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UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL



DISTR.
LIMITED

E/ICEF/AB/L.121
28 November 1972

ORIGINAL: ENGLISH

UNITED NATIONS CHILDREN'S FUND
Committee on Administrative Budget
1973 session

UNICEF GREETING CARD AND RELATED OPERATIONS

Financial report and accounts for the 1971 campaign
(Accounting period 1 May 1971 to 30 April 1972)

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FOREWORD

A total of over 83.1 million greeting cards and 621,000 calendars were sold in the 1971 season, bringing UNICEF net earnings of \$6.0 million. These earnings were \$1,272,000 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 33 countries contributed their creative talents to the designs for the 1971 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 1971 CAMPAIGN

1 May 1971 to 30 April 1972

Sales

1. Card sales in the 1971 campaign season amounted to 83,152,000 cards, an increase of 10,757,000 or 14.8 per cent over the preceding year. Calendar sales amounted to 621,504 or 8.5 per cent more than the preceding year.

Table 1. Greeting cards and calendars sold
1969, 1970 and 1971 campaigns

Campaign year	Cards sold	Percentage increase over previous year	Calendars sold	Percentage in- crease (decrease) over previous year
1969	66,429,000	12.2	622,800	13.2
1970	72,401,000	9.0	572,883	(8.0)
1971	83,152,000	14.8	621,504	8.5

2. Among the promotion materials produced for the 1971 campaign by the Greeting Card Operation and supplied to sales agents were the following:

	<u>Quantity produced</u>
Greeting card brochures (26 languages)	11 249 000
Posters (15 versions, 12 languages and blanks for local text)	837 000
Glossy photos for press reproduction	131 000
Promotional streamers for sales centres (7 languages)	107 000
Promotion kits	6 600
Television promotion spots (film prints - 3 languages, 9 versions)	1 360
Matts for press reproduction	18 100
Promotion kit covers	21 400
Window stickers	95 900
Leaflet mailers	1 245 525

3. Table 2 gives a breakdown of card sales by major geographic areas and selling countries. All areas except Asia registered increases. The largest increase of 35 per cent was achieved in Africa as well as in the Eastern Mediterranean. Europe was next with an increase of 20.4 per cent, Central and South America with 17.9 per cent and North America with 10.9 per cent. Asia registered a small decrease of 0.3 per cent, and Australia and New Zealand an increase of 3 per cent. Comparative information is included in table 2 for the 1969 and 1970 campaign years.

Table 2. Greeting card sales by area and major selling country
1971 compared with 1970 and 1969

	<u>1971 campaign</u>		<u>1970 campaign</u>		<u>1969 campaign</u>		Percentage of increase (decrease) 1971 over 1970
	<u>Cards sold</u>	<u>Percentage of total sales</u>	<u>Cards sold</u>	<u>Percentage of total sales</u>	<u>Cards sold</u>	<u>Percentage of total sales</u>	
<u>North America</u>							
United States of America	34 180 825	41.1	31 137 450	43.0	28 112 392	42.3	11.0
Canada	5 585 533	6.7	4 728 108	6.6	4 744 460	7.1	18.1
	39 766 358	47.8	35 865 558	49.6	32 856 852	49.4	10.9
<u>Europe</u>							
Federal Republic of Germany	11 018 466	13.3	9 087 883	12.6	6 861 613	10.3	21.2
France	5 838 981	7.0	4 804 234	6.6	4 909 850	7.4	21.6
Switzerland	2 265 860	2.7	1 827 945	2.5	1 580 000	2.4	24.0
Netherlands	2 040 000	2.5	1 454 470	2.0	1 640 000	2.5	40.3
United Kingdom of Great Britain and Northern Ireland	1 713 690	2.1	2 016 864	2.8	2 475 597	3.7	(15.0)
Sweden	1 367 347	1.6	978 037	1.4	971 747	1.5	39.8
Belgium	1 265 580	1.5	942 440	1.3	1 104 643	1.7	34.3
Denmark	1 165 373	1.4	781 957	1.1	838 621	1.2	49.0
Italy	1 147 027	1.4	802 721	1.1	495 024	0.8	42.9
Spain	1 089 178	1.3	769 743	1.0	767 198	1.1	41.5
Norway	1 049 779	1.3	1 090 073	1.5	1 106 881	1.7	(3.7)
Finland	925 976	1.1	627 297	0.9	97 468	0.1	47.6
Austria	762 802	0.9	403 292	0.5	497 363	0.8	89.1
Other European countries	1 246 069	1.5	1 727 384	2.4	1 548 443	2.3	(27.9)
	32 896 128	39.6	27 314 340	37.7	24 894 448	37.5	20.4
<u>Central and South America</u>							
Brazil	1 864 250	2.2	1 400 282	1.9	1 084 870	1.6	33.1
Argentina	1 247 676	1.5	1 270 863	1.8	1 160 587	1.8	(1.8)
Chile	1 575 840	1.9	1 261 340	1.7	1 280 330	1.9	24.9
Other Central and South American countries	1 448 145	1.8	1 273 960	1.8	1 111 646	1.7	
	6 135 911	7.4	5 206 445	7.2	4 637 433	7.0	17.9
<u>Asia</u>							
India	788 819	0.9	1 001 454	1.4	846 816	1.3	(21.2)
Other Asian countries	1 040 283	1.3	833 301	1.1	973 503	1.4	24.8
	1 829 102	2.2	1 834 755	2.5	1 820 319	2.7	(0.3)
<u>Australia and New Zealand</u>	1 349 481	1.6	1 309 400	1.8	1 450 409	2.2	3.0
<u>African and Eastern Mediterranean</u>	1 175 290	1.4	870 820	1.2	769 632	1.2	35.0
TOTAL	<u>83 152 270</u>	<u>100.0</u>	<u>72 401 318</u>	<u>100.0</u>	<u>66 429 093</u>	<u>100.0</u>	<u>14.8</u>

4. Cards sales in major selling countries on the basis of 1,000 population for campaign years 1969 through 1971 are given in table 3.

Table 3. Card sales of major selling countries^{a/}
on a population basis 1971 compared with 1970 and 1969

<u>Country</u>	<u>Card sales per 1,000 of population</u>		
	<u>1971</u>	<u>1970</u>	<u>1969</u>
Luxembourg	445	334	326
Switzerland	359	294	257
Norway	268	283	290
Canada	245	224	228
Denmark	234	160	172
Finland	198	86	21
Federal Republic of Germany	186	155	118
Chile	175	132	137
Sweden	169	123	123
United States of America	165	153	140
Netherlands	155	113	129
New Zealand	138	134	129
Belgium	130	98	115
France	114	95	98
Austria	102	85	68
Australia	73	75	91
Ireland	68	50	67
Argentina	53	53	49

^{a/} The list includes countries where sales exceeded 40 cards per 1,000 population and aggregated over 100,000 cards in 1971.

Income and expenditure

5. Table 4 shows gross income and expenditure and net operating income for the 1971 campaign with comparative figures for the two previous years, and table 5 shows income and expenditure for the 1971 campaign compared with approved estimates (E/ICEF/AB/L.108).

6. Gross income for the 1971 campaign amounted to \$14,632,788 - an increase of \$2,525,909 or 20.9 per cent over that of the previous year. A total of 27 per cent of gross income went for commissions, duties and taxes, while 32 per cent went for production, staff and sales costs. The UNICEF Public Information Fund's share of net profit on calendars amounted to \$198,906 in 1971 compared to \$164,406 in 1970. Net operating income rose from \$4,614,303 in 1970 to \$5,848,347 in 1971, an increase of \$1,234,044 or 26.7 per cent. Net operating income constituted 40 per cent of gross income in 1971 compared to 38 per cent in 1970. In 1971, three national committees retained a proportion of gross sales proceeds higher than 25 per cent. Had this not been the case, the net income would have risen to 42 per cent in 1971.

Table 4. Gross and net operating income, 1969 to 1971 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 income	UNICEF Revolving Fund share of net calendar income as percentage of gross income	Net operat- ing income	Net operating income as percentage of gross income
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
1971	14 632 788	3 899 450	27	4 686 085	32	198 906	1	5 848 347	40

Table 5. Income and expenditure for the 1971 campaign compared with approved estimates
(in US dollars)

	Estimates approved May 1971		Actual		Difference	
	Dollars	Percentage	Dollars	Percentage	Dollars	Percentage increase or (decrease)
<u>Sales</u>						
Greeting cards	11 270 500	87.8	13 126 830	89.7	1 856 330	16.5
Engagement calendars	1 550 000	12.1	1 498 713	10.2	(51 287)	(3.3)
Fine art prints	10 000	0.1	7 245	0.1	(2 755)	(27.5)
Total gross sales	12 830 500	100.0	14 632 788	100.0	1 802 288	
<u>Less:</u>						
Commissions paid	3 207 600	25.0	3 771 249	25.8	563 649	17.6
Duties and taxes	105 000	0.8	128 201	0.9	23 201	22.1
Net sales income	9 517 900	74.2	10 733 338	73.3	1 215 438	12.8
<u>Budgetary expenditures</u>						
Salaries, wages and common staff costs	766 100	6.0	718 185	4.9	(47 915)	(6.3)
Other expenses and office equipment	574 000	4.5	722 126	4.9	148 126	25.8
Production costs	2 342 000	18.2	2 654 205 ^{a/}	18.1	312 205	13.3
Sales promotion costs	420 900	3.3	591 569	4.1	171 569	40.8
	4 102 200	32.0	4 686 085	32.0	583 885	14.2
<u>Share of net profit on calendars</u>						
Transferred to UNICEF Public Information						
Revolving Fund	-	-	198 906	1.3	198 906	
	4 102 200	32.0	4 884 991	33.3	782 791 ^{b/}	
<u>Net operating income</u>	5 415 700	42.2	5 848 347	40.0	432 647	8.0
Miscellaneous	50 000	0.4	116 911	0.8	66 911	133.8
<u>Excess of income over expenditure for the campaign</u>	5 465 700	42.6	5 965 258	40.8	499 558	9.1

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

^{b/} See note on statement II, para. 8.

Designs

Designs were donated by ninety-six artists from thirty-three countries. Forty-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 generosity of these artists has made possible a continuing high standard of design.

<u>ARTISTS</u>	<u>NAME OF DESIGN</u>	<u>COUNTRY</u>
Wooley Abélard	Village Scene	Haiti
Alexandrine	Christmas at Notre Dame	Netherlands
Niels Behrend	Santa's Ark	Denmark
Janice Biala	Child with Doll	United States
Ilse Böhme	Winter Fun	Federal Republic of Germany
Tone Bonnen	Children and Tree	Denmark
Phyllis Brackett	Nursery Madonna	United States
Hannah Brandt	The Windmill Boy	Brazil
Heidi Brandt	Flower Girl	United States
Yves Brayer	Winter in Avila	France
Henry S. Burger	The Swimming-hole	United States
Taisa Camu	Elephant Walk	United Kingdom
Anonymous 19th C. Canadian	Tobogganing	Canada
Giancarlo Carloni	Butterflies	Italy
Bruno Caruso	Boy with Kite	Italy
Chhonzay	A Happy Drummer	
Fleurimond Constantineau	Village of Fort Chimo	Canada
Maeve Costello	St. Stephen's Day	Ireland
Nan Cuz	Children's Procession	Guatemala
Regine Dapra	Picnic	Austria
Hens De Jong	Donkey's Tail	Netherlands
Georges Doussot	Beachscene	France
Suzanne Dufoing	Wonderful Country	Belgium
Ecuadorian Folk Art	The Flight into Egypt	Ecuador
Svenlov Ehren	Nordic Evening	Sweden
Jean Ekiert	Mother and Child	France
Lola Fielding	Children's Festival	United Kingdom
Lucien Fontanarosa	Young Boy with Bandaria	France
Jack Frankfurter	Children and Wall	United States
Lilo Fromm	The Fox	Federal Republic of Germany
	Sleigh Ride	Federal Republic of Germany
Iliana Fuentes	Girl with Flower Cart	Mexico
Enrique Gandolfo	Daisy and Blue Flowers	Argentina
Franco Gentilini	Cathedral with Acrobats	Italy
Eric Goldberg	Playground	Canada
Phyllis F. Gorlick	Ring-a-round the Castle	United States
Janusz Grabianski	Girl with Cat	Poland
	Snowman	Poland
Lena Gurr	Teeter, Totter	United States
Sieglinde Haeusler	Sleigh Ride	Federal Republic of Germany
Eqbal Tewfik Hanna	Water Wheel and Water Buffalo	Egyptian Arab Republic
Curt Hansson	Three Children Playing	Sweden
Herman Haskins	Christmas at St. Alban's	United States
Maria Heins-Waltraud	The Rose House	Brazil
E. J. Hughes	Mount Burgess and Emerald Lake	Canada
Ana Iliut	Morning	Socialist Republic of Roumania
Stewart Irwin	Lapland Fantasy	United Kingdom
Tove Jansson	Wonder of Christmas	Finland

<u>ARTISTS</u>	<u>NAME OF DESIGN</u>	<u>COUNTRY</u>
Harriet Chaprack Kapel	Windflowers	United States
Bhagwan Kapoor	The Family	India
Renate Keeping	Doll	United Kingdom
Constantine Kermes	A Time to Learn	United States
Mandakini Kulkarni	Maternity	India
William Kurelek	Habitant Father Blessing His Family	Canada
Mady de La Giraudiere	Procession	France
Jacques Lamy	The Three Kings	France
Juhani Linnovaara	Winter Evening	Finland
L. S. Lowry	The Tree	United Kingdom
Albert Manser	Alpine Village	Switzerland
	Route to the Alps	Switzerland
Peter Todd Mitchell	Doorway in Taroudant, Morocco	United States
Prafulla Mohanti	Joy of Living	India
Elizabeth Monath	Children in Forest	United States
Renaud de Montauban *	The Fiancées	France
Badri Narayan	The Glory of Motherhood	India
Nēga	Procession	Brazil
Margery Niblock	Fantasy	United States
Winifred Nicholson	Kate at the Quai d'Auteuil	United Kingdom
Jovan Običan	Flying Carpet	Yugoslavia
Hajime Okubo	Festival	Japan
	Pagoda	Japan
Margery Perret-Buckle	Surpassing Thus My World	United Kingdom
Jean Poklop	Children with Bird Feeder	United States
William Rose	Penny with Flowers	United States
Thorstein Rittun	Family Cyclists	Norway
Walter Sautter	Boy with Trumpet	Switzerland
Attilio Saleme	Mother and Children at Play	United States
Ezekiel Schloss	The Peaceable Kingdom	United States
Dorothy Schoenbrun	Champ-de-Mars	United States
Gino Severini *	Light in Space	Italy
Shah Nameh *	Seated Couple	Persia
Nina Shivdasani	Of Flight	India
Paul Smolders	Seated Boy	Belgium
Roelijati Soewarjono	Bird	Indonesia
Philip Surrey	The Snowy Street	Canada
Yohannes Tessema	Three Kings	Ethiopia
Tomikichiro Tokuriki	The Sanctuary	Japan
Victor Vasarely	Vega II	France
Holy See	Nativity..Ms.Vat. Gr.1613	Italy
Holy See	Magi Adoration..Ms.Vat.Gr.1613	Italy
Holy See	Nativity..Scuola Fabrianense	Italy
Holy See	Nativity..Lorenzo Monaco	Italy
Holy See	Adoration of the Kings.. D. Michelino	Italy
Robert Vickrey	The Cat	United States
Victoria and Albert Museum*	Anonymous 18th C. Embroidery	United Kingdom
S. Irein Wangboje	Mother and Child	Nigeria
	Mother and Child	Nigeria
Wettingen Monastery	Mother and Child (2 designs)	Switzerland
Ernst Wild	Christmas Eve	Federal Republic of Germany
Scottie Wilson	Bird Song	United Kingdom
Dimitri Yordanov	Christmas Minstrel	Bulgaria

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B. FINANCIAL STATEMENTS OF THE GREETING CARD AND RELATED
OPERATIONS FOR THE 1971 SALES CAMPAIGN
(ACCOUNTING PERIOD FROM 1 MAY 1971 to 30 APRIL 1972)

1. The financial statements comprise the following:

Statement I. Income and expenditure for the 1971
campaign year to 30 April 1972;

Statement II. Budgetary authorizations and obligations
incurred for the year ended 30 April 1972
and unobligated balances of authorizations
at 30 April 1972;

Notes forming part of statements I and II.

INCOME AND EXPENDITURE
(in US dollars)

STATEMENT I

	<u>1971 campaign - 1 May 1971 to 30 April 1972</u>			<u>1970 campaign - 1 May 1970 to 30 April 1971</u>		
<u>Sales</u>						
Greeting cards		13 126 830.19			10 719 981.20	
Calendars		1 498 713.25			1 376 871.92	
Fine art prints		<u>7 244.75</u>			<u>10 025.42</u>	
		14 632 788.19			12 106 878.54	
<u>Less: Commissions paid</u>	3 771 248.62			3 427 431.49		
Duties and taxes	<u>128 201.48</u>	<u>3 899 450.10</u>	10 733 338.09	<u>111 193.16</u>	<u>3 538 624.65</u>	8 568 253.89
<u>Cost of sales</u>						
Opening inventory		200.00			200.00	
Production costs		<u>2 654 205.18</u>			<u>2 213 578.33</u>	
		2 654 405.18			2 213 778.33	
<u>Less: Closing inventory</u>		<u>200.00</u>	<u>2 654 205.18</u>		<u>200.00</u>	<u>2 213 578.33</u>
<u>Gross profit on sales</u>			<u>8 079 132.91</u>			<u>6 354 675.56</u>
LESS:						
<u>Share of net profit on calendar sales</u>						
transferred to UNICEF Public Information						
Revolving Fund			<u>198 905.82</u>			<u>164 405.65</u>
			7 880 227.09			6 190 269.91
<u>Other expenditure</u>						
Salaries, wages and common staff costs		718 184.82			541 912.67	
Administrative expenses and office equipment		722 126.22			591 417.43	
Sales promotion costs		<u>591 568.40</u>	<u>2 031 879.44</u>		<u>442 636.65</u>	<u>1 575 966.75</u>
<u>Net operating income</u>			5 848 347.65			4 614 303.16
ADD:						
<u>Other income</u>			<u>116 910.72</u>			<u>78 910.42</u>
<u>Excess of income over expenditure</u>			<u>5 965 258.37</u>			<u>4 693 213.58</u>

Note: The notes in section C, paragraphs 1-7, 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. Labouisse
Executive Director

Budgetary authorizations and obligations incurred for the year ended 30 April 1972
and unobligated balances of authorizations at 30 April 1972
(in US dollars)

STATEMENT II

	<u>Budgetary authorizations</u>			<u>Obligations</u>	<u>Unobligated</u>	<u>1970 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 1971</u>
<u>Section 1: Salaries, wages and common staff costs</u>						
Established posts	585 300.00	(64 000.00)	521 300.00	520 551.01	748.99	385 373.88
Consultants	40 000.00	(10 000.00)	30 000.00	27 552.14	2 447.86	34 777.26
Temporary assistance	31 700.00	37 100.00	68 800.00	68 443.39	356.61	41 574.58
Overtime	1 000.00	800.00	1 800.00	1 365.16	434.84	520.84
Travel, removal and installation	1 000.00	3 700.00	4 700.00	3 863.21	836.79	-
Separation and Repatriation payments	2 000.00	1 000.00	3 000.00	2 527.20	472.80	884.02
Contributions, Pension Fund	74 700.00	(11 900.00)	62 800.00	61 787.39	1 012.61	46 372.89
Dependency allowances and education grants	17 200.00	4 900.00	22 100.00	20 529.08	1 570.92	17 214.91
Travel on home leave	-	-	-	-	-	5 521.33
Staff welfare	2 500.00	(900.00)	1 600.00	1 481.17	118.83	1 301.76
Medical insurance and related payments	<u>10 700.00</u>	<u>(100.00)</u>	<u>10 600.00</u>	<u>10 085.07</u>	<u>514.93</u>	<u>8 371.10</u>
Total, Section 1	<u>766 100.00</u>	<u>(39 400.00)</u>	<u>726 700.00</u>	<u>718 184.82</u>	<u>8 515.18</u>	<u>541 912.67</u>
<u>Section 2: Other expenses</u>						
Travel on official business	47 200.00	6 200.00	53 400.00	52 095.13	1 304.87	44 620.59
Freight	205 000.00	52 900.00	257 900.00	256 625.33	1 274.67	200 554.73
Communications	27 000.00	12 200.00	39 200.00	38 345.71	854.29	22 677.88
Rental and maintenance of premises and storage	174 500.00	53 500.00	228 000.00	225 776.78	2 223.22	179 953.59
Office supplies	12 500.00	2 500.00	15 000.00	14 353.99	646.01	10 644.48
Miscellaneous supplies and services	25 000.00	3 700.00	28 700.00	28 364.23	335.77	22 809.58
Rental and maintenance of office and accounting equipment	50 000.00	20 000.00	70 000.00	68 045.10	1 954.90	70 837.40
External and internal audit costs	23 000.00	1 500.00	24 500.00	24 281.69	218.31	23 570.00
Hospitality	1 100.00	900.00	2 000.00	1 538.05	461.95	1 220.26
Furniture and office equipment	<u>8 800.00</u>	<u>4 200.00</u>	<u>13 000.00</u>	<u>12 700.21</u>	<u>299.79</u>	<u>14 528.92</u>
Total, Section 2	<u>574 100.00</u>	<u>157 600.00</u>	<u>731 700.00</u>	<u>722 126.22</u>	<u>9 573.78</u>	<u>591 417.43</u>

STATEMENT II

	<u>Budgetary authorizations</u>			<u>Obligations</u>	<u>Unobligated</u>	<u>1970 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 1971</u>
<u>Section 3: Production costs & production</u>						
<u>& distribution equipment</u>						
Greeting cards	1 825 000.00	324 000.00	2 149 000.00	2 148 572.41	427.59	1 771 010.13
Calendars	466 000.00	(28 000.00)	438 000.00	435 911.57	2 088.43	423 778.70
Fine art reproductions	5 000.00	(4 400.00)	600.00	108.55	491.45	-
Production and distribution equipment	46 000.00	24 000.00	70 000.00	69 612.65	387.35	18 789.50
Total, Section 3	2 342 000.00	315 600.00	2 657 600.00	2 654 205.18	3 394.82	2 213 578.33
<u>Section 4: Sales promotion costs</u>						
Brochure printing	310 000.00	144 700.00	454 700.00	452 190.74	2 509.26	351 169.33
Publicity and promotion	110 000.00	30 600.00	140 600.00	139 377.66	1 222.34	91 467.32
Total, Section 4	420 000.00	175 300.00	595 300.00	591 568.40	3 731.60	442 636.65
GRAND TOTAL	4 102 200.00	609 100.00	4 711 300.00	4 686 084.62	25 215.38	3 789 545.08

Note: The notes in section C, paragraphs 8-10, form an integral part of this statement and should be read in conjunction therewith.

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

CERTIFIED CORRECT

(Signed) W.G. Middelmann
Comptroller

APPROVED

(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 1972

1. At 30 April 1972 greeting card stocks held globally totalled 33.4 million boxed cards and 47.9 million cards in an unfinished state. During the financial year approximately 14.2 million finished cards of old design considered no longer saleable were donated to approved organizations or sold as scrap paper. In addition, 7.2 million unfinished cards were also disposed of. A nominal valuation (\$200) has been placed on the inventory of boxed and unfinished cards. In 1971, the cost of unused stocks of packing material, envelopes, boxes, cartons etc. on hand at the end of the campaign was transferred to the 1972/73 budget as deferred expenses instead of being classified as inventory. The cost of unused stocks transferred at the close of the 1971 campaign was \$149,194.
2. The value at cost at time of acquisition of non-expendable equipment and property owned by the Greeting Card Operation and still in use at Headquarters was \$66,424.90.
3. The finished card movement is set forth in table 6.

Table 6. Movement of finished cards 1971 campaign
(In millions of cards)

	<u>1971 season</u>	<u>1970 season</u>
Opening inventory	38.3	32.8
<u>Add:</u> Prior year's designs boxed	1.8	3.0
<u>Deduct:</u> Prior year's designs decollated to salvage boxes and envelopes	(5.2)	(1.8)
Adjusted opening inventory	34.9	34.0
New cards produced for sale	<u>99.3^{a/}</u>	<u>90.0</u>
	134.2	124.0
<u>Deduct:</u> Cards sold during campaign	83.2 ^{a/}	72.4
Cards donated, destroyed and lost during campaign	<u>17.6^{b/}</u>	<u>13.3</u>
Closing inventory	<u>33.4^{c/}</u>	<u>38.3</u>

a/ Includes 4.9 million unfinished cards transferred to National Committees for sale after imprinting with special greetings for customers.

b/ At 1 May 1972 there were 47.9 million unfinished cards in stock compared with 34.5 million at the beginning of the campaign.

c/ Of 17.6 million, 14.2 million old designs no longer saleable were destroyed. Samples, damages and losses at sales outlets accounted for the remainder (3.4).

Share of production cost and gross profit on calendars

4. 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 \$198,906 from the 1971 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.

5. For the 1971 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 calendar income and expenditure between the Greeting Card Operation and the UNICEF Public Information Revolving Fund

1971 season
(in US dollars)

	Gross	UNICEF Public Information Revolving Fund share	Greeting Card Operation share
<u>Income</u>			
Sale of calendars	1 498 713.25	449 613.97	1 049 099.28
Less:			
<u>Expenditures</u>			
Commissions paid	382 031.47	114 609.43	267 422.04
Duties and taxes	17 750.83	5 325.25	12 425.58
Production costs	<u>435 911.57</u>	<u>130 773.47</u>	<u>305 138.10</u>
Total	835 693.87	250 708.15	584 985.72
<u>Income less expenditure</u>	<u>663 019.38</u>	<u>198 905.82</u>	<u>464 113.56</u>

Other income

6. The total of \$116,910.72 consisted of \$20,098 arising from adjustments in rates of exchange due to currency revaluations, credits from the staff assessment plan (\$65,745), donations received (\$16,974), discounts allowed by vendors on materials and services purchased (\$8,547) and other miscellaneous income (\$5,547).

Excess of income over expenditure

7. A total of \$5,965,258 from the 1971 sales campaign was transferred to the general resources of UNICEF in 1972 after the closure of the campaign records. The net income of the 1971 campaign was based on the inclusion of accounts receivable in the sales total of \$5,066,234 compared with \$4,237,336 at 30 April 1971.

Notes on Statement II. Budgetary estimates, obligations incurred
and unobligated balances of estimates for
the year ended 30 April 1972

8. The Executive Board at its April 1971 session approved budget estimates for the 1971 sales campaign in the amount of \$4,102,200 (E/ICEF/AB/L.108). 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.

9. 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 \$609,100 or 14.8 per cent of the gross budget was requested and approved to cover additional costs in achieving a production level 16 per cent higher than anticipated. The increased production was undertaken since consignees indicated that the sales would be higher than the 10 per cent increase originally forecast. Numbers of cards sold exceeded the previous year's figure by 14.8 per cent.

10. Obligations incurred against the revised estimate of \$4,711,300 amounted to \$4,686,085 and as the unobligated balance of \$25,215 is no longer required, it has been cancelled.

UNICEF MICROFICHE INPUT CONTROL AND INSTRUCTIONS RECORD

No.

016

(1)

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

Date 16 Jan 1979

(2)

(3) 79.CF.0012 R/ICRF/AB/L.121 TO E/ICEF/AB/L.122



(16a)

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A

(17a)

UNICEF

121(B-4): UNICEF GREETING CARD OPERATIONS

CORR.1(C-10); 122(C-12)

UNICEF

(6)(7)(8) ->

"NR"

Nov 72 - Jan 73

"NR"

25 p.

(9)

(11)

B

(18a)

B-1	B-2	B-3	B-4	B-5	B-6	B-7	B-8	B-9	B-10	B-11	B-12
1/1 79.CF. 0012 CLEAR		CLEAR	121								
C-1	C-2	C-3	C-4	C-5	C-6	C-7	C-8	C-9	C-10	C-11	C-12
10	11	12	13	14	15	16	17	18	19	20	21
D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9	D-10	D-11	D-12
22	23	24	25	26	27	28	29	30	31	32	33
E-1	E-2	E-3	E-4	E-5	E-6	E-7	E-8	E-9	E-10	E-11	E-12
34	35	36	37	38	39	40	41	42	43	44	45
F-1	F-2	F-3	F-4	F-5	F-6	F-7	F-8	F-9	F-10	F-11	F-12
46	47	48	49	50	51	52	53	54	55	56	57

C

D

E

F

Code "NR", appearing in any location of Row A
MUST NOT be reproduced on microfiche

(13)

1 2 3 4 5 6 7 8 9 10 11 12

(19a) ENVELOPE COLOUR: White - Blue - Yellow - Pink - Green - Grey

TRAILERS

YES()

NO

(14)

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