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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 increase (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

	<u>1968 campaign</u>		<u>1969 campaign</u>		<u>1970 campaign</u>		<u>Percentage of increase (decrease) 1970 over 1969</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	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)
	<u>30 402 588</u>	<u>51.3</u>	<u>32 856 852</u>	<u>49.4</u>	<u>35 865 558</u>	<u>49.6</u>	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
	<u>21 531 747</u>	<u>36.5</u>	<u>24 894 448</u>	<u>37.5</u>	<u>27 314 340</u>	<u>37.7</u>	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
	<u>3 719 117</u>	<u>6.3</u>	<u>4 637 433</u>	<u>7.0</u>	<u>5 206 445</u>	<u>7.2</u>	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)
	<u>1 444 651</u>	<u>2.4</u>	<u>1 820 319</u>	<u>2.7</u>	<u>1,834 755</u>	<u>2.5</u>	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	<u>59 182 785</u>	<u>100.0</u>	<u>66 429 093</u>	<u>100.0</u>	<u>72 401 318</u>	<u>100.0</u>	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 as percentage of gross income	Net operating 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

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<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

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<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			
Hank 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

STATEMENT I

(in US dollars)

	<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: Commissions paid</u>	3 427 431.49		3 061 339.17	
Duties and taxes	<u>111 193.16</u>	<u>3 538 624.65</u>	<u>84 331.71</u>	<u>3 145 670.88</u>
		8 568 253.89		7 830 686.64
<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
<u>Less: Closing inventory</u>		<u>200.00</u>	<u>2 213 578.33</u>	<u>200.00</u>
				<u>2 082 044.13</u>
<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>	<u>1 575 966.75</u>	<u>396 508.89</u>
				<u>1 283 474.47</u>
<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. LABOUISSÉ
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 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 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

	<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>			
Section 3. <u>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>
Section 4. <u>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>		
	<u>Uncollated</u>	<u>Collated</u>	<u>Total</u>	<u>Uncollated</u>	<u>Collated</u>	<u>Total</u>
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

1970 season
(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.