



CF Item = Barcode Top - Note at Bottom =
CF_Item_One_BC5-Top-Sign

Page 67
Date 2003-Oct-26
Time 6:39:54 PM
Login ask



CF/RAD/USAA/DB01/2003-01424

Document Register Number [auto] **CF/RAD/USAA/DB01/2003-01424**

ExRef: Document Series / Year / Number **E/ICEF/1975/AB/L.146 (PDF-Eng)**

Doc Item Record Title

1973 Greeting Card Operation Financial Report. 5 pp

Date Created / On Doc
1975-Jan-13

Date Registered
2003-Oct-26

Date Closed / Superseded

Primary Contact
Owner Location **Office of the Secretary, Executive Bo = 3024**
Home Location **Office of the Secretary, Executive Bo = 3024**
Current Location **Office of the Secretary, Executive Bo = 3024**

1: In Out Internal, Rec or Conv Copy?
Fd2: Language, Orig Pub Dist
Fd3: Doc Type or Format

English , L.Avail: E,F,S,R., ; L.Orig: E-?
pp = 5 p + ? b

Container File Folder Record
Container Record (Title)

Nu1: Number of pages
5

Nu2: Doc Year
1975

Nu3: Doc Number
146

Full GCG File Plan Code
Record GCG File Plan

Da1: Date Published

Da2: Date Received

Da3: Date Distributed

Priority

Record Type **A04 Doc Item: E/ICEF 1946 to 1997 Ex Bd**

DOS File Name

Electronic Details

No Document

Alt Bar code = RAMP-TRIM Record Number

CF/RAD/USAA/DB01/2003-01424

Notes

Print Name of Person Submit Images

Signature of Person Submit

Number of images
without cover

R. Tooker

R. Tooker

20

2-sided

Cover Sheet Back

Blank

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



Distr.
LIMITED

E/ICEF/AB/L.146
13 January 1975

ORIGINAL: ENGLISH

UNITED NATIONS CHILDREN'S FUND
Committee on Administration and Finance
1975 session

UNICEF GREETING CARD AND RELATED OPERATIONS

Financial report and accounts for the 1973 campaign
(Accounting period 1 May 1973 to 30 April 1974)

Contents

	<u>Page</u>
FOREWORD	2
I. A BRIEF ACCOUNT OF THE 1973 CAMPAIGN	3
II. FINANCIAL STATEMENTS OF THE GREETING CARD AND RELATED OPERATIONS FOR THE 1973 SALES CAMPAIGN	13
Statement I. Income and expenditure	14
Statement II. Budgetary authorizations and obligations incurred for the year ended 30 April 1974 and unobligated balances of authorizations at 30 April 1974	15
NOTES FORMING AN INTEGRAL PART OF STATEMENTS I AND II	17
Notes on statement I	17
Notes on statement II	20

FOREWORD

A total of 89.3 million greeting cards and 609,629 calendars were sold in the 1973 season, bringing UNICEF net earnings of \$7.0 million. These earnings were about the same as in 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 and museums from 36 countries contributed their creative talents and distinguished works of art for the 1973 campaign. As in past years, UNICEF national committees and other 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. LABOUISSSE
Executive Director

I. A BRIEF ACCOUNT OF THE 1973 CAMPAIGN

1 May 1972 to 30 April 1974

Sales

1. The number of cards sold in the 1973 campaign amounted to 89,317,000 a decrease of 2,372,000 or 2.6 per cent compared to the previous year. Calendar sales amounted to 609,629, down 3.3 per cent. However, as shown in table 4 gross income increased by \$1,414,682 to \$19,062,737 an increase of 8 per cent over the preceding year.

Table 1. Greeting cards and calendars sold
1973, 1972 and 1971 campaigns

Campaign year	Cards sold	Percentage increase (decrease) over previous year	Calendars sold	Percentage increase (decrease) over previous year
1973	89,317,000	(2.6)	609,629	(3.3)
1972	91,689,000	10.2	630,445	1.4
1971	83,152,000	14.8	621,504	8.5

2. Table 2 gives a breakdown of number of cards sold by major geographic areas and selling countries. The over-all total of card sales was down by 2.6 per cent over the previous year. The largest increase of 32 per cent was achieved in Asia followed by the South-west Pacific, 27 per cent and Europe, 4 per cent. Sales in North America declined by 10 per cent, in Central and South America by 7 per cent and in Africa and the Eastern Mediterranean by 3 per cent. Comparative information is included in table 2 for the 1972 and 1971 campaign years. However, since selling prices were raised in most countries in 1973, gross income from sales, including calendars, increased as shown in table 2-A.

Table 2. Greeting card sales by area and major selling country
1973 compared with 1971 and 1972
(in thousands of cards)

	<u>1973 campaign</u>		<u>1972 campaign</u>		<u>1971 campaign</u>		<u>Percentage of increase (decrease) 1973 over 1972</u>
	<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	31,851	35.6	35,943	39.2	34,181	41.1	(11.4)
Canada	5,874	6.6	6,007	6.5	5,585	6.7	(2.2)
	<u>37,725</u>	<u>42.2</u>	<u>41,950</u>	<u>45.7</u>	<u>39,766</u>	<u>47.8</u>	<u>(10.1)</u>
<u>Europe</u>							
Germany, Federal Republic of	10,853	12.2	12,166	13.3	11,018	13.3	(10.8)
France	5,702	6.4	6,761	7.4	5,839	7.0	(15.7)
Spain	2,814	3.2	2,063	2.3	1,089	1.3	36.4
Netherlands	2,617	2.9	2,517	2.7	2,040	2.5	4.0
Sweden	2,594	2.9	1,931	2.1	1,367	1.6	34.3
Switzerland	2,567	2.9	2,398	2.6	2,266	2.7	7.0
United Kingdom of Great Britain and Northern Ireland	2,078	2.3	2,103	2.3	1,714	2.1	(1.2)
Italy	1,805	2.0	968	1.0	1,147	1.4	86.5
Norway	1,542	1.7	963	1.0	1,050	1.3	60.1
Belgium	1,470	1.7	1,339	1.5	1,266	1.5	9.8
Denmark	1,294	1.5	1,156	1.3	1,165	1.4	11.9
Finland	1,203	1.3	1,190	1.3	926	1.1	1.1
USSR	1,085	1.2	1,000	1.1	-	-	8.5
Austria	935	1.0	829	0.9	763	0.9	12.8
Other European countries	2,435	2.7	2,106	2.3	1,246	1.5	15.6
	<u>40,994</u>	<u>45.9</u>	<u>39,490</u>	<u>43.1</u>	<u>32,896</u>	<u>39.6</u>	<u>3.8</u>
<u>Central and South America</u>							
Brazil	2,129	2.4	1,644	1.8	1,864	2.2	29.5
Chile	1,181	1.3	1,735	1.9	1,576	1.9	(31.9)
Argentina	1,020	1.1	1,657	1.8	1,248	1.5	(38.4)
Other Central and South American countries	1,559	1.8	1,320	1.4	1,448	1.8	18.1
	<u>5,889</u>	<u>6.6</u>	<u>6,356</u>	<u>6.9</u>	<u>6,136</u>	<u>7.4</u>	<u>(7.3)</u>
<u>Asia</u>							
India	1,187	1.3	832	0.9	789	0.9	42.7
Other Asian countries	930	1.1	769	0.9	1,040	1.3	20.9
	<u>2,117</u>	<u>2.4</u>	<u>1,601</u>	<u>1.8</u>	<u>1,829</u>	<u>2.2</u>	<u>32.2</u>
Australia and New Zealand	1,549	1.7	1,216	1.3	1,350	1.6	27.4
Africa and Eastern Mediterranean	1,045	1.2	1,070	1.2	1,172	1.4	(7.1)
TOTAL	<u><u>89,317</u></u>	<u><u>100.0</u></u>	<u><u>91,689</u></u>	<u><u>100.0</u></u>	<u><u>83,152</u></u>	<u><u>100.0</u></u>	<u><u>(2.6)</u></u>

Table 2-A. Comparison of cards sold and gross income
1973 and 1972 campaign years

<u>Geographical</u> <u>area</u>	<u>Number of cards sold</u> <u>(in thousands of cards)</u>			<u>Gross revenue from sales</u> <u>(including calendars) a/</u>		
	<u>1973</u> <u>campaign</u>	<u>1972</u> <u>campaign</u>	<u>Percentage</u> <u>increase or</u> <u>(decrease)</u>	<u>1973</u> <u>campaign</u>	<u>1972</u> <u>campaign</u>	<u>Percentage</u> <u>increase or</u> <u>(decrease)</u>
Europe	40,994	39 490	3.8	\$ 9,882,145	\$ 8,217,321	20.3
North America	37,725	41,950	(10.1)	7,107,120	7,589,012	(6.3)
Central and South America	5,889	6,356	(7.3)	1,192,861	1,120,297	6.5
Asia	2,117	1,601	32.2	320,526	241,120	32.9
Australia and New Zealand	1,549	1,216	27.4	344,655	270,047	27.6
Africa and Eastern Mediterranean	<u>1,043</u>	<u>1,076</u>	(3.1)	<u>215,431</u>	<u>210,258</u>	2.5
	<u>89,317</u>	<u>91,689</u>	(2.6)	<u>19,062,738</u>	<u>17,648,055</u>	8.0

a/ Total number of calendars sold is shown in table 1.

3. Card sales in major selling countries on the basis of 1,000 population for campaign years 1971 through 1973 are given in table 3.

Table 3. Card sales of major selling countries^{a/}
on a population basis 1973 compared with 1972 and 1971

<u>Country</u>	<u>Card sales per 1,000 of population</u>		
	<u>1973</u>	<u>1972</u>	<u>1971</u>
Luxembourg	491	467	445
Switzerland	400	380	359
Norway	392	247	268
Sweden	319	238	169
Canada	269	278	245
Finland	260	254	198
Denmark	259	233	234
Netherlands	196	191	155
Germany, Federal Republic of	176	199	186
United States of America	153	173	165
Belgium	151	138	130
New Zealand	140	118	138
Chile	131	193	175
Austria	125	111	102
France	110	132	114
Australia	87	69	73
Spain	82	60	32
Ireland	62	77	68
Uruguay	45	25	39
Argentina	43	70	53

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

4. Among the promotion materials produced for the 1973 campaign by the Greeting Card Operation and supplied to sales agents were the following:

	<u>Quantity produced</u>
Brochures (26 languages)	13,430,000
Posters (7 versions, 15 languages and blanks for local text)	50,900
Glossy photographs for press reproduction	120,000
Promotion streamers for sales centres (7 languages)	32,100
Complete promotion kits	2,010
Promotion kits covers	4,097
Matts for press reproduction	8,240
Leaflet mailers and teasers	5,352,000
Television films (3 languages)	1,096

Income and expenditure

5. Table 4 shows gross income and expenditure and net operating income for the 1973 campaign, with comparative figures for the two previous years, and table 5 shows income and expenditure for the 1973 campaign compared with approved estimates (E/ICEF/AB/L.129).

6. Gross income for the 1973 campaign amounted to \$19,062,737 - an increase of \$1,414,682 or 8 per cent over that of the previous year. A total of 30 per cent of gross income went for commissions, duties and taxes and 36 per cent went for production, staff and sales costs. Operational net income declined from \$6,876,180 in 1972 to \$6,487,928 in 1973, a decline of 5.6 per cent. Operational net income was 34 per cent of gross income in 1973 compared with 39 per cent in 1972.

7. In years prior to 1973, the UNICEF Public Information Revolving Fund received 30 per cent of net calendar income generated by the Greeting Card Operation. As a result of recommendations of the United Nations Board of Auditors, the Public Information Revolving Fund was discontinued as of 1 January 1973. Consequently, a new allotment account was provided to pay UNICEF for financial, personnel and general administrative services provided to the Greeting Card Operation by the regular staff of UNICEF and services and publicity material provided by the UNICEF Public Information Division. Another allotment account provides for reimbursement for the services of an internal auditor. The total of these two allotments in 1973 was \$175,000, which in table 4 has been included in production, staff and sales costs and in table 5 has been included under budgetary expenditures in other expenses and in sales promotion costs.

Table 4. Gross and net operating income, 1971 to 1973 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	Operational net income	Operational net income as percentage of gross income
1971	14 632 788	3 899 450	27	4 686 085	32	198 906	1	5 848 347	40
1972	17 648 055	4 819 858	27	5 707 687	33	244 330	1	6 876 180	39
1973	19 062 737	5 757 669	30	6 817 140	36	-	-	6 487 928	34

Table 5. Income and expenditure for the 1973 campaign compared with approved estimates
(in US dollars)

	<u>Estimates approved</u>		<u>Actual</u>		<u>Difference</u>	
	<u>May, 1973</u>				<u>Percentage</u>	
	<u>Dollars</u>	<u>Percentage</u>	<u>Dollars</u>	<u>Percentage</u>	<u>Dollars</u>	<u>increase or (decrease)</u>
<u>Sales</u>						
Greeting cards	17,190,000	90.4	17,148,240	90.0	(41,760)	(0.2)
Engagement calendars	1,800,000	9.5	1,904,822	10.0	104,822	5.8
Fine art prints	10,000	0.1	9,675	-	325	(3.2)
Total gross sales	<u>19,000,000</u>	<u>100.0</u>	<u>19,062,737</u>	<u>100.0</u>	<u>62,737</u>	<u>0.3</u>
<u>Less :</u>						
Commissions paid	4,655,000	24.5	5,576,607	29.3	921,607	19.8
Duties and taxes	120,000	0.6	181,062	0.9	61,062	50.9
Net sales income	<u>14,225,000</u>	<u>74.9</u>	<u>13,305,068</u>	<u>69.8</u>	<u>(919,932)</u>	<u>(6.5)</u>
<u>Budgetary expenditures</u>						
Salaries, wages and common staff costs	1,007,900	5.3	1,154,219	6.1	146,319	14.5
Other expenses and office equipment	914,900	4.8	1,151,521	6.0	236,621	25.9
Production costs	3,419,600	18.0	3,650,931	19.2	231,331	6.7
Sales promotion costs	848,100	4.5	860,469	4.5	12,369	1.5
	<u>6,190,500</u>	<u>32.6</u>	<u>6,817,140</u>	<u>35.8</u>	<u>626,640</u>	<u>10.1</u>
<u>Operational net income</u>	<u>8,034,500</u>	<u>42.3</u>	<u>6,487,928</u>	<u>34.0</u>	<u>(1,546,572)</u>	<u>(19.2)</u>
Miscellaneous income	90,000	0.5	552,926	2.9	462,926	514.3
<u>Excess of income over expenditure</u>	<u>8,124,500</u>	<u>42.8</u>	<u>7,040,854</u>	<u>36.9</u>	<u>(1,083,646)</u>	<u>(13.3)</u>

Designs

8. Reproduction rights were given by one hundred and sixteen artists and museums from thirty-six countries. Sixty-seven designs were used for the cards and fifty-three designs were used for the calendar. A list of these artists and countries is set out below. The generosity of these artists and institutions has made possible a continuing high standard of design.

<u>Artist</u>	<u>Name of design</u>	<u>Country</u>
Helga Aichinger	The Sunsong	Austria
Howard Alstad	Dove	Canada
Anonymous *	Holy Family	Canada
Anonymous 17C *	Ten Bamboo Hall	China
Anonymous *	Musica Raft	Colombia
Anonymous *	Flower Collage	Federal Republic of Germany
Anonymous	Winter's Pleasures	Federal Republic of Germany
Anonymous	Sage Reciting to Nobleman	India
Anonymous *	Persian Rose Tree	Iran
Anonymous *	Stained Glass	Norway
Anonymous	Nativity	Peru
Anonymous 18C *	Catalunian Tile	Spain
Anonymous *	Tree of Life	United States of America
Alain Bailache	Daddy Snowman	France
Franco Barberis	Bicycle Rider	Switzerland
Zoravia Bettiol	The Balloon Vendor	Brazil
Ilse Böhme	Winter Fun	Federal Republic of Germany
Jean-Claude Bourgeois	Church in Snow	France
Phyllis Brackett	Madonna of the Rose	United States of America
Heidi Brandt	Flower Girl	United States of America
Laura Buddensieg	Friends	Federal Republic of Germany
Charles Burchfield	Orion in Winter	United States of America
Chislaine Cambron	The Horse Cart	Belgium
Giancarlo Carloni	Butterflies	Italy
Elizabeth Carlett	Mother and Child	Mexico
Ivan Chermayeff	Angel and Dove	United States of America
Maria Christen	White Cat	Switzerland
Kalden Chumbi	Thyangboche Monastery	Nepal
Oliver Clark	Kites	United States of America
Ossi Czinner	Peace on Earth	Austria
Ken Danby	Martin's Shop	Canada
Augustin de Celis	Boy and Peace Dove	Spain
Maria de Posz	Winter Scene	Venezuela
Antoine Desilets	Reaching	Canada
Jean Dubuffet	Fanciful Village	France
Svenolov Ehren	Nordic Evening	Sweden
Eskimo Art: Eckalook Goo	Evening Owl	Canada
Etidlooie	Geese Feeding	Canada
Lucy	Sun Bird	Canada
Pudlo	Umingmuk	Canada
Tye	Autumn Bird	Canada

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

<u>Artist</u>	<u>Name of design</u>	<u>Country</u>
Jean-Marc Forest	Monarchs of the Forest	Canada
Enrique Gandolfo	Daisy and Blue Flowers	Argentina
Josip Generalic	Village in Winter	Yugoslavia
Arthur Getz	United Nations Headquarters, New York	United States of America
Milton Glaser	Winged Hope	United States of America
Benozzo Gozzoli *	Nativity	Italy
Maria Heins-Waltraud	The Rose House	Brazil
Margo Hoff	Three Saints	United States of America
Henrik Ibsen	Farm Near Skein	Norway
Kunio Isa	Moonlight Night	Japan
Humberto Jaimes-Sánchez	Humilis Herba	Venezuela
Ota Janecek	Asleep	Czechoslovakia
Mark Jenson	The Shepherd	United States of America
Lars Jorde *	Farmhouse in Snow	Norway
Salahattin Kanidinc	My Winter	United States of America
Bagwan Kapoor	Ride, My Little One	India
Paul Karekezi	Working Mother	Burundi
Paul Klee *	Untitled	Switzerland
Maria Korsak	Children on Sled	Poland
Le-Huu-Trung	Lantern Lighting	Republic of Viet-Nam
Jean-Paul Lemieux	Nativity	Canada
Peter Leisinger	Winter Landscape	Switzerland
Blair Lent	Tree of Many Nations	United States of America
Bill Lobchuk	Windbreakers	Canada
Margarita Lozano *	Among the Flowers	Colombia
Maria Mackiewicz	Winter Wonderland	Poland
Maglione	Le Velo	France
René Magritte	Flight	Belgium
Henri Maik	Circus Fun	France
R.K. Malwankar	Ceremonial Ride	India
Henri Masson	Snowy Winter	Canada
Ewald Matare	Angel	Federal Republic of Germany
Piet Mondrian *	Composition in Oval	Netherlands
Liselotte Morell	Happiness	United States of America
Edvard Munch	Starry Night	Norway
Andrew Murray	Lion and Lamb	United Kingdom
John Nash	Suffolk Landscape	United Kingdom
Paul Nussbaumer	Good Morning	Switzerland
Kichiemon Okamura	Winter	Japan
Georgia O'Keeffe	Snow Covered Hills	United States of America
Paw Oo Thett	Asian Harbour Scene	Burma
Ruth Orkin	The Tree	United States of America
Nasser Ovissi	Happy Horse	Iran
David Paladin	Adoration	United States of America
Paps	Farmyard Gathering	Federal Republic of Germany
Margery Perret-Buckle	Surpassing Thus My World	United Kingdom
Françoise Pochon	Five Senses-Taste	Switzerland

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

<u>Artist</u>	<u>Name of design</u>	<u>Country</u>
Fereidum Rahimi-Assa	Persian Fantasy	Iran
Elsbet Rahlff	Eye	Norway
Abraham Rattner	Herald Angel	United States of America
Margrit Roelli	The Shepherd	Switzerland
Rolando Roncancio	La Cumbia	Colombia
Carlo Rosberg	Midnight Sun	Denmark
Henri Rousseau	Summer	France
Ali Akbar Sadeghi	The Three Heralds	Iran
Eleazar Salas	Castillos	Mexico
Lotfi Abou Sariya	Market Scene	Egypt
Ezekiel Schloss	Peaceable Kingdom	United States of America
Elenore Schmid	A Child's Dream	Switzerland
Gino Severini *	Light in Space	Italy
Nina Shivdasani	Of Flight	India
Rosalind Smith	Swing	United States of America
Fred Stauffer	Logworkers in Snow	Switzerland
Kama Svensson	Russian Dolls	Denmark
Terentyeva	Reindeer Caravan	Union of Soviet Socialist Republics
Jiri Trnka	The King	Czechoslovakia
Victor Vasarely	Vega II	France
Annemick Veldman	Eglise Hollandaise	Netherlands
Pekka Vuori	Winter Birds	Finland
Solomon Wangboje	Mother and Child	Nigeria
Barry Wilkinson	The Carollers	United Kingdom
Scottie Wilson	Bird Song	United Kingdom
Gertrud Wyss-Trachsel	Nativity	Switzerland
Mustafa Yehya	Hop-Scotch	Syrian Arab Republic

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

II. FINANCIAL STATEMENTS OF THE GREETING CARD AND RELATED
OPERATIONS FOR THE 1973 SALES CAMPAIGN
(ACCOUNTING PERIOD FROM 1 MAY 1973 TO 30 APRIL 1974)

1. The financial statements comprise the following:
 - (a) Statement I. Income and expenditure for the 1973 campaign year to 30 April 1974;
 - (b) Statement II. Budgetary authorizations and obligations incurred for the year ended 30 April 1974 and unobligated balances of authorizations at 30 April 1974; and
 - (c) Notes forming part of statements I and II.

Income and expenditure
(in US dollars)

STATEMENT I

	<u>1973 campaign - 1 May 1973 to 30 April 1974</u>		<u>1972 campaign - 1 May 1972 to 30 April 1973</u>
<u>Sales</u>			
Greeting cards	17 148 239.73		15 814 094.79
Calendars	1 904 822.50		1 821 637.79
Fine art prints	9 675.25		12 322.23
	<u>19 062 737.48</u>		<u>17 648 054.81</u>
Less: Commissions paid	5 576 606.76		4 658 841.55
Duties and taxes	<u>181 062.69</u>	13 305 068.03	<u>161 016.18</u>
	5 757 669.45		<u>4 819 857.73</u>
			12 828 197.08
<u>Cost of sales</u>			
Opening inventory	200.00		200.00
Production costs	<u>3 650 931.08</u>		<u>3 142 251.74</u>
	3 651 131.08		3 142 451.74
Less: Closing inventory	<u>200.00</u>	<u>3 650 931.08</u>	<u>200.00</u>
<u>Gross profit on sales</u>		9 654 136.95	<u>3 142 251.74</u>
			9 685 945.34
LESS:			
<u>Share of net profit on calendar sales</u>			
transferred to UNICEF Public Information Revolving Fund			<u>244 329.70</u>
			9 441 615.64
<u>Other expenditure</u>			
Salaries, wages and common staff costs	1 154 219.27		940 645.76
Administrative expenses and office equipment	1 151 520.57		876 096.19
Sales promotion costs	<u>860 469.41</u>	<u>3 166 209.25</u>	<u>748 693.72</u>
		6 487 927.70	2 565 435.67
			6 876 179.97
<u>Operational net income</u>			
ADD:			
<u>Other income</u>			
Excess of income over expenditure		<u>552 926.78</u>	<u>118 573.57</u>
		<u>7 040 854.48</u>	<u>6 994 753.54</u>

The notes in section C, paragraphs 1-8 form an integral part of this statement and should be read in conjunction therewith.

CERTIFIED CORRECT

APPROVED

(Signed)
S. BLACKBERG
Comptroller

(Signed)
Henry R. LABOUISSÉ
Executive Director

Budgetary authorizations and obligations incurred for the year ended 30 April 1974
and unobligated balances of authorizations at 30 April 1974
(in US dollars)

STATEMENT II

	Budgetary authorizations			Obligations incurred	Unobligated balance of authorizations	1972 campaign
	Original	Adjustments	Revised			obligations incurred for year to 30 April 1973
<u>Section 1: Salaries, wages and common staff costs</u>						
Established posts	749 500	92 500	842 000	840 550.78	1 449.62	674 195.80
Consultants	47 400	(20 000)	27 400	22 473.03	4 926.97	11 493.38
Temporary assistance	65 200	68 400	133 600	132 836.28	763.72	89 111.42
Overtime	2 500	1 800	4 300	3 799.48	500.52	2 879.68
Travel, removal and installation	1 000	5 200	6 200	5 744.68	455.32	28 599.19
Separation and repatriation payments	-	15 600	15 600	14 985.98	614.02	15 983.85
Contributions, Pension Fund	102 100	(1 600)	100 500	100 272.08	227.92	79 865.74
Dependency allowances and education grants	24 800	(4 600)	20 200	20 096.66	103.34	18 478.37
Travel on home leave	-	300	300	236.29	63.71	5 986.81
Staff welfare	2 500	(1 500)	1 000	671.38	328.62	1 869.43
Medical insurance and related payments	12 900	(200)	12 700	12 553.03	146.97	12 182.09
Total, Section 1	<u>1 007 900</u>	<u>155 900</u>	<u>1 163 800</u>	<u>1 154 219.27</u>	<u>9 580.73</u>	<u>940 645.76</u>
<u>Section 2: Other expenses</u>						
Travel on official business	54 700	47 300	102 000	100 364.61	1 635.39	77 552.34
Freight	280 000	112 000	392 000	389 162.86	2 837.14	315 208.38
Communications	36 800	17 700	54 500	52 930.34	1 569.66	28 942.45
Rental and maintenance of premises and storage	369 400	30 900	400 300	398 310.83	1 989.17	318 914.65
Office supplies	15 600	10 700	26 300	25 774.22	525.78	18 136.22
Miscellaneous supplies and services	30 000	20 000	50 000	47 072.62	2 927.38	34 342.29
Rental and maintenance of office and accounting equipment	62 900	(9 000)	53 900	52 388.03	1 511.97	44 736.53
External and internal audit costs	50 000	5 100	55 100	54 687.34	412.66	24 000.00
Hospitality	2 500	300	2 800	2 343.83	456.17	2 481.10
Furniture and office equipment	13 000	16 200	29 200	28 485.89	714.11	11 782.23
Total, Section 2	<u>914 900</u>	<u>251 200</u>	<u>1 166 100</u>	<u>1 151 520.57</u>	<u>14 579.43</u>	<u>876 096.19</u>

Budgetary authorizations and obligations incurred for the year ended 30 April 1974
and unobligated balances of authorizations at 30 April 1974
(in US dollars)

STATEMENT II (concluded)

	<u>Budgetary authorizations</u>			<u>Obligations incurred</u>	<u>Unobligated balance of authorizations</u>	<u>1972 campaign obligations incurred for year to 30 April 1972</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Revised</u>			
<u>Section 3: Production costs and production and distribution equipment</u>						
Greeting cards	2 738 600	350 200	3 088 800	2 910 484.00	178 316.00	2 617 506.71
Calendars	488 000	84 000	572 000	570 289.55	1 710.45	506 429.60
Fine art reproductions	5 000	-	5 000	-	5 000.00	116.12
Production and distribution equipment	188 000	(12 300)	175 700	170 157.53	5 542.47	18 199.31
Total, Section 3	<u>3 419 600</u>	<u>421 900</u>	<u>3 841 500</u>	<u>3 650 931.08</u>	<u>190 568.92</u>	<u>3 142 251.74</u>
<u>Section 4: Sales promotion costs</u>						
Brochure printing	527 100	81 700	608 800	589 866.23	18 933.77	551 894.95
Publicity and promotion	172 000	(42 700)	129 300	121 603.18	7 696.82	196 798.77
Payment to UNICEF	149 000	-	149 000	149 000.00	-	-
Total, Section 4	<u>848 100</u>	<u>39 000</u>	<u>887 100</u>	<u>860 469.41</u>	<u>26 630.59</u>	<u>748 693.72</u>
GRAND TOTAL	<u>6 190 500</u>	<u>868 000</u>	<u>7 058 500</u>	<u>6 817 140.33</u>	<u>241 359.67</u>	<u>5 707 687.41</u>

The notes in section C, paragraphs 1-8 form an integral part of this statement and should be read in conjunction therewith.

CERTIFIED CORRECT

APPROVED

(Signed) S. BLACKBERG
Comptroller

(Signed) Henry R. LABOUISSÉ
Executive Director

NOTES FORMING AN INTEGRAL PART OF STATEMENTS I AND II

Notes on statement I. Income and expenditure

Inventory at 30 April 1974

1. During the financial year approximately 7.8 million old designs, no longer considered saleable as cards, were sold as scrap paper or donated to approved organizations. In addition, some 8.3 million unfinished cards were also disposed of. At 30 April 1974, greeting card stocks of 1973 and earlier designs totalled 58.5 million boxed cards and 52.8 million cards in an unfinished state. A nominal value (\$200) has been placed on the inventory of boxed and unfinished cards. The cost of stocks of paper, envelopes, boxes, cartons, etc. on hand at the end of the campaign, amounting to \$399,313, has been transferred to the 1974 campaign budget as deferred expense instead of being classified as inventory.
2. The value at cost, at time of acquisition, of non-expendable equipment still in use at headquarters, but not reported in the accounts as an asset, amounted to \$246,000 as at 30 April 1974.
3. The finished card movement is set forth in table 6.

Table 6. Movement of finished cards 1973 campaign
(in millions of cards)

	<u>1973 season</u>	<u>1972 season</u>
Opening inventory	47.7	34.6
Add: Prior years' designs boxed for sale	11.7	4.3
New designs boxed for sale	<u>111.4^{a/}</u>	<u>113.8</u>
	<u>170.8</u>	<u>152.7</u>
Deduct: Prior years' designs decollated	13.2	0.8
Cards sold during campaign	89.3 ^{a/}	91.7
Cards donated destroyed and lost during campaign	<u>9.8^{b/}</u>	<u>12.5</u>
Closing inventory	<u>58.5</u>	<u>47.7</u>

^{a/} Includes 8.9 million unfinished cards transferred to National Committees for sale after imprinting with special greetings for customers.

^{b/} Of this number, 7.8 million old designs no longer saleable were destroyed. Samples, damages and losses at sales outlets accounted for the remaining 2.0 million.

Payment to UNICEF for certain services

4. In previous years, the UNICEF Public Information Revolving Fund shared production costs and gross profit on calendars. The arrangement was discontinued effective 1 January 1973. Instead, for the 1973 campaign, the Greeting Card Operation was charged \$149,000 for financial, personnel and general administrative services provided by the regular staff of UNICEF and for the services of publicity materials provided by the UNICEF Public Information Division. A charge of \$26,000 was made for the services of an internal auditor. These expenditures are included in statement I under other expenditure.

Other income

5. The total of \$552,927 consisted of adjustments in rates of exchange (\$333,604), credits from the staff assessment plan (\$128,386), donations received (\$23,593), discounts allowed by vendors on material purchased (\$16,669), sales of obsolete materials (\$8,890) and other miscellaneous income (\$41,785).

Excess of income over expenditure

6. A total of \$7,040,854.48 from the 1973 campaign was transferred to the general resources of UNICEF after the closure of the campaign records. The net income of the 1973 campaign was based on the inclusion of accounts receivable of \$8,967,777 compared with \$8,090,681 at 30 April 1973.

Notes on statement II. Budgetary estimates, obligations
incurred and unobligated balances for
the year ended 30 April 1974

7. The Executive Board at its May 1973 session approved budget estimates for the 1973 campaign of \$6,190,500 (E/ICEF/AB/L.129). 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 \$868,000, or 14 per cent of the gross budget, was requested and approved to cover additional costs in achieving a production level 10 per cent higher than anticipated, and to meet unexpectedly sharp increases in costs of materials and services. The increased production was undertaken since indications from consignees were that sales would be higher than the 4 per cent increase over 1972 sales originally forecast. In fact, the number of cards sold was 2.6 per cent less than in the previous year.

8. Obligations incurred against the revised estimate of \$7,058,500 amounted to \$6,817,140. The unobligated balance of \$241,360 has been cancelled.