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**UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL**



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Committee on Administration and Finance
1978 session

UNICEF GREETING CARD AND RELATED OPERATIONS

Financial report and accounts for the 1976 season
for the year ended 30 April 1977

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FOREWORD

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 34 countries contributed their creative talents and distinguished works of art for the 1976 season. 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. LABOUISSÉ

Executive Director

SUMMARY

A total of 90.4 million cards, 510,209 engagement calendars and 1,010,240 wall calendars were sold in the 1976 season (1 May 1976-30 April 1977), bringing a net income of \$10.9 million. This was \$4,443,847 or 68.6 per cent more than the previous year. Almost \$1,163,000 of the increase was due to a special sale of wall calendars in one country which will not be repeated in the 1977 season.

Gross income amounted to \$28,425,345, an increase of 34 per cent over the previous year. A total of 26.6 per cent of gross income went for commissions, duties and taxes and 36.1 per cent for production, staff, administration and sales costs. Miscellaneous income accounted for 1.1 per cent of gross income.

The excess of income over expenditures amounted to 38.4 per cent of gross revenues. This compares with 30.5 per cent the previous season.

I. A BRIEF ACCOUNT OF THE 1976 SEASON

1 May 1976 to 30 April 1977Sales

1. Gross revenues from sales of cards, calendars and related items amounted to \$28,425,345 for the 1976 season compared to \$21,209,070 in the 1975 season, an increase of \$7,216,275 or 34 per cent. The number of cards sold increased from 82.2 million in 1975 to 90.4 million in 1976, or 9.9 per cent. Engagement calendars sold decreased slightly, from 595,325 units in 1975 to 510,209 units in 1976. In addition to the engagement calendars, about 1 million special wall calendars were sold in the Union of Soviet Socialist Republics representing gross revenue of \$2,437,576; this special sale will not be repeated in the 1977 season.

2. Table 1 gives a comparison of units sold, gross revenues and net income for the 1976, 1975 and 1974 seasons. Table 2 gives a breakdown of gross revenues from sales by major geographic areas and selling countries.

3. Sales increased in all geographic areas. The greatest increase was in Europe when gross revenues increased by \$6,157,542 or 48.9 per cent. Without the special sale of wall calendars referred to in paragraph 1, above, the increase would have been \$3,719,966 or 29.6 per cent. In Central and South America revenues increased by 35.5 per cent and in Africa and Eastern Mediterranean by 35.2 per cent. Smaller increases were registered in North America, Asia and the South West Pacific.

4. Gross revenues from major selling countries on the basis of 1,000 population for the seasons 1974 through 1976 are given in table 3.

5. Among the promotional materials produced by the Greeting Card Operation for supply to sales agents were the following:

	<u>Quantity produced</u>
Brochures (23 languages and blanks for local text)	13,757,000
Posters (4 sizes, 7 languages and blanks for local text)	630,600
Glossy photographs for press reproduction	19,000
Banners and streamers for sales centres	27,000
Leaflets, mailers and teasers (10 languages and blanks for local text)	9,344,000
Complete promotion kits	1,660
Promotion kit covers	36,775
Matts for press reproduction	6,880
Television films	821
Radio spots announcements	4,850
Window stickers	7,900
Thank you folders (1 language)	309,400
Shopping bags	186,000
Display stands and boards	21,200

/...

Table 1. Comparison of units sold and gross income
1976, 1975 and 1974 seasons

Season	Cards sold	Percentage increase (decrease) over previous year	Calendars sold	Percentage increase (decrease) over previous year	Gross revenue from sales	Percentage increase (decrease) over previous year	Net income	Percentage increase (decrease) over previous year
					\$		\$	
1976	90 401 000	9.9	1 520 449 ^{a/}	155.3	28 425 345 ^{a/}	34.0	10 919 148	69.1
1975	82 222 000	(10.9)	595 325	26.0	21 209 070	(6.6)	6 475 302	(26.1)
1974	92 286 000	3.3	472 828	(22.4)	22 712 788	19.1	8 757 468	24.4

a/ Includes special sales of 1,010,240 wall calendars representing gross revenue of \$2,437,576.

/...

Table 2. Gross revenue from sales by area and major selling country
1976 season compared with 1975 and 1974 seasons

	1976 season		1975 season		1974 season		Percentage of increase (decrease) 1976 over 1975
	Gross revenue	Percentage of total revenue	Gross revenue	Percentage of total revenue	Gross revenue	Percentage of total revenue	
<u>Europe</u>	\$		\$		\$		
Germany, Federal Republic of	4 290 145	15.1	3 598 245	17.0	3 861 776	17.0	19.2
Union of Soviet Socialist Republics	3 429 735 a/	12.1	397 878	1.9	402 027	1.8	762.0
France	2 452 298	8.6	2 127 319	10.0	1 882 825	8.3	15.3
Switzerland	1 141 539	4.0	888 196	4.2	897 557	4.0	28.5
Spain	1 124 188	3.9	762 745	3.5	704 976	3.1	47.4
Netherlands	960 000	3.4	764 870	3.6	833 650	3.7	25.5
Sweden	937 648	3.3	720 603	3.4	762 456	3.4	30.1
Belgium	709 034	2.5	479 443	2.3	537 843	2.4	47.9
Norway	636 535	2.2	456 459	2.2	486 118	2.1	39.4
Finland	629 021	2.2	429 236	2.0	391 720	1.7	46.5
Denmark	469 437	1.7	400 404	1.9	406 638	1.8	17.2
United Kingdom of Great Britain and Northern Ireland	411 085	1.4	373 564	1.8	445 844	1.9	10.0
Australia	306 886	1.1	219 581	1.0	243 907	1.1	39.7
Italy	259 432	0.9	191 440	0.9	255 206	1.1	35.5
Bulgaria	201 851	0.7	144 449	0.7	140 769	0.6	39.7
Poland	185 498	0.7	110 462	0.5	30 229	0.1	67.9
Yugoslavia	157 148	0.6	143 967	0.7	106 042	0.5	9.1
Romania	147 929	0.5	169 212	0.8	244 247	1.1	(12.6)
Other European countries	293 253	1.0	207 047	1.0	220 196	0.9	41.6
	18 742 662	65.9	12 585 120	59.4	12 854 026	56.6	48.9
<u>North America</u>							
United States of America	5 152 228	18.1	5 047 870	23.8	5 743 426	25.3	2.1
Canada	1 234 913	4.4	1 022 277	4.8	1 365 589	6.0	20.8
	6 387 141	22.5	6 070 147	28.6	7 109 015	31.3	5.2
<u>Central and South America</u>							
Brazil	1 480 965	5.2	1 055 004	4.9	963 223	4.3	40.4
Argentina	234 921	0.8	73 559	0.4	325 388	1.4	219.3
Chile	121 449	0.4	141 089	0.7	147 474	0.7	(13.9)
Peru	111 682	0.4	140 636	0.7	117 138	0.5	(20.6)
Other Central and South American countries	257 483	1.0	218 419	1.0	213 361	0.9	17.9
	2 206 500	7.8	1 628 707	7.7	1 766 584	7.8	35.5
<u>Asia</u>							
India	254 964	0.9	237 002	1.1	194 467	0.8	7.6
Other Asian countries	252 611	0.9	212 145	1.0	198 426	0.9	19.1
	507 575	1.8	449 147	2.1	392 893	1.7	13.0
<u>South West Pacific</u>							
Australia	187 029	0.7	161 899	0.8	215 518	1.0	15.5
Other South West Pacific countries	99 581	0.3	95 938	0.4	114 856	0.5	3.8
	286 610	1.0	257 837	1.2	330 374	1.5	11.1
<u>Africa and Eastern Mediterranean</u>	294 857	1.0	218 112	1.0	259 896	1.1	35.2
TOTAL	28 425 345	100.0	21 209 070	100.0	22 712 788	100.0	34.0

a/ Includes special sales of 1,010,240 wall calendars representing gross revenue of \$2,437,576.

Table 3. Gross revenue from sales in major selling countries a/
on a population basis 1976 season compared with 1975 and 1974 seasons

<u>Country</u>	<u>Gross revenue from sales per 1,000 of population</u>		
	<u>1976</u> \$	<u>1975</u> \$	<u>1974</u> \$
Switzerland	179.77	138.78	130.27
Luxembourg	160.76	130.10	141.31
Norway	157.95	113.83	122.76
Finland	132.99	91.13	84.06
Sweden	114.07	87.88	93.67
Denmark	92.59	79.13	80.84
Belgium	71.69	48.92	55.11
Germany, Federal Republic of	69.75	58.20	62.32
Netherlands	67.54	56.03	62.03
Canada	53.37	44.78	61.70
France	46.34	40.21	36.12
Austria	40.86	29.20	23.51
Spain	31.25	21.43	20.22
United States of America	23.95	23.63	28.11
New Zealand	23.91	26.84	30.30
Bulgaria	23.04	16.56	-
Australia	13.71	11.99	19.27
Brazil	13.56	9.94	9.32
Union of Soviet Socialist Republics	13.36	1.56	1.59
Chile	11.62	13.76	11.83

a/ The list includes countries where gross revenues from sales exceeded \$50,000 and \$10 per 1,000 of population in the 1976 season.

/...

Designs

6. Reproduction rights were given by 117 artists and museums from 34 countries. Ninety-three designs were used for cards and 54 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>
Max Ackermann	Red Zone	Germany, Federal Republic of
Alfredo Alcaín	The Animal Shop	Spain
Gene Aliman	Snow Tree	Canada
Gene Aliman	Canada	Canada
Ampuhan*	Village Scene	Indonesia
Angela Aschauer	Australia	Australia
Anonymous:		
Aegean Embroidery*	Untitled	Greece
Chinese Watercolours* (2)	Untitled	China
Floor Mosaic*	Menorah	
XVII-Century Icon*	The Virgin Eleusa	Bulgaria
Sumba Island Textile*	Untitled	Indonesia
Indian Beaded Cloth*	Untitled	United States of America
Lacquered Writing Box Lid*	Deer in the Moonlight	Japan
Lacquered Box Lids (5)*	Untitled	India
Mosaics (5)*	Basket of Fruit	Tunisia
	Deer	
	Ducks	
	Peacocks	
	Rabbit	
Ovide Moralisé*	Orpheus Enchanting the Animals	France
Wallpaper Strip*	Untitled	China
Barberini*	Adoration of the Shepherds	Italy
Fanny Bayfield*	Bloodroot, Dog's Tooth and Red Trillium	United Kingdom
Monika Beisner	Sheep Toboggans	Germany, Federal Republic of
Andy Bernhaut	Austria	Austria
Ronald L. Birns	United States of America	United States of America
V. Blinov	Snowmaiden	Union of Soviet Socialist Republics
Douglas Botting	Brazil	United Kingdom
Dana Brown	Martinique	United Kingdom
Ray Brown, Sr.	United States of America	United States of America
S. Bugorin	Firebird	Union of Soviet Socialist Republics
Alexander Calder	Abstract Tapestry	United States of America
Joyce Capece	Bali	United States of America
Momodou Ceesay	Evening World	Gambia
Paul Cézanne*	The Blue Vase	France
Mark Chester	United States of America	United States of America
Josip Ciganovic	Spain	Yugoslavia
O. Civirani	Italy	Italy
Larry Colwell	Denmark	United States of America
John C. Craighead	Mexico	United States of America
Emeline Dean Jones* (2)	Appliqued Quilt Motif	United States of America
Branibor Debeljković	Yugoslavia	Yugoslavia
Phoebe Dunn	Queen Anne's Lace	United States of America
Phoebe Dunn	United States of America	United States of America
Victor Englebert	Sahara	United States of America
Richard Erdoes	Ireland	United States of America
Prince Eugen*	Wood-anemones	Sweden
Fernando Fantini	The Artist's House	Italy
Holley Flagg	Cool Day	United States of America
Jean-Michel Folon	Santa Claus	France

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

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Robin Forbes	France	United States of America
Marjorie Freund	Chanukah Party	United States of America
Ted H. Funk	Belgium	United States of America
Ted H. Funk	Sweden	United States of America
S. Galkin	Troika	Union of Soviet Socialist Republics
René Gardi	Ivory Coast	Italy
Paul René Gauguin	Dawn	Denmark
Sidney Glatter	Ecuador	United States of America
W. Gontscharoff	Federal Republic of Germany	Germany, Federal Republic of
Antonio Grass	Pre-Columbian Motifs (5)	Colombia
Maurice Grosser	Portugal	United States of America
Rudi Haas	Nigeria	Canada
Hiroshi Hamaya	Japan	Japan
Blake Hampton	Peace Dove	United States of America
Peter Hansen*	On the Ice Behind the Town	Denmark
Alex Harsley	United States of America	United States of America
Lewis W. Hine	United States of America	United States of America
Randal Hinz	Dogwood	United States of America
George Holton	United States of America	United States of America
Paul Huf	Netherlands	Netherlands
Il Guercino*	The Virgin and Child	Italy
Mainie Jellett	The Nativity	Ireland
Stefan Kantchev	Choir	Bulgaria
B. A. King	Canada	Canada
Sam Kipniss	Last Lap	United States of America
Ivan Kirkov	Christmas Night	Bulgaria
Jroma Koskinen	Winter Landscape	Finland
Cornelius Krieghoff*	Habitants Driving Sleigh, Quebec, 1860	Canada
William S. Langewisch	United States of America	United States of America
Errol Le Cain	Snow Scene	United Kingdom
Michel Legrou	France	France
Sven Lindman (5)	Bird and Flower	Sweden
	Swan	
	Butterfly	
	Lion	
	Rosette	
Jack C.S. Ling	Malaysia	China
Löbl	Christmas Eve	Germany, Federal Republic of
Stefan Lochner (5)*	Angel Musician - The Lute (blue)	Germany, Federal Republic of
	Angel Musician - The lute (gold)	
	Angel Musician - The Organ	
	Angel Musician - The Violin	
	Angel Musician - Harp	
Werner Lüthy	Switzerland	Switzerland
Alberto Magnelli	Snow	Italy
Oili Mäki*	Creation of Worlds	Finland
Antonio Maldonado	Three Kings	United States of America (Commonwealth of Puerto Rico)

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

Alstair Matheson	Photograph from Tanzania	Denmark
Ashvin Mehta	India	India
Melehi	Calligraphy	Morocco
Ruby Mera	Child from Viet Nam	Colombia
Nelson Merrifield	Lapland	Canada
Kourosh Namazi*	Mushrooms	Iran
Rosario Núñez de Patrucco	Dancers	Peru
Alan S. Orling	United States of America	United States of America
F. Patterson	Canada	Canada
Nicolas Poussin*	The Holy Family	France
Raul Rangel Filho	Bird and Sun	Brazil
Tony Ray-Jones	United Kingdom	United Kingdom
Jacques D. Rouiller	Morocco	France
John Running	United States of America	United States of America
Svend Otto S. (5)	Bare Christmas Tree in Blue Interior	Denmark
	Children Rushing in	
	Decorating the Tree	
	Decorated Tree with Two Windows	
	Children Dancing Around Lit Tree	
Ozan Sagdic	Turkey	Turkey
Carlos Salamanca	Colombia	Colombia
Anthony Sargent	Viet Nam	United States of America
Paul Schutzer	Iran	United States of America
Fritz Seemann	Sleigh Ride	Germany, Federal Republic of
Simionie	Geese	Canada
Ulf Sjöstedt	Norway	Norway
N. Suloyeva	Ludmilla in Chernomor's Garden	Union of Soviet Socialist Republics
Saara Tikka	Buttercup Meadow	Finland
Ursula Toomey	Guatemala	United States of America
Anni Touzssousova	Christmas	Bulgaria
Gloria Uribe-Rocca	Children and Tree	Colombia
Marie Viard	France	France
Elvira Vomstein	The Holy City	Switzerland
Anne Walker	Night Thoughts	United States of America
Irma Wronsky	Flower Stand	Germany, Federal Republic of
Hal Yaeger	Haiti	United States of America
Yuzo Yamada	Japan	Japan
Mrs. Yerova	Father Frost and the Snowmaiden	Union of Soviet Socialist Republics
Leslie Tseng-Tseng Yu	Grasshopper	United States of America

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

II. FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1977

STATEMENT I

Comparative statement of income and expenditure for the season ended 30 April 1977

	1976 season - 1 May 1976 to 30 April 1977			1975 season - 1 May 1975 to 30 April 1976		
Sales	\$	\$	\$	\$	\$	\$
Greeting cards		22 945 733.18		18 881 368.32		
Calendars		5 327 739.19		2 182 470.51		
Fine art prints and posters		2 089.38		8 741.20		
Educational material		<u>149 782.94</u>		<u>136 489.57</u>		
		28 425 344.69		21 209 069.60		
Less: Commissions paid	7 372 266.46			6 178 821.07		
Duties and taxes	<u>206 522.10</u>	<u>7 578 788.56</u>	20 846 556.13	<u>172 795.36</u>	<u>6 351 616.43</u>	14 857 453.17
Productions costs			<u>5 410 000.56</u>			<u>3 916 998.87</u>
			15 436 555.57			10 940 454.30
<u>Gross profit on sales</u>						
Less: <u>Other expenditures</u>						
Salaries, wages and common staff costs		2 146 186.32		1 828 695.09		
Administrative expenses and office equipment		1 800 074.48		1 588 974.51		
Sales promotion costs		<u>898 847.13</u>	<u>4 845 107.93</u>	<u>1 004 223.40</u>		<u>4 421 893.00</u>
<u>Operational net income</u>			10 591 447.64			6 518 561.30
Other income and (expenses)			<u>327 700.83</u>			<u>(43 259.78)</u>
<u>Excess of income over expenditure</u>			10 919 148.47			6 475 301.52
			=====			=====

Statement III and notes 1-7 form an integral part of this statement and should be read in conjunction therewith.

CERTIFIED CORRECT

(Signed)

Sven P. Blackberg
Sven P. BLACKBERG
Comptroller

APPROVED

(Signed)

Henry R. Labouisse
Henry R. LABOUISSSE
Executive Director

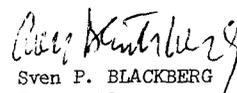
STATEMENT II

Comparative statement of assets and liabilities
at 30 April 1977

	1976 Season		1975 Season		Increase/ (Decrease)
<u>Assets</u>	\$	\$	\$	\$	\$
Cash on hand and in current bank accounts	162 239.04		136 003.82		26 235.22
Accounts receivable, advances and deposits	14 753 255.52		10 958 933.14		3 794 322.38
Production and distribution equipment	83 276.08		29 280.93		53 995.15
Inventory	3 400 240.52		2 939 353.87		460 886.65
Prepaid expenses - future campaigns	<u>1 039 511.81</u>		<u>870 424.42</u>		<u>169 087.39</u>
		19 438 522.97		14 933 996.18	<u>4 504 526.79</u>
 <u>Liabilities</u>					
Accounts payable and other unliquidated obligation	554 372.10		621 723.64		(67 351.54)
UNICEF interoffice account	7 960 827.40		7 835 678.74		125 148.66
Deferred income - future campaign	<u>4 175.00</u>		<u>1 292.28</u>		<u>2 882.72</u>
		8 519 374.50		8 458 694.66	<u>60 679.84</u>
 <u>Excess of assets over liabilities</u>		<u>10 919 148.47</u>		<u>6 475 301.52</u>	<u>4 443 846.95</u>

Statement III and notes 1 to 7 form an integral part of this statement and should be read in conjunction therewith.

CERTIFIED CORRECT

(Signed) 
Sven P. BLACKBERG
Comptroller

APPROVED

(Signed) 
Henry R. LABOUISSSE
Executive Director

STATEMENT III

Budget commitments, obligations incurred and unencumbered balances
for the season ended 30 April 1977

	Budget estimates			Obligations incurred	
	<u>Original</u> \$	<u>Approved transfers</u> \$	<u>Total</u> \$	<u>Liquidated & unliquidated</u> \$	<u>Unencumbered balances</u> \$
<u>Section 1: Salaries, wages and common staff costs</u>					
Established posts	1 792 200	(18 500)	1 773 700	1 653 707.78	119 992.22
Short-term professional personnel	64 000	-	64 000	60 075.79	3 924.21
Short-term general service personnel	152 800	500	153 300	128 791.48	24 508.52
Overtime	5 000	5 000	10 000	8 318.74	1 681.26
Travel, removal and installation	11 000	3 000	14 000	13 937.42	62.58
Separation and repatriation payments	1 000	600	1 600	536.21	1 063.79
Contributions, Pension Fund	220 300	6 000	226 300	203 225.65	23 074.35
Dependency allowances and education grants	54 100	-	54 100	39 473.44	14 626.56
Compensatory payments	2 000	-	2 000	226.10	1 773.90
Travel on home leave	12 500	-	12 500	5 919.62	6 580.38
Staff training	8 000	-	8 000	5 166.44	2 833.56
Staff welfare	2 000	2 000	4 000	2 920.30	1 079.70
Medical insurance and related payments	32 800	1 400	34 200	23 887.35	10 312.65
Total Section 1	<u>2 357 700</u>	<u>-</u>	<u>2 357 700</u>	<u>2 146 186.32</u>	<u>211 513.68</u>
<u>Section 2: Other expenses</u>					
Travel on official business	129 100	(10 000)	119 100	106 579.55	12 520.45
Freight	554 000	(72 100)	481 900	432 636.04	49 263.96
Order handling	75 600	4 000	79 600	72 200.36	7 399.64
Communications	107 800	8 000	115 800	104 207.43	11 592.57
Rental and maintenance of premises and storage	660 000	34 000	694 000	630 902.85	63 097.15
Office supplies	39 000	5 200	44 200	43 759.89	440.11
Miscellaneous supplies and services	68 000	-	68 000	57 656.46	10 343.54
Conferences and liaison	19 700	13 300	33 000	32 915.44	84.56
Rental and maintenance of office and accounting equipment	11 000	300	11 300	11 164.46	135.54
Computer services	83 700	-	83 700	49 391.95	34 308.05
External and internal audit costs	70 000	-	70 000	67 015.65	2 984.35
Hospitality	6 000	-	6 000	2 503.67	3 496.33
Furniture and office equipment	21 000	7 100	28 100	27 140.73	959.27
Payment to UNICEF for services	162 000	-	162 000	162 000.00	..
Total Section 2	<u>2 006 900</u>	<u>(10 200)</u>	<u>1 996 700</u>	<u>1 800 074.48</u>	<u>196 625.52</u>

STATEMENT III (cont'd)

Budget commitments, obligations incurred and unencumbered balances
for the season ended 30 April 1977

	Budget estimates			Obligations incurred	
	<u>Original</u> \$	<u>Approved transfers</u> \$	<u>Total</u> \$	<u>Liquidated & unliquidated</u> \$	<u>Unencumbered balances</u> \$
<u>Section 3: Production costs</u>					
Cards and stationery	4 380 500	(418 000)	3 962 500	3 961 549.78	950.22
Calendars	868 500	539 000	1 407 500	1 406 496.89	1 003.11
Fine art reproductions	1 000	(1 000)	-	-	-
Posters	2 000	2 000	4 000	3 725.46	274.54
Educational materials	53 000	(4 900)	48 100	38 228.43	9 871.57
Total Section 3	<u>5 305 000</u>	<u>117 100</u>	<u>5 422 100</u>	<u>5 410 000.56</u>	<u>12 099.44</u>
<u>Section 4: Sales promotion costs</u>					
Brochure printing	947 500	(61 000)	886 500	725 311.04	161 188.96
Publicity and promotion	220 000	(45 900)	174 100	173 536.09	563.91
Total Section 4	<u>1 167 500</u>	<u>(106 900)</u>	<u>1 060 600</u>	<u>898 847.13</u>	<u>161 752.87</u>
GRAND TOTAL	<u>10 837 100</u>	<u>-</u>	<u>10 837 100</u>	<u>10 255 108.49</u>	<u>581.991.51</u>

NOTES TO FINANCIAL STATEMENTS

1. As in previous year, the financial report for 1976 includes a statement of assets and liabilities of the Greeting Card Operation. Comparisons with last year are now also included in this statement and supporting schedules. In the UNICEF books, assets and liabilities relating to the Greeting Card Operation are consolidated at the periodic closure of the accounts.

2. A total of 90.4 million cards, 510,209 engagement calendars and 1,010,240 wall calendars were sold in the 1976 season, bringing UNICEF net income of \$10.9 million. Gross revenue for the 1976 season amounted to \$28,425,345. This was \$7,216,275 or 34 per cent more than that of the previous year. A total of 26.6 of gross income went for commissions, duties and taxes and 36.1 per cent went for production, staff administrative and sales costs. Net income (excess of income over expenditure) increased from \$6,475,301 in 1975 to \$10,919,148 in 1976 an increase of 68.6 per cent. About \$1,163,000 of the increase was due to a special sale of 1 million wall calendars which will not be repeated in 1977. Excess of income over expenditures was 38.4 per cent of gross income in 1976 compared to 30.5 in 1975. The net income was transferred to the general resources of UNICEF after the closure of the accounts.

3. Accounts receivable as of 30 April 1977 totalled \$14,753,255 compared with \$10,958,933 at 30 April 1976. Of the amount of \$14,753,255, receivables from UNICEF National Committees totalled \$12,823,010 and from United Nations agencies \$1,265,955.

4. The cost of production and distribution equipment acquired after 1 May 1975 was \$83,276. In addition, other production and distribution equipment in use at headquarters had an acquisition cost of \$152,816. The value of this equipment is not reported in the accounts as an asset since its cost was charged to production costs in prior years' budgets. The cost of other non-expendable equipment, office furniture and machines, etc., still in use at headquarters but not included in the accounts as an asset amounted to \$106,497.

5. During the 1976 season approximately 5.3 million boxed cards of old designs no longer considered salable were donated to approved organizations or disposed of as scrap paper. In addition, about 12.2 million unfinished cards were also disposed of. At 30 April 1977 global greeting card stocks of 1976 and earlier cards totalled 48.5 million boxed cards and 94.6 million in an unfinished state.

6. Raw materials and products in process were valued at \$1,515,769 and \$1,655,331 respectively at cost. A value of \$229,141 has been placed on the inventory of finished goods representing the production cost of 1976 cards and other items in stock at 30 April 1977 which will be offered for sale in the 1977 season.

7. The Executive Board at its May 1976 session approved budget estimates (E/ICEF/AB/L.164) for the 1976 season of \$10,837,100. Obligations incurred against these estimates amounted to \$10,255,108. The unencumbered balance of \$581,992 has been cancelled. Section 2 of the budget shows a charge of \$162,000 representing the cost of financial personnel and general administrative services as well as publicity material provided by UNICEF. Annual depreciation booked in 1976 on production and distribution equipment acquired after 1 May 1975 amounted to \$14,967.

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SCHEDULE I

Comparative statement of gross income, operational
 net income and excess of income over expenditures

	<u>1976 season</u>		<u>1975 season</u>	
	<u>Amount</u> \$	<u>Percentage of gross sales</u>	<u>Amount</u> \$	<u>Percentage of gross sales</u>
<u>Gross income</u>	28 425 345	100.0	21 209 070	100.0
<u>Commissions, duties & taxes</u>	<u>7 578 789</u>	<u>26.6</u>	<u>6 351 617</u>	<u>30.0</u>
	20 846 556	73.34	14 857 453	70.0
<u>Deduct:</u>				
Production, staff, administrative and sales promotion costs	10 255 108	36.1	8 338 892	39.3
<u>Operational net income</u>	10 591 448	37.3	6 518 561	30.7
Other income and (expenses)	327 700	1.1	(43 260)	(0.2)
<u>Excess of income over expenditure</u>	<u>10 919 148</u>	<u>38.4</u>	<u>6 475 301</u>	<u>30.5</u>

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SCHEDULE 2

Income and expenditure for 1976 season compared with approved estimates

	<u>Estimates approved</u>		<u>Actual</u>		<u>Difference</u>	
	<u>May 1976</u>				<u>Percentage</u>	
	<u>\$</u>	<u>Percentage</u>	<u>\$</u>	<u>Percentage</u>	<u>\$</u>	<u>Increase or (Decrease)</u>
<u>Sales</u>	27 328 000	89.4	22 945 734	80.7	(4 382 266)	(16.0)
Greeting cards and stationery	3 062 000	10.0	5 327 739	18.8	2 265 739	74.0
Calendars	5 000	-	2 089	-	(2 911)	(58.2)
Fine art prints and posters	175 000	0.6	149 783	0.5	(25 217)	(14.4)
Educational material	30 570 000	100.0	28 425 345	100.0	(2 144 655)	(7.0)
Total gross sales					(141 733)	(1.8)
<u>Less:</u>	7 514 000	24.6	7 372 267	25.9	(3 478)	(1.7)
Commissions paid	210 000	0.7	206 522	0.7	(3 478)	(1.7)
Duties and taxes	22 846 000	74.7	20 846 556	73.4	(1 999 444)	(8.7)
<u>Net sales income</u>					=====	=====
<u>Budgetary expenditures</u>	2 357 700	7.7	2 146 186	7.6	(211 514)	(9.0)
Salaries, wages and common staff costs	2 006 900	6.6	1 800 074	6.3	(206 826)	(10.3)
Other expenses and office equipment	5 305 000	17.3	5 410 001	19.0	105 001	(2.0)
Production costs	1 167 500	3.8	898 847	3.2	(268 653)	(23.0)
Sales promotion costs	10 837 100	35.4	10 255 108	36.1	(581 992)	(5.4)
	12 008 900	39.3	10 591 448	37.3	(1 417 452)	(11.8)
<u>Operational net income</u>	250 000	0.8	327 700	1.1	77 700	31.1
Miscellaneous income and (expenses)						
<u>Excess of income over expenditure</u>	12 258 900	40.1	10 919 148	38.4	(1 339 752)	(10.9)

SCHEDULE 3

Other income for the 1976 season
with comparative figures for 1975 season

	<u>1976</u> <u>season</u> \$	<u>1975</u> <u>season</u> \$	<u>Increase</u> <u>(decrease)</u> \$
Staff assessment plan	284 382.06	212 877.41	71 504.65
Exchange adjustments (net)	(66 024.01)	(517 594.29)	451 570.28
Value of materials recovered from decollating, net of decollating cost	35 780.55	156 024.65	(120 244.10)
Donations and contributions for postage	48 408.76	36 905.99	11 502.77
Discounts from vendors on materials purchased	28 804.09	15 277.14	13 526.95
Adjustment of accounts payable related to prior year budget	9 996.43	13 649.42	(3 652.99)
Sales of obsolete equipment	865.86	2 460.73	(1 594.87)
Other miscellaneous income (net)	(14 512.91)	37 139.17	(51 652.08)
	<u>327 700.83</u> =====	<u>(43 259.78)</u> =====	<u>370 960.61</u> =====

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SCHEDULE 4

Inventory at 30 April 1976 with comparative figures for 1975

	1976		1975	Increase (decrease)
	\$	\$	\$	\$
<u>Production and distribution equipment</u>				
Acquisition cost	105 703.98			
Less: Depreciation	22 427.90	83 276.08	30.93	53 995.15
<u>Inventory (at cost)</u>				
<u>Raw materials (paper, envelopes, boxes, etc.)</u>				
Greeting cards	1 272 408.21			
Calendars	18 987.75			
Promotional and educational materials	224 372.65	1 515 768.61	1 501 769.09	13 999.52
<u>Products in process and finished (Current campaign)</u>				
Greeting cards	154 600.47			
Educational materials	74 540.85	229 141.32	103 649.04	125 492.28
<u>Products in process following campaigns</u>				
Greeting cards	1 282 420.41			
Calendars	367 118.70			
Educational materials	5 791.48	1 655 330.59	1 333 935.74	321 394.85
		3 400 240.52	2 939 353.87	460 886.65
Total		3 483 516.60	2 968 634.80	514 881.80

SCHEDULE 5

Movement of finished cards 1976 season
(in millions of cards)

	<u>1976 season</u>	<u>1975 season</u>
Opening inventory	46.9	51.3
Add: Cards boxed for sale or transferred to sales outlets for sale in flat form	a/ <u>111.9</u> 158.8	a/ <u>107.9</u> 159.2
Deduct:		
(1) Cards sold	90.4	82.2
(2) Cards decollated	14.4	24.8
(3) Cards donated, destroyed or lost	<u>5.5</u> b/	<u>5.3</u> b/
Closing inventory	<u>48.5</u>	<u>46.9</u>

a/ Includes 11.6 million prior years' cards boxed in 1976 season and 21.8 million in 1975 season.

b/ 5.3 million old cards no longer saleable were destroyed or donated. Losses in transit and at sales outlets and adjustments following physical count accounted for the remainder of 0.2 million.