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 ECONOMIC
 AND
 SOCIAL COUNCIL



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UNITED NATIONS CHILDREN'S FUND
 Committee on Administrative Budget

UNICEF Greeting Card Fund

Financial Report and Accounts for the 1966 Campaign ^{1/}
 (Period 1 May 1966 to 30 April 1967)

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

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FOREWORD

The Greeting Card campaign provides a simple way for individuals to participate in a United Nations enterprise and to bring help and hope to the children of the developing countries of the world. The gesture of good will represented by the purchase of cards, carried out by millions of persons over the years in well over a hundred countries, has resulted in a large impact. Sales in the 1966 season brought to UNICEF net earnings of \$3.1 million to use for aid to children. Since the first cards were experimentally placed on sale in 1949, over 250 million cards have been sold, bringing to UNICEF income of over \$16.6 million. Artists of distinction from many lands have contributed designs for the cards. National UNICEF Committees and other voluntary groups, and tens of thousands of volunteers, have contributed to the success of the enterprise. Their unstinting efforts have also made it possible for the Greeting Card operation to turn over to UNICEF a large proportion of the purchase price of the cards, and we are very grateful to them.

Because of the rapid growth of sales, a number of management aspects of the operation have required study and reorganization. This has been instituted with the advice of the United Nations Board of External Auditors and the aid of the United Nations Administrative Management Services. I should like to record my appreciation to them for their invaluable help.

Henry R. Labouisse
Executive Director

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A BRIEF ACCOUNT OF THE 1966 CAMPAIGN

1. Nearly 50 million cards were sold in the 1966 Greeting Card season (1 May 1966 to 30 April 1967) in 115 countries and territories, and the net profit from the campaign was \$3.1 million. This profit, which was substantially turned over to UNICEF in 1967, will constitute about 7.5 per cent of the total UNICEF income in that year.

Sales

2. The following table shows the greeting card and calendar sales for 1966 as compared to the preceding two years.

Table 1

Greeting cards and calendars sold
1964, 1965 and 1966 campaigns

<u>Campaign year</u>	<u>Cards sold</u>	<u>Percentage increase over previous year</u>	<u>Calendars sold</u>	<u>Percentage increase over previous year</u>
1964	37,768,000	24	342,000	53
1965	46,473,000	23	460,000	35
1966	49,854,000	7	463,000	1

3. On the basis of the growth in the demand for UNICEF greeting cards in recent years, which had been around 20 per cent annually, production for the 1966 campaign was established at 72 million printed flat cards, of which 60 million were to be collated. This would be sufficient to meet the demand at various sales outlets of a sales goal of 60 million cards from current and prior production. However, the actual sales for the campaign amounted to 49,854,000. While this constituted an increase of 3,381,000 cards over the 1965 campaign, it was over 10 million cards less than the goal.

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4. The main reason for the shortfall was the fact that sales in the largest market, the United States, remained at the prior year's level of about 22 million cards. While 1966 consignment sales in the United States increased by 12.1 per cent over the 1965 season, mail order sales decreased by approximately 8.5 per cent. This may be due to a number of factors which are currently under study, including postal delays in brochure deliveries, marketing and the selection of designs offered (see para. 22). The mail order sales decrease took place too late in the campaign to enable a corresponding cut-back of production.

5. Annex 1 gives a break-down of the sale of cards by main geographic areas and selling countries. As can be seen, cards sold in Canada increased by more than 13 per cent over 1965; in Europe by almost 10 per cent; in Central and South America by 64 per cent; in Australia and New Zealand by over 18 per cent; in Asia by almost 25 per cent; and in Africa and the Eastern Mediterranean by 11 per cent. Annex 2 shows card sales in the major selling countries on a population basis.

6. A total of 463,000 engagement calendars were sold in the 1966 season. This compares with 460,000 sold the previous season. The increase of income from the sale of calendars (\$915,000 in the 1966 season compared with \$784,000 in the 1965 season) results from the price increase in the United States (from \$2.00 to \$2.50), which involved about 60 per cent of all calendar sales. Experience with greeting cards sales has shown that when it is necessary to increase the selling price, the growth in the number sold is usually interrupted for about a year.

Income

7. Table 2 shows the gross and net income for the 1966 season compared to the two previous years.

Table 2

Gross and net income, 1964 to 1966

<u>Campaign year</u>	<u>Gross income</u> \$	<u>Commission, duties and taxes</u> \$	<u>Commission etc. as percent- age of gross income</u> \$	<u>Production staff and sales costs</u> \$	<u>Production, staff and sales costs as percentage of gross income</u> \$	<u>Net income</u> \$	<u>Net income as per- centage of gross income</u> \$
1964	5,002,183	1,327,929	26	1,539,952	31	2,134,302	43
1965	6,537,457	1,443,332	22	1,865,637	29	3,228,488	49
1966	7,218,034	1,791,732	25	2,321,060	32	3,105,242	43

8. Had the goal for the sale of cards and calendars been reached, the net income from the campaign would have been \$3,700,000 (the amount estimated in the approved budget for the 1966 season). However, because of the circumstances referred to in paragraph 4, the net income from the campaign was \$100,000 less than that for the 1965 season.

9. Gross income from sales in the 1966 campaign amounted to \$7.2 million and commissions, duties and taxes paid amounted to nearly \$1.8 million. The gross income was \$680,000 higher than it was for the 1965 season. On the other hand, commissions, duties and taxes increased by \$350,000, production costs increased by \$290,000, staff costs, sales promotion costs and other expenses increased by \$160,000. In this connexion it should be noted that expenditures for staff, production and sales costs charged to the 1966 campaign season were for a twelve-month period whereas the 1965 campaign covered an eight-month period (reflecting a transitional period in the changeover to a different financial year), and therefore are not strictly comparable.

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10. The commissions allowed National Committees range from approximately 20 to 25 per cent and are used to finance promotion and distribution expenses for the sales of the cards and calendars, as well as inform the public generally about the need of children in developing countries. In 1965 the average rate of commissions (excluding charges for duties and taxes) amounted to 20.6 per cent, reflecting in large part the fact that the commissions in the largest selling country, the United States, amounted to 18 per cent. Because of the unexpected leveling off of sales in the United States in 1966 (para. 4) the commission retained by the United States Committee for UNICEF in 1966 could not be maintained at this level, and amounted to 23 per cent. The commissions paid all National Committees for the 1966 season averaged 23.4 per cent.

11. Net income in the 1966 season amounted to 43 per cent of gross income. This was the same percentage as for 1963 and 1964. The goal set by the Greeting Card Fund is 50 per cent.

12. Sales of the book "The Children Come Running" for the account of the Greeting Card Fund amounted to \$7,215 during the 1966 season. Since the 1960 campaign, when this book was first placed on sale, 85,000 copies have been sold and the stock is now exhausted. Total net income from the sale of the book since that time amounted to \$150,000, half of it shared with the UNICEF Public Information Revolving Fund.

13. Income and expenditures for the 1966 season as compared to the estimates contained in the budget for 1966 as approved by the Committee on Administrative Budget (E/ICEF/AB/L.56) is shown in Table 3. The decrease in proceeds of sales and of expenditures from the amounts originally estimated are due to the circumstances mentioned above (para. 4). The increase in "Other Expenses and Permanent Equipment" (line 12) over the original estimates is explained in paragraph 36.

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Table 3

Income and expenditures for the 1966 season compared to approved estimates a/

	Actual 1966		Approved Estimated 1966		Difference between Actual and Approved Estimates Increase or (Decrease)
	(\$)	(%) ^{b/}	(\$)	(%) ^{b/}	(\$)
<u>GROSS PROCEEDS OF SALES</u>					
1. Greeting Cards	6,296,186	87.2	7,050,000	88.1	(753,814)
2. Engagement Calendars	914,633	12.7	950,000	11.9	(35,367)
3. Book "The Children Come Running"	7,215	0.1	-	-	7,215
4. Total Gross Proceeds of Sales	7,218,034	100.0	8,000,000	100.0	(781,966)
5. Less Discounts to Consignees	(1,686,513)	(23.4)	(1,930,000)	(24.1)	243,487
6. Income to the Fund	5,531,521	76.6	6,070,000	75.9	(538,479)
<u>EXPENDITURES</u>					
Budget:					
7. Staff Costs	204,879	2.8	217,600	2.7	(12,721)
Production Costs:					
8. Cards	1,229,498	17.0	1,250,000	15.6	(20,502)
9. Calendars	277,658	3.8	250,000	3.1	27,658
10. Fine Art Prints	-	-	-	-	-
11. Sales Promotion Costs	273,319	3.8	275,500	3.4	(2,181)
12. Other Expenses and Permanent Equip.	361,342	5.0	306,900	3.9	54,442
13. Total Budget	2,346,696	32.4	2,300,000	28.7	46,696
14. Less Closing Inventory Increase	(25,636)	(0.3)	-	-	(25,636)
15. Net Budget Cost	2,321,060	32.1	2,300,000	28.7	21,060
16. Duties and Taxes	105,219	1.5	100,000	1.3	5,219
17. Total Expenditures	2,426,279	33.6	2,400,000	30.0	26,279
18. Operational Income (line 6 less line 17)	3,105,242	43.0	3,670,000	45.9	(564,758)
<u>MISCELLANEOUS INCOME</u>					
19. Interest on Investments	-	-	10,000	0.1	(10,000)
20. Other	19,061	0.3	20,000	0.3	(939)
21. Total Miscellaneous Income	19,061	0.3	30,000	0.4	(10,939)
22. <u>TOTAL NET INCOME</u> (line 18 plus line 21)	3,124,303	43.3	3,700,000	46.3	(575,697)

a/ See paragraph 36.

b/ Percentage of Total Gross Proceeds of Sales (line 4).

Organization and controls

14. The rapid growth of card sales in recent years created a number of problems in the management and structural organization of the Greeting Card operation. In October 1966, following a number of specific points raised by the United Nations Board of External Auditors, the Executive Director requested the Controller of the United Nations to undertake a management study of the UNICEF Greeting Card Fund to be carried out by the staff of the United Nations Administrative Management Service. The findings of the study thus far have led to a number of steps to make certain changes in financial and accounting procedures, to adopt a plan for the orderly disposal of surplus stocks, and to strengthen staffing. These steps, however, took place for the most part in the 1967 campaign year, which started on 1 May, and therefore will be reported on in the next financial report. The study is still in progress and it is expected that further improvements will be initiated when the full recommendations are available.

15. The main collating of cards is contracted for with commercial firms. In 1965 the practice was instituted of assembling supplementary boxed cards and envelopes at the Greeting Card Fund Headquarters in New York. This proved so beneficial to the smooth operation of the campaign that this practice was extended in 1966 to operations in Europe, using the premises of the UNICEF Packing and Assembly Centre in Copenhagen. Experience with various new European printers for reproduction of the designs, the elimination of a problem in die-cutting, together with the facilities established in Copenhagen, made it possible in 1966 to inaugurate production in Europe for all its requirements for the 1967 and future campaigns.

16. For the 1966 campaign the printing of cards and calendars was done by nine firms in six countries (Austria, Canada, Denmark, Switzerland, the United Kingdom and the United States). Collating of the cards in 1966 was carried out in four centres - in Canada, Denmark, the United Kingdom and the United States.

17. In June 1966, a new system of stock control was introduced. The manual system for recording stock movements was improved and simultaneously the use of a computer was extended in order to evolve a more comprehensive and efficient management data system.

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Promotion materials

18. Among the promotion materials produced for the 1966 campaign by the Fund and supplied to sales agents were the following:

	<u>Quantity Produced</u>
Greeting Card brochures (19 languages, 37 versions)	7,170,000
Posters	166,000
Glossy photos for press reproduction	100,000
Promotional streamers for sales centres	9,000
Promotion kits containing basic written material for local publicity	9,500
Television promotion spot film prints (3 languages, 3 versions)	637

Sales outlets

19. In twenty-one countries, National Committees for UNICEF acted as sales agents or arranged for sales through other groups, conducting their campaigns with the aid of tens of thousands of volunteers through approximately 10,000 sales outlets. These committees were:

Australia	Ireland	Poland
Austria	Italy	Spain
Belgium	Japan	Sweden
Canada	Luxembourg	Switzerland
Denmark	Netherlands	United Kingdom
Federal Republic of Germany	New Zealand	United States
France	Norway	Yugoslavia

In other countries, in which there were no UNICEF National Committees, sales were handled by UNICEF or United Nations field offices and by voluntary groups.

20. Warm thanks are due to the Committees and to those who have given voluntary help. This valuable support makes possible the large net return to UNICEF resources to be used for the benefit of children in developing countries.

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Designs

21. The designs of 70 artists from 24 countries were used in this campaign. Thirteen for the cards, fifty-five for the calendar, one for the poster and one for the greeting card box design. A list of the artists is given in Annex 3. As in previous years, all these designs were donated to UNICEF. The generosity of these well-known artists from many countries has made possible the continuing high quality of design on which the UNICEF card success has been based.

22. A number of National Committees have asked for the inclusion in future selections of more designs relating to Christmas themes. Consequently a greater use of traditional designs is under study, supplementing the contemporary designs for which there is now an established market. A workshop for European National Committee members responsible for greeting card sales campaigns was held in June 1967. This was the first of a continuing series of workshops planned to include other National Committees as well.

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FINANCIAL REPORT AND ACCOUNTS FOR THE TWELVE-MONTH PERIOD

FROM 1 MAY 1966 TO 30 APRIL 1967

23. The financial accounts of the UNICEF Greeting Card Fund for the financial year ended 30 April 1967 cover the 1966 sales campaign, and comprise the following:

- I. Statement of Income and Expenditure for the year ended 30 April 1967;
- II. Statement of Assets and Liabilities at 30 April 1967;
- III. Statement of Budgetary Authorizations and Obligations Incurred for the year ended 30 April 1967 and Unobligated Balances of Authorizations at 30 April 1967.

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Statement I: Income and Expenditure

	1966 Campaign year to 30 April 1967			1965 Campaign period 1 September 1965 to 30 April 1966		
	\$	\$	\$	\$	\$	\$
<u>Sales</u>						
Greeting Cards		6,296,186.12		5,751,146.13		
Calendars		914,632.55		784,395.90		
Books		7,215.51		1,924.73		
		<u>7,218,034.18</u>		<u>6,537,456.76</u>		
Less: Commissions Paid	1,686,513.04			1,348,448.44		
Duties and Taxes	<u>105,218.52</u>	<u>1,791,731.56</u>	5,426,302.62	<u>94,883.61</u>	<u>1,443,332.05</u>	5,094,124.71
<u>Cost of Sales</u>						
Inventory	30 April 1966	132,894.00		1 Sept. 1965	100,655.45	
Production Costs		<u>1,507,156.81</u>			<u>1,220,837.22</u>	
		1,640,050.81			1,321,492.67	
Less: Inventory	30 April 1967	158,530.00	1,481,520.81	30 April 1966	132,894.00	1,188,598.67
					<u>132,894.00</u>	<u>1,188,598.67</u>
<u>Gross Profit on Sales</u>			3,944,781.81			3,905,526.04
<u>Other Expenditure</u>						
Staff Costs		204,878.90			120,270.30	
Sales Promotion Costs and Other Expenses		<u>634,661.52</u>	839,540.42		<u>556,767.35</u>	677,037.65
<u>Net Operating Income</u>			3,105,241.39			3,228,488.39
<u>Other Income</u>			19,061.65			9,940.45
Excess of Income over Expenditure			<u>3,124,303.04</u>			<u>3,238,428.84</u>

CERTIFIED CORRECT:

(Signed)

W. G. Middelmann
Comptroller

APPROVED:

(Signed)

E. J. R. Heyward
Deputy 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) S. M. Raza, Pakistan
Evaristo Sourdis, Colombia
Roger Peltot, Belgium

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UNICEF

Statement II:

<u>Assets</u>	at 30 April				<u>Liabilities</u>
	1967		1966		
	\$	\$	\$	\$	
<u>Cash at Bank</u>		20,728.76		25,957.54	<u>Accounts Payable</u>
					UNICEF
					Other
<u>Accounts Receivable</u>					<u>Working Capital</u>
UNICEF National Committees	2,596,466.00		2,426,674.98		Balance at
Others	<u>146,169.27</u>	2,742,635.27	<u>62,015.63</u>	2,488,690.61	Add: Excess of Income over Expenditure for the:-
<u>Inventories</u>		158,530.00		132,894.00	
<u>Prepaid Expenses</u>		464,612.07		318,705.47	
					Less: Transfers to UNICEF
					From 1965 Campaign
					From 1966 Campaign
		<u>3,386,506.10</u>		<u>2,966,247.62</u>	

CERTIFIED CORRECT:

(Signed)

W. G. Middelman
 Comptroller

The above statement of assets and liabilities has been examined in accordance we have required, and we certify, as a result of the audit, that, in our

GREETING CARD FUND

Assets and Liabilities

1967			at 30 April	1966		
\$	\$	\$		\$	\$	\$
	584,432.29			586,243.27		
	<u>89,941.74</u>	674,374.03		<u>42,175.32</u>	628,418.59	
30 April 1966	2,337,829.03		1 September 1965	3,099,400.19		
Year to			Period from			
30 April 1967	<u>3,124,303.04</u>		1 September 1965 to	<u>3,238,428.84</u>		
	5,462,132.07		30 April 1966	6,337,829.03		
750,000.00			From 1964 Campaign	2,000,000.00		
<u>2,000,000.00</u>	<u>2,750,000.00</u>	2,712,132.07	From 1965 Campaign	<u>2,000,000.00</u>	<u>4,000,000.00</u>	2,337,829.03
		<u>3,386,506.10</u>				<u>2,966,247.62</u>

APPROVED:

(Signed) E. J. R. Heyward
 Deputy Executive Director

AUDIT CERTIFICATE

with our directions. We have obtained all the information and explanations that opinion, the above statement is correct.

(Signed) S. M. Raza, Pakistan
 Evaristo Sourdis, Colombia
 Roger Peltot, Belgium

Statement III

Budgetary Authorizations and Obligations Incurred
for the year ended 30 April 1967
and Unobligated Balances of Authorizations at 30 April 1967

1965 Campaign
Obligations Incurred for period
1 September 1965 to 30 April 1966

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	Budgetary Authorizations			Obligations incurred	Unobligated balances of authorizations	
	Original	Supplementary	Revised			
	\$	\$	\$	\$	\$	\$
<u>Chapter I - Staff Costs</u>						
Salaries and wages	187,300.00	(6,800.00)	180,500.00	178,004.36	2,495.64	100,163.66
Travel and removal	1,000.00	(900.00)	100.00	81.36	18.64	961.04
Installation payments	1,000.00	(500.00)	500.00	330.00	170.00	1,320.00
Separation payments	4,000.00	(3,500.00)	500.00	203.90	296.10	2,363.81
Contributions, pension fund	17,200.00	1,200.00	18,400.00	18,339.83	60.17	11,890.06
Dependency allowances	4,500.00	(400.00)	4,100.00	4,066.71	33.29	1,811.20
Contributions, medical and social insurance	2,600.00	-	2,600.00	2,503.34	96.66	1,020.78
Travel on home leave	-	1,500.00	1,500.00	1,349.40	150.60	239.75
Total Chapter I	217,600.00	(9,400.00)	208,200.00	204,878.90	3,321.10	120,270.30
<u>Chapter II - Production Costs</u>						
Greeting Cards	1,250,000.00	(20,000.00)	1,230,000.00	1,229,498.24	501.76	1,014,720.06
Calendars	250,000.00	28,000.00	278,000.00	277,658.57	341.43	206,117.16
Total Chapter II	1,500,000.00	8,000.00	1,508,000.00	1,507,156.81	843.19	1,220,837.22
<u>Chapter III - Sales Promotion Costs and other Expenses</u>						
Brochure printing	215,000.00	13,000.00	228,000.00	227,758.09	241.91	223,543.90
Publicity and promotion	60,500.00	(14,000.00)	46,500.00	45,561.47	938.53	80,449.41
Packing and mailing supplies and services	1,500.00	300.00	1,800.00	1,781.24	18.76	421.57
Postage	10,000.00	(3,800.00)	6,200.00	6,100.43	99.57	3,030.65
Travel on official business	13,000.00	2,600.00	15,600.00	15,566.14	33.86	12,623.17
Freight	122,000.00	6,700.00	128,700.00	128,659.61	40.39	94,929.98
Stationery and office supplies	5,000.00	1,300.00	6,300.00	6,256.89	43.11	2,487.21
Office equipment	4,300.00	14,500.00	18,800.00	18,569.91	130.09	6,087.10
Storage and rental of premises	89,500.00	2,600.00	92,100.00	92,001.55	98.45	92,513.49
Telephones and cables	8,500.00	3,200.00	11,700.00	11,621.76	78.24	6,258.26
Miscellaneous	3,000.00	15,100.00	18,100.00	18,098.78	1.22	8,093.37
Other equipment	40,000.00	3,500.00	43,500.00	43,450.51	49.49	18,329.24
External and internal audit costs	10,000.00	8,800.00	18,800.00	18,800.00	-	8,000.00
Hospitality	100.00	300.00	400.00	335.14	64.86	-
Total, Chapter III	582,400.00	54,100.00	636,500.00	634,661.52	1,338.48	556,767.35
GRAND TOTAL	2,300,000.00	52,700.00	2,352,700.00	2,346,697.23	6,002.77	1,897,874.87

CERTIFIED CORRECT:
(Signed)

W. G. Middelman
Comptroller

APPROVED:

(Signed) E. J. R. Heyward
Deputy 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) S. M. Raza, Pakistan
Evaristo Sourdis, Colombia
Roger Peltot, Belgium

NOTES ON THE FINANCIAL STATEMENTS

Notes on Statement I: Income and Expenditures

24. Proceeds from sales in the 1966 campaign, less commissions, duties and taxes amounted to \$5,426,303. Deducting production costs and adding changes in inventory, the gross profit on sales was \$3,944,782. Expenditures for staff, sales promotion, and other expenses amounted to \$839,540. The total net income (including Other Income) amounted to \$3,124,303.
25. A sum of \$2,000,000 was transferred to the general resources of UNICEF from the Net Operating Income in April 1967. A further transfer of \$1,000,000 will be made before the end of 1967, making a total of \$3,000,000 transferred from the 1966 campaign. This compares with \$2,750,000 from the 1965 campaign.
26. After effecting this further transfer of \$1,000,000 to the general resources of UNICEF, the working capital will stand at \$1,712,132. This sum will be transferred to the general resources of UNICEF on 1 January 1968 in accordance with the decision of the Executive Board at its June 1967 session, that beginning with the calendar year 1968, the greeting card operation shall be financed entirely from UNICEF's working capital rather than from a separate working capital formed by greeting card profits (E/ICEF/563, para. 217).
27. Other Income totalling \$19,062 included \$16,286 from the Staff Assessment Plan. The remaining income of \$2,776 was largely from claims for shipping losses and damages.
28. In accordance with an arrangement for the Greeting Card Fund and the UNICEF Public Information Revolving Fund to share the cost and income of the calendar and a book, (E/ICEF/AB/L.50, para. 20), the Public Information Revolving Fund received the amount of \$80,588 net from the 1966 campaign (\$74,594 from calendar sales and \$5,994 from book sales). Details on income and expenditure of the Public Information Revolving Fund are reported in the UNICEF administrative and operational services budget estimates.

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Notes on Statement II: Assets and Liabilities

Assets

29. The liquid position of the assets at the end of the 1966 season differed little from that a year earlier in that the major item was again accounts receivable. At 30 April 1967 it totalled \$2,742,635, compared with \$2,488,690 at 30 April 1966. This is due to the fact that by agreement, for some time past, transfers of sales proceeds have been made to the Fund between March and August. Negotiations have been started with National Committees concerning the possibility of advancing the date of their remittances to the Fund before the end of the campaign year on 30 April.

30. At 30 April 1967, stocks totalled 33 million boxed cards and the equivalent of 31 million cards in an unfinished state. One year earlier stocks totalled 27 million boxed cards and the equivalent of 20 million cards in an unfinished state. There is an economy in restricting the finishing and collating of cards to the actual sales requirements of the last weeks of the campaign; thus the levelling-off of sales in the United States referred to above (para. 4) did not involve the higher cost of finishing and collating of the major part of the unsold production. There remained at the end of the 1966 campaign a large quantity of cards of earlier years, which cannot be sold, and which present a storage problem. A review has been made of the inventories, and steps are currently being made for early disposal of the unsaleable items. The valuation of inventories in the amount of \$158,530 at 30 April 1967 is considered to be a realistic estimate of the value of stocks that can be used in the 1967 campaign.

31. Prepaid expenses amounting to \$464,612 were in respect of production costs of cards and calendars for the 1967 campaign and were made in accordance with the authorization given to the Executive Director (E/ICEF/548/Rev.1, para. 232).

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Liabilities

32. Advances totalling \$584,432 made from UNICEF funds were necessitated partly by the non-liquid position of the Greeting Card Fund assets at 30 April 1967, as outlined in paragraph 29 above, and partly due to the working capital being insufficient for current operations. The UNICEF advances will be repaid from later transfers to funds made by UNICEF National Committees.

33. Table 4 shows the working capital at the beginning of the financial period for the three campaign years 1964 to 1966, the net income during each period, transfers effected or proposed to the general resources of UNICEF and the working capital retained for the campaign in the following year. The amount to be transferred to the general resources of UNICEF at 1 January 1968 (E/ICEF/563, para. 217) will be \$1,712,132 as shown therein. As is noted in paragraph 26, no separate working capital for the Greeting Card Fund will be available from 1 January 1968 onwards.

Table 4Working capital, net incomeand transfers to the general resources of UNICEF1964-1966

<u>Campaign year</u>	<u>Working capital at beginning of the financial period</u>	<u>Net income for the financial period</u>	<u>Surplus of assets over liabilities at end of financial period</u>	<u>Transfer to general resources of UNICEF ^{a/}</u>	<u>Working capital for following year</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
1964	932,035	2,167,365	3,099,400	2,000,000	1,099,400
1965	1,099,400	3,238,429	4,337,829	2,750,000	1,587,829
1966	1,587,829	3,124,303	4,712,132	3,000,000 ^{b/}	1,712,132 ^{c/}

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

^{b/} Includes the additional transfer of \$1,000,000 to UNICEF referred to in para. 25.

^{c/} To be transferred to the general resources of UNICEF on 1 January 1968.

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34. At 30 April 1967 unfulfilled contracts placed with suppliers in regard to the 1967 campaign totalled \$694,833. These contracts, together with the prepaid expenses of \$464,612 shown on the statement of assets and liabilities are the total obligations made by the Greeting Card Fund as of that date against the authorization given to the Executive Director to spend up to \$1,250,000 for advance production costs (E/ICEF/548/Rev.1, para. 232).

Notes on Statement III: Budgetary Authorizations
and Obligations Incurred for the year ended 30 April 1967
and Unobligated Balances of Authorizations at 30 April 1967

35. The Executive Board at its session in May 1966 approved budget estimates of the Greeting Card Fund for the year to 30 April 1967 totalling \$2,300,000.

36. In accordance with the authorization given to him to spend an additional amount of up to ten per cent of this budget and to transfer funds between allotment accounts as required (E/ICEF/548/Rev.1, para. 230), the Executive Director increased the original estimates by \$52,700. Two major items necessitating this increase were in connexion with computer programming and accounting services.

37. Obligations incurred against this revised budget of \$2,352,700 amounted to \$2,346,697. An unobligated balance of the authorization of \$6,003, being no longer required, has been cancelled.

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Annex 1

Greeting card sales by area and major selling country
1964 to 1966

	1964		1965		1966		Percentage of increase 1966 over 1965
	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	16,152,420	42.8	22,053,937	47.4	21,893,648	43.9	(0.7)
Canada	4,501,367	11.9	4,185,810	9.0	4,746,220	9.5	13.4
	<u>20,653,787</u>	<u>54.7</u>	<u>26,239,747</u>	<u>56.4</u>	<u>26,639,868</u>	<u>53.4</u>	<u>1.5</u>
<u>EUROPE</u>							
Federal Republic of Germany	2,021,772	5.4	2,904,270	6.2	3,502,565	7.0	20.6
United Kingdom of Great Britain and Northern Ireland	3,084,581	8.2	3,714,311	8.0	3,055,188	6.1	(17.7)
France	1,562,450	4.1	1,796,510	3.9	2,255,900	4.5	25.6
Switzerland	850,360	2.2	1,065,000	2.3	1,367,800	2.8	28.4
Norway	796,806	2.1	1,085,622	2.3	1,177,085	2.4	8.4
Sweden	1,059,078	2.8	1,057,490	2.3	1,124,486	2.3	6.3
Denmark	1,127,667	3.0	1,104,697	2.4	1,083,092	2.2	(2.0)
Netherlands	934,200	2.5	907,280	2.0	1,058,000	2.1	16.6
Other European Countries	1,688,731	4.5	2,286,401	5.0	2,840,384	5.7	24.2
	<u>13,125,645</u>	<u>34.8</u>	<u>15,921,581</u>	<u>34.4</u>	<u>17,464,500</u>	<u>35.1</u>	<u>9.7</u>
<u>CENTRAL AND SOUTH AMERICA</u>							
	1,088,371	2.9	1,363,404	2.9	2,237,357	4.5	64.1
<u>AUSTRALIA AND NEW ZEALAND</u>							
	1,182,521	3.1	1,188,935	2.5	1,409,230	2.8	18.5
<u>ASIA</u>							
	1,151,401	3.0	1,068,590	2.3	1,334,972	2.7	24.9
<u>AFRICA AND EASTERN MEDITERRANEAN</u>							
	566,207	1.5	690,906	1.5	767,906	1.5	11.1
TOTALS	<u><u>37,767,932</u></u>	<u><u>100.0</u></u>	<u><u>46,473,163</u></u>	<u><u>100.0</u></u>	<u><u>49,853,833</u></u>	<u><u>100.0</u></u>	<u><u>7.3</u></u>

Annex 2

Card sales of major selling countries^{1/}

on a population basis

1964-1966

<u>Country</u>	<u>Card sales per 1,000 of population</u>		
	<u>1964</u>	<u>1965</u>	<u>1966</u>
Luxembourg	334	327	337
Norway	215	293 ^{2/}	314
Canada	234	213	238
Switzerland	141	181	226
Denmark	240	234	226
Iceland	122	92	161
New Zealand	110	106	158
Sweden	138	138	144
United States of America	84	113	111
Netherlands	77	74	85
Australia	80	79	84
Belgium	58	81	78
Federal Republic of Germany	34	49	59
United Kingdom of Great Britain and Northern Ireland	57	68	56
Ireland	42	48	52
Chile	29	35	50
France	32	37	46
Austria	19	27	41
Argentina	13	14	25
Finland	15	24	24
Peru	12	15	21

^{1/} The list includes countries where sales exceeded 10 cards per 1,000 of the population

^{2/} Excludes special cards sold in connexion with the Nobel Peace Prize Award.

Annex 3

Artists who donated their work in 1966 Greeting Card Campaign

<u>Card artists</u>	<u>Name of design</u>	<u>Nationality</u>
Helena Adamoff	Winter Fair	France
Toussaint Auguste	Nativity	Haiti
Horacio Butler	Santa Claus	Argentina
Carl Grünwald	Christmas Star	Fed. Rep. of Germany
A.Y. Jackson	Village in the Snow	Canada
Ezra Jack Keats	Joy of Sharing	United States
Jean Lurcat	Bird of Peace	France
Kiyoshi Saito	Deep Winter	Japan
Amine N. Sfeir	Festive Candles	Lebanon
Suzanne Thommen	The Endless Chain	United States
Tusnelda	Dancing Children	United States
Lajos Vincze	Hungarian Carollers	Hungary
Vu Cao Dam	Maternity	Rep. of Viet-Nam
<u>Calendar artists</u>		
Fatima Ahmed	Her Toys	India
J. Sultan Ali	Dummy Horse Dance	India
Karel Appel	Life in Colour	Netherlands
Angeles Ballester	Girl with Dove	Spain
Baniprosonno	Flying Kites	India
Reidar Johan Berle	Reindeer Ride	Norway
Charles Blackman	Children in the Park	Australia
Colleen Browning	Three	United States
Sakti Burman	Spring	India
Moura Chabor	The Birds	France
Chinyee	African Village	Rep. of China
Ruth Cobb	Conversation	United States
Nan Cuz	A Child's Legend	Guatemala
Marguerite De Angeli	Amish School Children	United States
Walter Desel	Bolivian Baby	United States
Gerard Dillon	Nativity	Ireland
Jean Even	Baby in Blue	France
Evelyn Favus	Chess Game	United States
H. Andrew Freeth	Fishing	United Kingdom
Phyllis Ginger	Anne	United Kingdom
Betty Guy	Paris Park	United States
Eleanor Van Haitsma	Skiing Holiday	United States

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<u>Calendar artists (continued)</u>	<u>Name of design</u>	<u>Nationality</u>
Jean Harper	Helping Amanda	United Kingdom
K. K. Hebban	Literacy	India
Tom Hops	Carousel	Fed. Rep. of Germany
Chrystal Jackson	Munich Winter Fair	United States
Lama Jamyang	Boating on the Tsangpo	Tibet
G.A. Klein	The Pink Dress	France
Birgit Koch	Carollers	Denmark
William Kurelek	One who passed by on the other side	Canada
Patricia Lambert	Guardian Angel	United States
William Lang	Tapioca	Australia
Joe Lasker	Two Boys	United States
Jacob Lawrence	Ices	United States
Willebeek Le Mair	Playing "Tagkhorra" in Morocco	Netherlands
Vincent Lines	At Longpre Somme	United Kingdom
Mai Thu	The Prayer	Rep. of Viet-Nam
Janine Marca	Girl with Swan	France
Primaldo Mónaco	Little Musicians	Argentina
Elaine Morfogen	Playing House	United States
C.A. Morris	Rock Pools	United Kingdom
Lee Myers	Reflections	United States
Badri Narayan	The Watermelon Party	India
Tekiho Nishizawa	Winter in Japan	Japan
Baron I. Opsomer	Fisherman's Child	Belgium
Muriel A. Pemberton	Brighton Garden	United Kingdom
Mark Potter	Andy near the Wall	United States
Eva Prager	A Child's World	Canada
Margery Ryerson	Country Child	United States
Karl Schlageter	Pensive Mood	Switzerland
Soshana	Solitude	Austria
Edward John Stevens	Cusco Market	United States
Lajos Vincze	Mother and Child	Hungary
Ilon Wikland	The Puddle	Sweden
Wendy Yeo	Children on Beach	United Kingdom (Hong Kong)
<u>Box Cover artist</u>		
Roger Duvoisin		United States
<u>Poster artist</u>		
Ib. Antoni		Denmark