5,751.53
Contribution Staff Pension Fund	12,200.00	10,735.78	1,464.22
Dependency Allowances	3,050.00	2,844.82	205.18
Contributions Medical and Social Insurances	1,600.00	1,145.74	454.26
	<u>152,000.00</u>	<u>144,124.81</u>	<u>7,375.19</u>
<u>Chapter II - Production Costs</u>			
Greeting Cards	841,000.00	638,272.86	2,727.14
Calendars	180,000.00	178,543.18	1,456.82
	<u>1,021,000.00</u>	<u>1,016,816.04</u>	<u>4,183.96</u>
<u>Chapter III - Sales Promotion Costs and Other Expenses</u>			
Brochures Printing	146,000.00	145,335.94	664.06
External and Internal Audit Costs	8,000.00	8,000.00	-
Freight	96,600.00	94,965.03	1,634.97
Maintenance, Operation and Rental of Premises	58,128.00	53,959.51	4,168.49
Miscellaneous	13,700.00	11,459.25	2,240.75
Office Equipment	6,200.00	3,078.22	3,121.78
Other Equipment	4,400.00	4,370.24	29.76
Packing and Mailing Services	2,500.00	2,161.44	338.56
Postage	9,200.00	8,669.78	530.22
Publicity and Promotion	40,250.00	36,495.04	3,754.96
Stationery and Office Supplies	3,700.00	3,388.01	311.99
Storage	38,500.00	30,462.25	8,037.75
Telephone and Cables	2,800.00	2,711.18	88.82
Travel on Official Business	8,000.00	7,213.92	786.08
	<u>437,978.00</u>	<u>412,269.81</u>	<u>25,708.19</u>
GRAND TOTAL	<u>1,610,978.00</u>	<u>1,573,210.66</u>	<u>37,767.34</u>

CERTIFIED CORRECT:

APPROVED:

(Signed) Stanley Sroka
 Comptroller

(Signed) Henry R. Lakouisse
 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) _____ BELGIUM
 R. Peltot

(Signed) _____ COLOMBIA
 A. Aljure

(Signed) _____ PAKISTAN
 Musataq Ahmed