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UPOV/C/VII/3
Original: French
Date: June 27, 1973

INTERNATIONALER VERBAND
ZUM SCHUTZ VON
PFLANZENZÜCHTUNGEN

UNION INTERNATIONALE
POUR LA PROTECTION
DES OBTENTIONS VÉGÉTALES

INTERNATIONAL UNION
FOR THE PROTECTION OF
NEW PLANT VARIETIES

COUNCIL

Seventh Ordinary Session

(Geneva, October 10 to 12, 1973)

1972 FINANCIAL REPORT

BY THE SECRETARY GENERAL TO THE COUNCIL

(Fourth year)

SUMMARY

This document, submitted in accordance with Article 23(2) of the UPOV Convention, contains the results of the 1972 financial year and information concerning 1972 finances, as well as the letter from the Federal Political Department and the report of the Federal Audit Service on the auditing of the 1972 accounts, drawn up in accordance with Article 24 of the Convention.

1. Results of the Financial Year

The results of the financial year are as follows:

	1972	1971
	<u>Francs*</u>	<u>Francs</u>
Receipts	525 691.10	351 094.09
Expenditure	362 275.15	328 012.54
Surplus of Receipts	<u>163 415.95</u>	<u>23 081.55</u>

This surplus has been credited to the Reserve Fund in accordance with Article 5(a) of the UPOV Financial Regulations.

2. Receipts

	1972	1971
	<u>Francs</u>	<u>Francs</u>
Mandatory Contributions	517 000.--	310 000.--
Interest	7 343.35	10 383.15
Miscellaneous receipts	1 347.75	30 710.94
	<u>525 691.10</u>	<u>351 094.09</u>

There were no contributions outstanding at the end of the year. Interest rates obtained from the Swiss Bank Corporation during the year were $\frac{1}{2}\%$ on the current account and 4%, 2 $\frac{1}{2}\%$ and 3% on the fixed-term account.

3. Expenditure

	1972	1971
	<u>Francs</u>	<u>Francs</u>
3.1 <u>Expenditure proper to UPOV</u>		
Personnel	173 105.10	156 695.50
Missions	9 056.10	4 005.45
Conferences	14 868.15	16 814.70
Contracts	1 714.45	2 231.25
Printing	257.50	152.--
Rent	11 892.--	11 892.--
Equipment and supplies	4 155.55	7 789.--
Revision Conference	9 226.40	--.--
Library	521.15	258.30
Miscellaneous and Unforeseen	69.35	275.55
3.2 <u>Common Expenditure</u>		
WIPO Services	137 409.40	127 898.79
	<u>362 275.15</u>	<u>328 012.54</u>

* In this Report the word "Francs" means Swiss francs.

4. Working Capital Fund

Pursuant to Article 8 of the UPOV Financial Regulations the share of each member State in the Working Capital Fund has been established. As shown in the balance sheet as of December 31, 1972 (Annex A.1 to this document), an amount of 100 000.-- francs has been received by UPOV (payments by Denmark, Germany (Federal Republic of), the Netherlands and the United Kingdom).

5. Basis of Contributions

For the purpose of determining the amount of their annual contributions, the member States of the Union are divided into the following three classes in accordance with Article 26(2) of the Convention:

First class: 5 units

Second class: 3 units

Third class: 1 unit

Each member State contributes in proportion to the number of units of the class to which it belongs. However, as noted in the Resolution adopted by the Council in the course of its meeting from October 13 to 15, 1971 (document UPOV/C/V/30, item 4), Denmark, the Netherlands and Sweden (in the third class) have voluntarily increased their annual contributions which, from the 1972 financial year onwards, are calculated on the following basis:

Denmark: 1½ units

Netherlands: 2 units

Sweden: 1½ units

Taking into account that France, Germany (Federal Republic of) and the United Kingdom are in the first class, which corresponds to 5 units, the 1972 contributions are calculated on the basis of the following units:

5 units for France
5 units for Germany (Fed. Rep. of)
5 units for the United Kingdom
2 units for the Netherlands
1½ units for Denmark
1½ units for Sweden

The value of the contribution unit for each budgetary period is obtained by dividing total expenditure by the total number of units (Annex A.5 to this document).

6. Annexes

Annexes A to this document contain the following:

- A.1 - balance sheet as of December 31, 1972;
- A.2 - accounts and results of the 1972 financial year;
- A.3 - detailed account of expenditure on missions and conferences;
- A.4 - comparison of the 1972 budget and accounts;
- A.5 - calculation of contributions.

In addition, Annexes B contain:

- B.1 - the letter from the Federal Political Department;
- B.2 - the auditors' report.

7. The Council is invited to examine and approve the accounts for the 1972 financial year, in accordance with Article 21(e) of the Convention.

ANNEX A.1

Balance Sheet as of December 31, 1972

ASSETS

Liquid assets

Swiss Bank Corporation

Current Account		38 656.55
-----------------	--	-----------

Fixed-Term Account

Deposit	229 995.80	
---------	------------	--

Working Capital Fund	100 000.--	329 995.80
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Transitional Account

Federal Finance Administration	2 013.05	
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WIPO	40 829.60	42 842.65
------	-----------	-----------

	411 495.--	=====
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LIABILITIES

Creditors		3 332.40
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WIPO Transitional Account		2 891.25
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Reserve Fund

January 1, 1972	141 855.40	
-----------------	------------	--

1972 Increase	163 415.95	305 271.35
---------------	------------	------------

Working Capital Fund

Denmark	8 333.--	
---------	----------	--

Germany (Fed. Rep. of)	41 667.--	
------------------------	-----------	--

Netherlands	8 333.--	
-------------	----------	--

United Kingdom	41 667.--	100 000.--
----------------	-----------	------------

	411 495.--	=====
--	------------	-------

ANNEX A.2Accounts and Result for Financial Year 1972INCOME

Contributions	517 000.--	
Bank Interest	7 343.35	
Miscellaneous receipts	<u>1 347.75</u>	525 691.10

EXPENDITURE

Personnel	173 105.10	
Missions	9 056.10	
Conferences	14 868.15	
Contracts	1 714.45	
Printing	257.50	
Rent	11 892.--	
Equipment and Supplies	4 155.55	
Revision Conference	9 226.40	
Library	521.15	
Miscellaneous and Unforeseen	69.35	
WIPO Services	<u>137 409.40</u>	<u>362 275.15</u>

RESULT

Surplus transferred to Reserve Fund	<u>163 415.95</u> =====
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ANNEX A.3

Detailed Account of Expenditure
on Missions and Conferences

MISSIONS

Visit to Federal Agricultural Research Station	Zurich	Skov	217.95
OECD Meeting	Paris		
CIOPORA Meeting	Amsterdam		
Talks on Symposium	London	Skov	1 931.75
Working Party on Cross- Fertilized Agricultural Crops	Cambridge		
ASSINSEL General Assembly	Ottawa	Skov	4 115.30
Working Party on Vegetables	Odense		
Danish Authorities	Copenhagen	Skov	1 773.50
Meeting of OECD Seed Group	Paris	Skov	1 017.60
			<u>9 056.10</u>
			=====

CONFERENCES

Working Party on Vegetables (Geneva, January 25-26, 1972)	42.--
Consultative Working Committee - Fifth Session (Geneva, April 13-14, 1972)	6 256.90
Sub-Working Party of Working Party on Self- Fertilized Agricultural Crops (Geneva, June 7-8, 1972)	29.20
Technical Steering Committee (Geneva, June 12-14, 1972)	963.35

ANNEX A.3CONFERENCES (continued)

UPOV Council - Sixth Session
(Geneva, November 7-10, 1972)

1 079.70

Working Group on Variety Denominations
- Seventh Session
(Geneva, December 5-7, 1972)

6 497.--

14 868.15
=====

Diplomatic Conference for the Amendment of the
International Convention for the Protection of
New Varieties of Plants
(Geneva, November 7-10, 1972)

9 226.40
=====

ANNEX A.4

Comparison of 1973 Budget and Accounts

<u>Headings</u>	<u>Budget</u>	<u>Accounts</u>
(A) <u>Expenditure proper to UPOV</u>		
Personnel	258 000.--	173 105.10
Consultant (technical)	5 000.--	---.--
Missions	12 000.--	9 056.10
Third-party travel	1 000.--	---.--
Conferences	18 000.--	14 868.15
Contracts	6 000.--	1 714.45
Printing	4 000.--	257.50
Rent	11 000.--	11 892.--
Equipment and Supplies	10 000.--	4 155.55
Revision Conference	10 000.--	9 226.40
Library	3 000.--	521.15
Miscellaneous and Unforeseen	5 000.--	69.35
Total of expenditure proper to UPOV:	343 000.--	224 865.75
(B) <u>Common Expenditure</u>		
Personnel	135 000.--	115 386.50
Printing	---.--	265.40
Rent	11 000.--	1 973.65
Maintenance of Buildings	11 000.--	3 248.60
Equipment and Supplies	7 000.--	9 257.90
Postage	6 000.--	4 879.90
Telephone	2 000.--	1 828.45
Miscellaneous and Unforeseen	2 000.--	569.--
Total of Common Expenditure:	174 000.--	137 409.40
Total Expenditure (overall):	517 000.-- =====	362 275.15 =====

ANNEX A.4Comparison of 1972 Budget and Accounts (continued)

<u>Headings</u>	<u>Budget</u>	<u>Accounts</u>
(A) <u>Income proper to UPOV</u>		
Contributions	517 000.--	517 000.--
Interest	--.--	7 343.35
 (B) <u>Common income</u>		
Publications and Miscellaneous	--.--	1 347.75
Total Income (overall):	517 000.-- =====	525 691.10 =====

Actual expenditure (362 000.--) was less than budgeted expenditure (517 000.--). The difference (155 000.--) is accounted for as follows: the very late recruitment of the Administrative and Technical Assistant (on January 1, 1973, instead of April 1, 1972) and of his secretary (on March 1, 1973, instead of June 1, 1972) gave rise to a budget surplus of about 85 000.-- francs which appears under the "personnel" heading. The delays in these staff appointments created other differences to the advantage of the budget: the purchase of furniture for the two staff members concerned will now come into the 1973 financial year; translation and printing work and the purchase of the literary works required by the Assistant will be carried over to the next financial year. Another result of the delayed staff appointments is that the program envisaged for 1972 could not be implemented in full, which saved the cost of some missions. Moreover, since the appointment of a technical consultant was not required, a further saving of 5 000.-- francs in relation to the budget was achieved. Finally, the participation in common expenditure requested by WIPO amounted to only 137 000.-- instead of the 174 000.-- francs provided for in the UPOV budget. The difference in favor of the budget is thus 37 000.-- francs.

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ANNEX A.5

CONTRIBUTIONS

Class	Number of Units	Number of Voluntary Units	Total Units	Number of States	Product of previous two figures (total units)
I	5	-	5	3	15
II	3	-	3	-	-
III	1	-	1	-	-
III	1	1	2	1	2
III	1	$\frac{1}{2}$	$1\frac{1}{2}$	2	3
				<u>6</u>	<u>20</u>

CONTRIBUTIONS

(Article 26 of the Paris Convention for the Protection of New Varieties of Plants)

Basis of contributions (Francs)	Amount due per State (Francs)	Number of States ¹	Total (Francs)
	129 250 (a)	3	387 750
517 000	51 700 (b)	1	51 700
	38 775 (c)	2	77 550
		<u>6</u>	<u>517 000</u>

¹ According to the classification indicated in paragraph 5 of this document

$$(a) \frac{517\,000 \times 5}{20}$$

$$(b) \frac{517\,000 \times 2}{20}$$

$$(c) \frac{517\,000 \times 1\frac{1}{2}}{20}$$

ANNEXES B

REPORT OF THE AUDITORS

preceded by the letter of transmittal from the
Swiss Federal Political Department to UPOV.

/Translated from the French/

ANNEX B.1

LETTER DATED JULY 12, 1973, FROM THE FEDERAL
POLITICAL DEPARTMENT TO UPOV

Sir,

We have the honor to submit herewith two copies of the report on the auditing of the accounts of the International Union for the Protection of New Plant Varieties (UPOV) for the 1972 financial year; this report was drawn up by the Federal Audit Service in accordance with Article 24 of the Paris Convention of December 2, 1961.

As you will observe, the report finds the financial documents to be accurate and requires no special comment.

We should be much obliged if you would forward one of the copies to the Council of UPOV for its information.

Yours faithfully,

(Muheim)

FEDERAL POLITICAL DEPARTMENT
International Organizations

Enclosure: Report in duplicate

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ANNEX B.2

FEDERAL AUDIT SERVICE

No. 933.2.1

R E P O R T

on the Auditing of the Accounts of
the International Union for the Protection of
New Plant Varieties

(UPOV)
for the 1972 Financial Year

Effectuated in Geneva

on June 25 and 26, 1973

To the Head of the International Organizations
Division of the Federal Political Department in Berne

Pursuant to Article 24 of the Convention for the Protection of New Plant Varieties of December 2, 1961, which entered into force on August 10, 1968, we have the honor to send you herewith four copies of our report on the auditing of the accounts for the 1972 financial year. Two of these copies are to be sent by you to the competent bodies of UPOV.

We are pleased to note that the report finds the financial documents to be accurate and calls for no special comment.

3003 Berne, July 11, 1973

FEDERAL AUDIT SERVICE

Baumann
Acting Director

Enclosures as mentioned

ANNEX B.2

I. GENERAL

1. Mandate

In accordance with Article 24 of the Convention for the Protection of New Varieties of Plants of December 2, 1961, which entered into force on August 10, 1968, we carried out the auditing of the accounts for the 1972 financial year at the headquarters of the Office of the International Union for the Protection of New Plant Varieties (hereinafter UPOV) in Geneva, on June 25 and 26, 1973.

2. Information Supplied

Mr. A. Jaccard, Head of the Finance Section of the World Intellectual Property Organization (WIPO/BIRPI), who is also responsible for the UPOV accounts, obligingly supplied us with all the necessary information.

3. Member States of the Union

On January 1, 1972, Denmark, the Federal Republic of Germany, France, the Netherlands, Sweden and the United Kingdom were the six member States of the Union which participated in the financing of the latter's activity during the 1972 financial year. Belgium and Switzerland, the other two States which signed the Convention, have not yet deposited their instruments of ratification.

II. 1972 BUDGET AND ACCOUNTS

1. 1972 Budget and Results of the 1972 Financial Year

The budget for the 1972 financial year, as appearing in document UPOV/C/V/29, was adopted by the Council at its fifth session, held in Geneva on October 13 to 15, 1971. Budgeted receipts provided for contributions equal in amount to total expenditure (517,000.-- francs), and divided between the six member States on January 1, 1972, according to their classes in terms of Article 26 of the Paris Convention for the Protection of New Varieties of Plants.

The results of the 1972 financial year were as follows:

Receipts	525 691.10 francs
Expenditure	362 275.15 francs
Surplus	163 415.95 francs
	=====

Pursuant to Article 5(a) of the Financial Regulations and as shown in the balance sheet as of December 31, 1972, the above surplus was entirely transferred to the Reserve Fund.

2. Accounts and Results (Annex 1)

2.1 Receipts

Receipts for the 1972 financial year consisted primarily in the payment of mandatory contributions by the six member States on January 1, 1972. We verified the accuracy of the calculation of contributions due, the payments effected and the accounting entries relating to those payments. All contributions due for the 1972 financial year were paid before December 31. The interest paid by the bank, amounting to 7 343.35 francs, was in agreement with the bank statements submitted to us. The interest rates applied by the Swiss Bank Corporation in 1972 were $\frac{1}{2}\%$ for the current account and ranged between $2\frac{1}{2}\%$ and 4% for the fixed-term account.

2.2 Expenditure

The figures appearing in the accounts for the 1972 financial year agree with the accounting entries. We verified all entries relating to expenditure on the basis of duly authenticated supporting documents. Expenditure includes, in particular, payment of the sum of 137 409.40 francs to WIPO/BIRPI for services.

ANNEX B.2

rendered by that Organization in the course of the 1972 financial year. This contribution is based on Article 8 of the Rules on the Procedures for Technical and Administrative Cooperation Between UPOV and WIPO/BIRPI.

3. Balance Sheet as of December 31, 1972 (Annex 2)

We verified the balance sheet as of December 31, 1972, as appearing in the Annex to this report, and found it to be in agreement with the figures appearing in the accounts. We have the following comments to make on the various items it contains:

3.1 ASSETS3.11 Bank

The balances in the two accounts appearing in the balance sheet were supported by bank statements submitted to us. We also requested and obtained two attestations from the Swiss Bank Corporation to the effect that the funds in the current account and the fixed-term account were fully disposable and that there were no reservations in favor of third parties.

3.12 Transitional Account

(a) The amount of 2 013.05 francs corresponds to the tax withheld by the bank and owed on December 31, 1972, by the Federal Tax Administration (Administration fédérale des contributions). At the time of our audit the Administration had already refunded this amount.

(b) The amount of 40 829.60 francs is the result of certain entries made at the end of the financial year concerning UPOV's participation in the common expenses of WIPO/BIRPI, and the share in some of these common expenses charged to UPOV by WIPO/BIRPI. The amount was refunded by WIPO/BIRPI at the beginning of 1973.

3.2 LIABILITIES3.21 Creditors

This item relates to some invoices received in December 1972 which were settled in January 1973.

3.22 Transitional Account

The amount of 2 891.25 francs represents the excess of expenditure over receipts in the distribution of services provided by WIPO/BIRPI; this amount was owed to the latter on December 31, 1972, and was settled at the beginning of 1973 by a corresponding reduction in the amount paid by WIPO/BIRPI which is referred to under 3.12(b) of this report.

3.23 Reserve Fund

Balance on January 1, 1972	141 855.40 francs
Surplus in the 1972 financial year	163 415.95 francs
Thus, on December 31, 1972, the Reserve Fund amounted to	305 271.35 francs
	=====

3.24 Working Capital Fund

No withdrawals or payments were made during the 1972 financial year; the Working Capital Fund amounts to 100 000.-- francs, as it did at the end of the 1971 financial year.

ANNEX B.2

III. CONCLUSIONS

As a result of our examination, we are in a position to certify:

- (a) that the financial documents reproduced in Annexes 1 and 2 are in conformity with the UPOV accounts;
- (b) that the entries in the accounts for the 1972 financial year agree with the supporting documents;
- (c) that the financial operations recorded in the accounts were carried out in accordance with applicable provisions;
- (d) that the funds deposited at the bank have been certified by that bank;
- (e) that the accounts have been carefully maintained and the supporting documents kept in orderly fashion.

Berne, July 11, 1973

FEDERAL AUDIT SERVICE

G. Noël
Inspector

Enclosures:

1. Accounts and Results of the 1972 financial year
2. Balance sheet as of December 31, 1972.

ANNEX B.2

Accounts and Results of the International Union
for the Protection of New Plant Varieties (UPOV)
for the 1972 Financial YearINCOME

Contributions	517 000.--	
Bank interest	7 343.35	
Miscellaneous receipts	<u>1 347.75</u>	525 691.10

EXPENDITURE

Personnel	173 105.10	
Missions	9 056.10	
Conferences	14 868.15	
Contracts	1 714.45	
Printing	257.50	
Rent	11 892.--	
Equipment and Supplies	4 155.55	
Revision Conference	9 226.40	
Library	521.15	
Miscellaneous and Unforeseen	69.35	
WIPO Services	<u>137 409.40</u>	<u>362 275.15</u>

RESULT

Surplus		
transferred to Reserve Fund		<u>163 415.95</u> =====

G.H.C. Bodenhausen
Secretary General

ANNEX B.2

Balance Sheet as of December 31, 1972, of the
International Union for the Protection of New Plant Varieties (UPOV)

ASSETS

Liquid Assets

Swiss Bank Corporation

Current Account		38 656.55
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Fixed Term Accounts

(a) Deposit	229.995.80	
-------------	------------	--

(b) Working Capital Fund	100.000.--	329 995.80
--------------------------	------------	------------

Transitional Account

Federal Finance Administration	2 013.05	
--------------------------------	----------	--

WIPO	40 829.60	42 842.65
------	-----------	-----------

411 495.--
=====

LIABILITIES

Creditors		3 332.40
-----------	--	----------

Reserve Fund

January 1, 1972	141 855.40	
-----------------	------------	--

1972 increase	163 415.95	305 271.35
---------------	------------	------------

Transitional account WIPO		2 891.25
---------------------------	--	----------

Working Capital Fund

Denmark	8 333.--	
---------	----------	--

Germany (Fed. Rep. of)	41 667.--	
------------------------	-----------	--

Netherlands	8 333.--	
-------------	----------	--

United Kingdom	41 667.--	100 000.--
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411 495.--
=====

G.H.C. Bodenhausen
Secretary General

/End of Annexes B
and of document/