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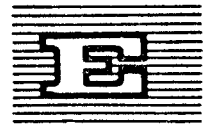
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**UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL**



DISTR.
LIMITED

E/ICEF/AB/L.111
16 November 1971

ORIGINAL: ENGLISH

UNITED NATIONS CHILDREN'S FUND
Committee on Administrative Budget

UNICEF GREETING CARD AND RELATED OPERATIONS

Financial report and accounts for the
1970 campaign

(Accounting period 1 May 1970 to 30 April 1971)

71-24234

(20p.)

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FOREWORD

A total of over 72.4 million greeting cards and 570,000 calendars were sold in the 1970 season, bringing UNICEF net earnings of \$4.6 million. These earnings were \$341,000 higher than the previous year.

The Greeting Card Operation not only furnishes UNICEF a sizable source of income but has provided people in many countries with a means of making a direct contribution both to a United Nations activity and to bringing benefits to millions of children in developing countries. Artists of distinction from forty-nine countries contributed their creative talents to the designs for the 1970 campaign. As in past years, UNICEF national committees and other voluntary groups were the main sales agents, and sales and distribution costs were kept to a minimum because of their extensive and generous voluntary help. We greatly appreciate the devoted efforts of the many thousands of persons who contributed to the success of the enterprise.

(Signed) Henry R. Labouisse
Executive Director

A. A BRIEF ACCOUNT OF THE 1970 CAMPAIGN

1 May 1970 to 30 April 1971

Sales

1. Card sales in the 1970 campaign season amounted to 72,401,000 cards, an increase of 5,972,000 or 9 per cent over the preceding year. Calendar sales amounted to 572,883 or 8 per cent less than the preceding year.

Table 1. Greeting cards and calendars sold
1968, 1969, and 1970 campaigns

| Campaign year | Cards sold | Percentage increase over previous year | Calendars sold | Percentage in- crease (decrease) over previous year |
|------------------|------------|--|-------------------|---|
| 1968 | 59 183 000 | 18.0 | 549 700 | 8.0 |
| 1969 | 66 429 000 | 12.2 | 622 800 | 13.2 |
| 1970 | 72 401 000 | 9.0 | 572 883 | (8.0) |

2. Among the promotion materials produced for the 1970 campaign by the Greeting Card Operation and supplied to sales agents were the following:

| | <u>Quantity produced</u> |
|--|--------------------------|
| Greeting card brochures (twenty-four languages) | 13 276 000 |
| Posters (fourteen versions, six languages and blanks for local text) | 268 000 |
| Glossy photos for press reproduction | 83 900 |
| Promotional streamers for sales centres | 44 600 |
| Promotion kits containing basic written material for local publicity | 1 250 |
| Television promotion spots (film prints - three languages, six versions) | 1 508 |
| Matts for press reproduction | 12 500 |
| Promotion kit covers (four language versions) | 14 400 |

3. Table 2 gives a breakdown of card sales by major geographic areas and selling countries. All areas except Australia and New Zealand registered increases. The largest increase of 13.1 per cent was achieved in Africa and Eastern Mediterranean. Central and South America increased by 12.3 per cent, Europe by 9.7 per cent and North America by 9.2 per cent. Asia registered a small increase of 0.8 per cent and Australia and New Zealand decreased by 9.7 per cent. Comparative information is included in table 2 for the 1968 and 1969 campaign years.

Table 2. Greeting card sales by area and major selling country

1968 to 1970

| | 1968 campaign | | 1969 campaign | | 1970 campaign | | Percentage of increase (decrease) 1970 over 1969 |
|---|---------------|---------------------------------|---------------|---------------------------------|---------------|---------------------------------|---|
| | 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 | 25 462 964 | 43.0 | 28 112 392 | 42.3 | 31 137 450 | 43.0 | 10.8 |
| Canada | 4 939 624 | 8.3 | 4 744 460 | 7.1 | 4 728 108 | 6.6 | (0.3) |
| | 30 402 588 | 51.3 | 32 856 852 | 49.4 | 35 865 558 | 49.6 | 9.2 |
| <u>Europe</u> | | | | | | | |
| Federal Republic of Germany | 5 471 476 | 9.2 | 6 861 613 | 10.3 | 9 087 883 | 12.6 | 32.4 |
| France | 3 490 580 | 5.9 | 4 909 850 | 7.4 | 4 804 234 | 6.6 | (2.1) |
| United Kingdom of Great Britain and Northern Ireland | 2 524 400 | 4.3 | 2 475 597 | 3.7 | 2 016 864 | 2.8 | (18.5) |
| Switzerland | 1 532 840 | 2.6 | 1 580 000 | 2.4 | 1 827 945 | 2.5 | 15.7 |
| Netherlands | 1 400 000 | 2.5 | 1 640 000 | 2.5 | 1 454 470 | 2.0 | (11.3) |
| Norway | 1 055 302 | 1.8 | 1 106 881 | 1.7 | 1 090 073 | 1.5 | (1.5) |
| Sweden | 992 662 | 1.7 | 971 747 | 1.5 | 978 037 | 1.4 | 0.6 |
| Belgium | 969 570 | 1.6 | 1 104 643 | 1.7 | 942 440 | 1.3 | (14.7) |
| Italy | 448 657 | 0.7 | 495 024 | 0.8 | 802 721 | 1.1 | 62.2 |
| Denmark | 965 095 | 1.6 | 838 621 | 1.2 | 781 957 | 1.1 | (6.8) |
| Spain | 794 028 | 1.4 | 767 198 | 1.1 | 769 743 | 1.0 | 0.3 |
| Union of Soviet Socialist Republics | 374 580 | 0.6 | 525 420 | 0.8 | 750 000 | 1.0 | 42.7 |
| Other European countries | 1 512 557 | 2.6 | 1 617 854 | 2.4 | 2 007 973 | 2.8 | 24.1 |
| | 21 531 747 | 36.5 | 24 894 448 | 37.5 | 27 314 340 | 37.7 | 9.7 |
| <u>Central and South America</u> | | | | | | | |
| Brazil | 743 953 | 1.3 | 1 084 870 | 1.6 | 1 400 282 | 1.9 | 29.1 |
| Argentina | 1 050 967 | 1.8 | 1 160 587 | 1.8 | 1 270 863 | 1.8 | 9.5 |
| Chile | 896 360 | 1.5 | 1 280 330 | 1.9 | 1 261 340 | 1.7 | (1.5) |
| Other Central and South American countries | 1 027 837 | 1.7 | 1 111 646 | 1.7 | 1 273 960 | 1.8 | 14.6 |
| | 3 719 117 | 6.3 | 4 637 433 | 7.0 | 5 206 445 | 7.2 | 12.3 |
| <u>Asia</u> | | | | | | | |
| India | 679 345 | 1.1 | 846 816 | 1.3 | 1 001 454 | 1.4 | 18.3 |
| Other Asian countries | 765 306 | 1.3 | 973 503 | 1.4 | 833 301 | 1.1 | (14.4) |
| | 1 444 651 | 2.4 | 1 820 319 | 2.7 | 1,834 755 | 2.5 | 0.8 |
| Australia and New Zealand | 1 431 223 | 2.4 | 1 450 409 | 2.2 | 1,309 400 | 1.8 | (9.7) |
| Africa and Eastern Mediterranean | 653 459 | 1.1 | 769 632 | 1.2 | 870 820 | 1.2 | 13.1 |
| TOTAL | 59 182 785 | 100.0 | 66 429 093 | 100.0 | 72 401 318 | 100.0 | 9.0 |

4. Card sales in major selling countries on the basis of 1,000 population for campaign years 1968 through 1970 are given in table 3.

Table 3. Card sales of major selling countries^{a/}
on a population basis
1968-1970

| <u>Country</u> | <u>Card sales per 1,000 of population</u> | | |
|-----------------------------|---|-------------|-------------|
| | <u>1968</u> | <u>1969</u> | <u>1970</u> |
| Luxembourg | 322 | 326 | 334 |
| Switzerland | 252 | 257 | 294 |
| Norway | 280 | 290 | 283 |
| Canada | 242 | 228 | 224 |
| Denmark | 199 | 172 | 160 |
| Federal Republic of Germany | 95 | 118 | 155 |
| United States of America | 128 | 140 | 153 |
| New Zealand | 107 | 129 | 134 |
| Chile | 98 | 137 | 132 |
| Sweden | 126 | 123 | 123 |
| Netherlands | 111 | 129 | 113 |
| Belgium | 101 | 115 | 98 |
| France | 70 | 98 | 95 |
| Finland | 101 | 21 | 86 |
| Austria | 48 | 68 | 85 |
| Australia | 88 | 91 | 75 |
| Argentina | 45 | 49 | 53 |
| Ireland | 66 | 67 | 50 |
| Uruguay | 31 | 35 | 43 |

^{a/} The list includes countries where sales exceeded forty cards per 1,000 population and aggregated over 100,000 cards in 1970.

Income and expenditure

5. Table 4 shows gross income and expenditure and net operating income for the 1970 campaign with comparative figures for the two previous years, and table 5 shows income and expenditure for the 1970 campaign compared with approved estimates (E/ICEF/AB/L.96).

6. Gross income for the 1970 campaign amounted to \$12,106,879 - an increase of \$1,130,521 or 10 per cent over that of the previous year. A total of 29 per cent of gross income went for commissions, duties and taxes, while 31 per cent went for production, staff and sales costs. The UNICEF Public Information Fund's share of net profit on calendars amounted to \$164,406 in 1970 compared to \$191,606 in 1969. Net operating income rose from \$4,273,562 in 1969 to \$4,614,303 in 1970, an increase of \$340,741 or 8 per cent. Net operating income constituted 38 per cent of gross income in 1970 compared to 39 per cent in 1969. As in 1969, one national committee reduced the proportion of gross sales proceeds it transferred to UNICEF. Consequently the net operating income expressed as percentage of gross income remained relatively low as compared to previous years.

Table 4. Gross and net operating income, 1968 to 1970 sales campaigns
(in US dollars)

| Campaign year | Gross income | Commission, duties and taxes | Commission, duties and taxes as percentage of gross income | Production staff and sales costs | Production staff and sales costs as percentage of gross income | UNICEF Revolving Fund share of net calendar and book income | UNICEF Revolving Fund share of net calendar and book income | Net operat- ing income | Net operating income as percentage of gross income |
|------------------|-----------------|------------------------------------|---|---|---|---|---|---------------------------|--|
| 1968 | 9 291 297 | 2 423 570 | 26 | 2 785 592 | 30 | 177 273 | 2 | 3 904 862 | 42 |
| 1969 | 10 976 358 | 3 145 671 | 28 | 3 365 519 | 31 | 191 606 | 2 | 4 273 562 | 39 |
| 1970 | 12 106 879 | 3 538 625 | 29 | 3 789 545 | 31 | 164 406 | 2 | 4 614 303 | 38.11 |

Table 5. Income and expenditure for the 1970 campaign compared with approved estimates
(in US dollars)

| | Estimates approved May 1970 | | Actual | | Difference Percentage | |
|---|--------------------------------|------------|-------------------------|------------|--------------------------|------------------------|
| | Dollars | Percentage | Dollars | Percentage | Dollars | increase or (decrease) |
| <u>Sales</u> | | | | | | |
| Greeting cards | 9 872 800 | 86.4 | 10 719 981 | 88.5 | 847 181 | 8.6 |
| Engagement calendars | 1 549 300 | 13.5 | 1 376 872 | 11.4 | (172 428) | (11.1) |
| Fine art prints | 10 000 | 0.1 | 10 026 | 0.1 | 26 | 0.3 |
| Total gross sales | 11 432 100 | 100.0 | 12 106 879 | 100.0 | 674 779 | 5.9 |
| <u>Less:</u> | | | | | | |
| Commissions paid | 2 860 100 | 25.0 | 3 427 432 | 28.3 | 567 332 | 19.8 |
| Duties and taxes | 95 000 | 0.8 | 111 193 | 0.9 | 16 193 | 17.0 |
| Net sales income | 8 477 000 | 74.2 | 8 568 254 | 70.8 | 91 254 | 1.1 |
| <u>Budgetary expenditures</u> | | | | | | |
| Salaries, wages and common staff costs | 571 800 | 5.1 | 541 913 | 4.5 | (29 887) | (5.2) |
| Other expenses and office equipment | 474 700 | 4.1 | 591 417 | 4.9 | 116 717 | 24.6 |
| Production costs | 2 167 000 | 18.9 | 2 213 578 ^{a/} | 18.3 | 46 578 | 2.1 |
| Sales promotion costs | 362 000 | 3.2 | 442 637 | 3.6 | 80 637 | 22.3 |
| | 3 575 500 | 31.3 | 3 789 545 | 31.3 | 214 045 ^{b/} | 6.0 |
| <u>Share of net profit on calendars</u> | | | | | | |
| Transferred to UNICEF Public Information Revolving Fund | - | - | 164 406 | 1.4 | 164 406 | |
| | 3 575 500 | 31.3 | 3 953 951 | 32.7 | 378 451 | |
| <u>Net operating income</u> | 4 901 500 | 42.9 | 4 614 303 | 38.1 | (287 197) | (5.8) |
| Miscellaneous | 50 000 | 0.4 | 78 910 | 0.6 | 28 910 | 57.8 |
| <u>Excess of income over expenditure for the campaign</u> | 4 951 500 | 43.3 | 4 693 213 | 38.7 | (258 287) | (5.2) |

^{a/} Includes 100 per cent of calendar costs.

^{b/} See Note on Statement II, para. 8.

Designs

7. Designs were donated by one hundred and three artists from forty-nine countries. Thirty-seven designs were used for the cards and fifty-five designs were used for the calendar. A list of these artists is set out below. The fifty-five designs illustrating the UNICEF calendar are from the Festival of Mural Painting for Children which formed part of the Cultural Programme of the XIX Olympiad in Mexico. In an event unique in the history of the Olympic Games, talented children from the member countries were invited to Mexico to paint murals on the theme of "A World of Friendship". The generosity of these artists has made possible a continuing high standard of design.

| <u>Card artists</u> | <u>Name of design</u> | <u>Nationality</u> |
|---------------------------|--|--------------------|
| Aatos (age 13) | The Three Kings | Finland |
| Roser Agell | Angel of the East Angel of the West (2) | Spain |
| Kobina Bucknor | Lead On, Kindly Star | Ghana |
| John Burningham | Helping Santa Along | United Kingdom |
| Roger Chapelain-Midy | Amsterdam in Winter | France |
| Ivan Chermayeff | Angel and Dove | United States |
| Colette (age 13) | Santa Claus and Sled | France |
| Eva (age 13) | Village and Snowman | Austria |
| Marc-Aurele Fortin | Quebec Winter Scene | Canada |
| Milton Glaser | Winged Hope | United States |
| Ferenc Hamori | New England Winter | United States |
| George Ivers | Snowy Sunday | United States |
| Jannis (age 8) | Snow Scene | Greece |
| Paul Klee (1879-1940) | Untitled Painting | *Switzerland |
| Edith Lange | Bouquet | Switzerland |
| Arne Larsen | Christmas Symbols | Denmark |
| François-Noël Levasseur | Kneeling Angel | Canada |
| Hanny Luthi | Christmas Tree Market | Switzerland |
| Thomas McCormack (age 10) | Skating | United States |

* Reproduction rights contributed by museums, art galleries or estates of artists.

| <u>Card artists (continued)</u> | <u>Name of design</u> | <u>Nationality</u> |
|---------------------------------|---|------------------------------|
| Maria Mackiewicz | Winter Wonderland | Poland |
| Henri Maik | Circus Fun | France |
| Ewald Matare | Angel | *Federal Republic of Germany |
| Lisolotte Morell | Happiness | United States |
| Guiomar Guerra Mozinha | The Bower | Brazil |
| Mughal (c. 1621) | Shah Jahan Holding a Child Attended by Women | *India |
| Edvard Munch (1863-1944) | Starry Night | *Norway |
| John Nash | Suffolk Landscape | United Kingdom |
| Norsk Folkemuseum | Angel (1806) | Norway |
| Kichiemon Okamura | Winter | Japan |
| David Chethlahe Paladin | Nativity | United States |
| Paunichiak | Eskimos Fishing | Canada |
| Paw Oo Thet | Asian Harbour Scene | Burma |
| Elisabeth Quademechels | Adoration of the Kings | Federal Republic of Germany |
| Friedel Schulz-Denhardt | Girl with Lamb | Federal Republic of Germany |
| Rosalind Smith | The Swinger | United States |
| Su Han Ch'en (12th c.) | Children Playing at Home | *China |
| Yutaka Sugita | Garden Festival, Japan | Japan |
| Kamma Svensson | Russian Dolls | Denmark |
| Tomi Ungerer | Santa Claus | France |
| Francesco Tabusso | December | Italy |
| Beatrice Tanaka | Circle of Friendship | Brazil |
| Doris Vallejo | Sledding | United States |
| Annette Weld | Guatemala Market | United Kingdom |
| Fiep Westendorp | Flower Children-The Artist (2) | Netherlands |
| Barry Wilkinson | The Carollers | United Kingdom |
| William Winter | Crack the Whip | Canada |
| Judith Yellin-Ginat | The Journey | Israel |

* Reproduction rights contributed by museums, art galleries or estates of artists.

| <u>Calendar artists</u> | <u>Age</u> | <u>Nationality</u> | <u>Calendar artists (Cont'd)</u> | <u>Age</u> | <u>Nationality</u> |
|-------------------------|------------|----------------------------------|----------------------------------|------------|----------------------|
| Martha Modupe Abayomi | 14 | Nigeria | Reginald Antony Clifford | 12 | United Kingdom |
| William Adam | 7 | Greece | Lisa Curn | 7 | United States |
| Manuel Aguilar | 11 | Guatemala | Alain Dauplet | 13 | France |
| Goran L.O. Ahumada | 14 | Chile | Maya Maryati Djajakusuma | 12 | Indonesia |
| Bernardo Kobel | 10 | Switzerland | Tarek El-Bouri | 8 | Libyan Arab Republic |
| Vivek Kuchibhatla | 9 | India | Claudia Flax | 12 | Argentina |
| Alberto Letayf | 10 | Lebanon | Martha Fulford | 8 | Canada |
| May Harn Liu | 13 | Republic of China | Juan Carlos Garcia | 13 | Spain |
| Soile Irene Matilainen | 14 | Finland | Eduardo Alberto Gomez da Silva | 8 | Portugal |
| Juan Carlos Pinto | 8 | Colombia | Alvaro Gonzalez | 8 | Uruguay |
| Katherine Plumb | 11 | United Kingdom | Urs Hofmann | 13 | Switzerland |
| Tania Valeria Saballos | 10 | Nicaragua | Si Mao El Hussein | 6 | Mauritania |
| Richard J. Serpell | 8 | Australia | Edgar Enrique Irazoque | 13 | Bolivia |
| Grazyna Spyra | 13 | Poland | Fedra Irazoque | 10 | Bolivia |
| John Eric Stewart | 7 | Malaysia | Kim Hyung Joon | 10 | Republic of Korea |
| Helen Stump | 10 | Switzerland | Karen Kilimnik | 13 | United States |
| George B. Sumabat | 11 | Philippines | | | |
| Petr Teissig | 8 | Czechoslovakia | | | |
| Ena Mary Thompson | 14 | Bahamas | | | |
| Alejandro Valencia | 8 | Mexico | | | |
| Damian Valencia | 13 | Mexico | | | |
| Olivier Van Der Graaf | 7 | Democratic Republic of the Congo | | | |
| Nicolaas Frederik Viets | 10 | Netherlands | | | |
| Pacifico Luis Vijandre | 12 | Philippines | | | |
| Johan Mikael Wage | 10 | Sweden | | | |
| Rumiko Waki | 12 | Japan | | | |
| Hark Weech | 14 | Bahamas | | | |
| Soh Chang Woo | 10 | Republic of Korea | | | |
| Eytan Wronker | 11 | Israel | | | |
| Naoko Yamane | 11 | Japan | | | |
| Norbert Albers | 12 | Federal Republic of Germany | | | |
| Twabech Almayehu | 12 | Ethiopia | | | |
| Neustadt Amartiefio | 10 | Ghana | | | |
| Rolf Christian Andersen | 9 | Norway | | | |
| Esteban Arcos | 11 | Ecuador | | | |
| Martin Banwell | 13 | New Zealand | | | |
| Bruno de Risios Bath | 8 | Brazil | | | |
| Mark Chan | 9 | Singapore | | | |
| Alain de Chantat | 9 | Canada | | | |

B. FINANCIAL STATEMENTS OF THE GREETING CARD AND RELATED
OPERATIONS FOR THE 1970 SALES CAMPAIGN
(ACCOUNTING PERIOD FROM 1 MAY 1970 TO 30 APRIL 1971)

1. The financial statements comprise the following:
 - (a) Statement I. Income and expenditure for the 1970 campaign year to 30 April 1971;
 - (b) Statement II. Budgetary authorizations and obligations incurred for the year ended 30 April 1971 and unobligated balances of authorizations at 30 April 1971;
 - (c) Notes forming part of statements I and II.

INCOME AND EXPENDITURE
(in US dollars)

STATEMENT I

| | <u>1970 Campaign - year to 30 April 1971</u> | | <u>1969 Campaign - year to 30 April 1970</u> | |
|--|--|---------------------|--|---------------------|
| <u>Sales</u> | | | | |
| Greeting cards | 10 719 981.20 | | 9 478 060.53 | |
| Calendars | 1 376 871.92 | | 1 479 422.32 | |
| Fine art prints | <u>10 025.42</u> | | <u>18 874.67</u> | |
| | 12 106 878.54 | | 10 976 357.52 | |
| <u>Less:</u> Commissions paid | 3 427 431.49 | | 3 061 339.17 | |
| Duties and taxes | <u>111 193.16</u> | 8 568 253.89 | <u>84 331.71</u> | 7 830 686.64 |
| | 3 538 624.65 | | 3 145 670.88 | |
| <u>Cost of sales</u> | | | | |
| Opening inventory | 200.00 | | 132 711.07 | |
| Production costs | <u>2 213 578.33</u> | | <u>1 949 533.06</u> | |
| | 2 213 778.33 | | 2 082 244.13 | |
| Less: Closing inventory | <u>200.00</u> | 2 213 578.33 | <u>200.00</u> | 2 082 044.13 |
| <u>Gross profit on sales</u> | | 6 354 675.56 | | 5 748 642.51 |
| LESS: | | | | |
| <u>Share of net profit on calendar sales</u> | | | | |
| transferred to UNICEF Public Information | | | | |
| Revolving Fund | | <u>164 405.65</u> | | <u>191 606.05</u> |
| | | 6 190 269.91 | | 5 557 036.46 |
| <u>Other expenditure</u> | | | | |
| Salaries, wages and common staff costs | 541 912.67 | | 398 987.05 | |
| Administrative expenses and office equipment | 591 417.43 | | 487 978.53 | |
| Sales promotion costs | <u>442 636.65</u> | 1 575 966.75 | <u>396 508.89</u> | 1 283 474.47 |
| <u>Net operating income</u> | | 4 614 303.16 | | 4 273 561.99 |
| ADD: | | | | |
| <u>Other income</u> | | <u>78 910.42</u> | | <u>35 179.30</u> |
| <u>Excess of income over expenditure</u> | | <u>4 693 213.58</u> | | <u>4 308 741.29</u> |

Note: The notes in section C, paragraphs 1-6, form an integral part of this statement and should be read in conjunction therewith.

CERTIFIED CORRECT
(Signed) W.G. MIDDELMANN
Comptroller

APPROVED
(Signed) Henry R. LABOUISSSE
Executive Director

Budgetary authorizations and obligations incurred for the year ended 30 April 1971
and unobligated balances of authorizations at 30 April 1971

STATEMENT II

(in US dollars)

| | <u>Budgetary authorizations</u> | | | <u>Obligations</u> | <u>Unobligated</u> | <u>1969 campaign</u> |
|---|---------------------------------|--------------------|----------------|--------------------|-----------------------|----------------------------------|
| | <u>Original</u> | <u>Adjustments</u> | <u>Revised</u> | <u>incurred</u> | <u>balance of</u> | <u>obligations incurred</u> |
| | | | | | <u>authorizations</u> | <u>for year to 30 April 1970</u> |
| <u>Section 1. Salaries, wages and common staff costs</u> | | | | | | |
| Established posts | 409 500 | (22 000.00) | 387 500.00 | 385 373.88 | 2 126.12 | 300 367.36 |
| Consultants | 30 000 | 10 000.00 | 40 000.00 | 34 777.26 | 5 222.74 | 14 201.44 |
| Temporary assistance | 46 000 | (1 500.00) | 44 500.00 | 41 574.68 | 2 925.32 | 24 008.37 |
| Overtime | 1 000 | - | 1 000.00 | 520.84 | 479.16 | 666.94 |
| Travel, removal and installation | 1 000 | (1 000.00) | | | | 64.91 |
| Separation payments | 2 000 | (1 000.00) | 1 000.00 | 884.02 | 115.98 | 5 314.25 |
| Contributions, Pension Fund | 55 200 | (8 000.00) | 47 200.00 | 46 372.89 | 827.11 | 36 832.35 |
| Dependency allowances and education grants | 12 800 | 4 500.00 | 17 300.00 | 17 214.91 | 85.09 | 10 822.00 |
| Travel on home leave | 7 500 | (500.00) | 7 000.00 | 5 521.33 | 1 478.67 | - |
| Staff welfare | 2 400 | (1 000.00) | 1 400.00 | 1 301.76 | 98.24 | 994.30 |
| Medical insurance and related payments | 4 400 | 4 100.00 | 8 500.00 | 8 371.10 | 123.90 | 5 715.13 |
| Total, Section 1 | 571 800 | (16 400.00) | 555 400.00 | 541 912.67 | 13 487.33 | 398 987.05 |
| <u>Section 2. Other expenses and permanent equipment</u> | | | | | | |
| Travel on official business | 30 000 | 15 000.00 | 45 000.00 | 44 620.59 | 379.41 | 29 440.63 |
| Freight | 182 000 | 19 500.00 | 201 500.00 | 200 554.73 | 945.27 | 166 366.74 |
| Communications | 21 000 | 2 000.00 | 23 000.00 | 22 677.88 | 322.12 | 18 422.26 |
| Rental and maintenance of premises and storage | 132 000 | 48 500.00 | 180 500.00 | 179 953.59 | 546.41 | 125 006.85 |
| Office supplies | 9 000 | 1 700.00 | 10 700.00 | 10 644.48 | 55.52 | 8 190.76 |
| Miscellaneous supplies and services | 25 000 | (1,600.00) | 23 400.00 | 22 809.58 | 590.42 | 23 578.13 |
| Rental and maintenance of office and accounting equipment | 50 000 | 20 900.00 | 70 900.00 | 70 837.40 | 62.60 | 80 339.42 |
| External and internal audit costs | 20 000 | 3 600.00 | 23 600.00 | 23 570.00 | 30.00 | 20 630.00 |
| Hospitality | 700 | 700.00 | 1 400.00 | 1 220.26 | 179.74 | 340.74 |
| Furniture and office equipment | 5 000 | 10 000.00 | 15 000.00 | 14 528.92 | 471.08 | 3 471.92 |
| Total, Section 2 | 474 700 | 120 300.00 | 595 000.00 | 591 417.43 | 3 582.57 | 475 787.45 |

STATEMENT II

| | <u>Budgetary authorizations</u> | | | <u>Obligations incurred</u> | <u>Unobligated balance of authorizations</u> | <u>1969 campaign obligations incurred for year to 30 April 1970</u> |
|---|---------------------------------|--------------------|---------------------|-----------------------------|--|---|
| | <u>Original</u> | <u>Adjustments</u> | <u>Revised</u> | | | |
| <u>Section 3. Production costs</u> | | | | | | |
| Greeting cards | 1 652 000 | 125 000.00 | 1 777 000.00 | 1 771 010.13 | 5 989.87 | 1 537 970.09 |
| Calendars | 450 000 <u>a/</u> | (25 300.00) | 424 700.00 | 423 778.70 <u>a/</u> | 921.30 | 410 858.97 |
| Fine art reproductions | 5 000 | (5 000.00) | - | | | 704.00 |
| Production and distribution equipment | 60 000 | (38 100.00) | 21 900.00 | 18 789.50 | 3 110.50 | 12 191.08 |
| Total, Section 3 | <u>2 167 000</u> | <u>56 600.00</u> | <u>2 223 600.00</u> | <u>2 213 578.33</u> | <u>10 021.67</u> | <u>1 961 724.14</u> |
| <u>Section 4. Sales promotion costs</u> | | | | | | |
| Brochure printing | 280 000 | 72 600.00 | 352 600.00 | 351 169.33 | 1 430.67 | 318 495.40 |
| Publicity and promotion | 82 000 | 9 500.00 | 91 500.00 | 91 467.32 | 32.68 | 78 013.49 |
| Total, Section 4 | <u>362 000</u> | <u>82 100.00</u> | <u>444 100.00</u> | <u>442 636.65</u> | <u>1 463.35</u> | <u>396 508.89</u> |
| GRAND TOTAL | <u>3 575 500</u> | <u>242 600.00</u> | <u>3 818 100.00</u> | <u>3 789 545.08</u> | <u>28 554.92</u> | <u>3 233 007.53</u> |

Note: The notes in section C, paragraphs 7-9, form an integral part of this statement and should be read in conjunction therewith.

a/ Including UNICEF Public Information Fund's share of calendar production costs.

CERTIFIED CORRECT

APPROVED

(Signed) W.G. MIDDELMANN
Comptroller

(Signed) Henry R. Labouisse
Executive Director

C. NOTES FORMING PART OF STATEMENTS I AND II

Notes on Statement I: Income and expenditure

Inventory 30 April 1971

1. At 30 April 1971 greeting card stocks held globally totalled 38.3 million boxed cards and 34.5 million cards in an unfinished state. During the financial year approximately 29 million greeting cards of old design considered no longer salable were donated to approved organizations, or sold as scrap paper. A nominal valuation (\$200) has been placed on the inventory of boxed and unfinished cards. In 1970 the cost of unused stocks of packing material, envelopes, boxes, cartons etc. on hand at the end of the campaign have been transferred to the 1971/1972 budget as deferred expenses instead of being classified as inventory. The cost of unused stocks transferred at the close of the 1970 campaign was \$172,155.

2. The card stock movement is set forth in table 6.

Table 6. Card stock movement - 1970 campaign
(In millions of cards)

| | <u>1970 season</u> | | | <u>1969 season</u> | | |
|--|--------------------|---------------|--------------------------|--------------------|---------------|-------------|
| | Uncollated | Collated | Total | Uncollated | Collated | Total |
| Opening inventory | 38.1 | 32.8 | 70.9 | 26.9 | 36.1 | 63.0 |
| <u>Adjustments to opening inventory</u> | | | | | | |
| Prior year's designs boxed | (3.0) | 3.0 | - | (2.4) | 2.4 | - |
| Prior year's designs decollated to salvage boxes, etc. | <u>1.8</u> | <u>(1.8)</u> | <u>-</u> | <u>8.8</u> | <u>(8.8)</u> | <u>-</u> |
| Adjusted opening inventory | 36.9 | 34.0 | 70.9 | 33.3 | 29.7 | 63.0 |
| New cards produced | <u>24.8</u> | <u>80.4</u> | <u>105.2</u> | <u>23.8</u> | <u>66.5</u> | <u>90.3</u> |
| | 61.7 | 114.4 | 176.1 | 57.1 | 96.2 | 153.3 |
| Deduct: cards sold during campaign | 9.6 | 62.8 | 72.4 | 10.7 | 55.7 | 66.4 |
| cards donated, destroyed and lost | <u>17.6</u> | <u>13.3</u> | <u>30.9^{a/}</u> | <u>8.3</u> | <u>7.7</u> | <u>16.0</u> |
| Closing inventory | <u>34.5</u> | <u>38.3</u> | <u>72.8</u> | <u>38.1</u> | <u>32.8</u> | <u>70.9</u> |

a/ Of 30.9 million, 29 million old designs no longer salable were donated (0.7) or destroyed (28.3). Samples, damages, losses at sales outlets and losses in imprinting accounted for the remainder (1.9).

Share of production cost and gross profit on calendars

3. On the basis of an agreement with the UNICEF Public Information Revolving Fund to share production costs and gross profit on calendars, the latter received an income of \$164,406 from the 1970 campaign. The agreement charges the Public Information Revolving Fund with 30 per cent of production costs and credits the fund with 30 per cent of gross sales, less commissions, duties and taxes.

4. For the 1970 campaign both sales and expenditures of calendars are shown on a gross basis. Table 7 shows the sharing between the Public Information Revolving Fund and the Greeting Card Operation.

Table 7. Sharing of income and expenditure between the Greeting Card Operation and the UNICEF Public Information Revolving Fund

| <u>1970 season</u> (in US dollars) | | | |
|---------------------------------------|-------------------|--|-------------------------------------|
| | Gross | UNICEF Public Information Revolving Fund share | Greeting Card Operation share |
| <u>Income</u> | | | |
| Sale of calendars | 1 376 871.92 | 413 061.58 | 963 810.34 |
| Less: | | | |
| <u>Expenditures</u> | | | |
| Commissions paid | 391 731.98 | 117 519.59 | 274 212.39 |
| Duties and taxes | 13 342.43 | 4 002.73 | 9 339.70 |
| Production costs | <u>423 778.70</u> | <u>127 133.61</u> | <u>296 645.09</u> |
| Total | 828 853.11 | 248 655.93 | 580 197.18 |
| <u>Income less expenditures</u> | <u>548 018.81</u> | <u>164 405.65</u> | <u>383 613.16</u> |

Other income

5. The total of \$78,910.42 consisted of \$21,691 from the United Kingdom National Committee representing supplementary proceeds from the 1967 and the 1968 campaigns, credits from the staff assessment plan and discounts allowed by vendors on materials and services purchased.

Excess of income over expenditure

6. A total of \$4,693,214 from the 1970 sales campaign was transferred to the general resources of UNICEF in 1971 after the closure of the campaign records. The net income of the 1970 campaign was based on the inclusion of accounts receivable in the sales total of \$4,237,336 compared with \$4,052,252 at 30 April 1970.

Notes on Statement II. Budgetary estimates, obligations incurred and unobligated balances of estimates for the year ended 30 April 1971

7. The Executive Board at its April 1970 session approved budget estimates for the 1970 sales campaign in the amount of \$3,575,500 (E/ICEF/AB/L.96). These estimates included the 30 per cent of the production costs of the engagement calendars which is charged to the Public Information Revolving Fund under the sharing agreement with the latter. Consequently statement II shows, under section 3, production costs at 100 per cent of estimates and expenditures.

8. In accordance with the authority given to the Executive Director to spend an additional amount of up to 15 per cent of the gross budget if necessary to meet costs of expanded production and sales, an additional amount of \$242,600 or 6.8 per cent of the gross budget was requested and approved to cover additional costs in achieving a production level 8.4 per cent higher than anticipated. The increased production was undertaken since other consignees indicated that the sales would be higher than the 10 per cent increase originally forecast. In fact, owing to greater than usual returns from consignment outlets, numbers of cards sold exceeded the previous year's figure by only 9 per cent.

9. Obligations incurred against the revised estimate of \$3,818,000 amounted to \$3,789,545 and as the unobligated balance of \$28,555 is no longer required, it has been cancelled.