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UPOV

C/XIII/3

ORIGINAL: French

DATE: June 30, 1979

## INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

GENEVA

## COUNCIL

Thirteenth Ordinary Session  
Geneva, October 17 to 19, 1979

FINANCES OF THE INTERNATIONAL  
UNION FOR THE PROTECTION OF NEW VARIETIES  
OF PLANTS AS AT DECEMBER 31, 1978

Memorandum by the Secretary-General

## SUMMARY

This document sets out the finances of the Union as at December 31, 1978 (Article 23(2) of the Convention), and reproduces the auditor's report on the 1978 accounts (Article 24 of the Convention).

1. Results of the Financial Year

The results of the financial year are as follows:

	1978 <u>francs*</u>		1977 <u>francs*</u>
Receipts	1 124 470.85	Receipts	909 494.05
Expenditure	1 092 394.54	Expenditure	845 007.30
Excess of Receipts	<u>32 076.31</u> =====	Excess of Receipts	<u>64 486.75</u> =====

This excess of receipts has been credited to the Reserve Fund in accordance with Article 5(b) of the UPOV Financial Regulations

2. Receipts

	1978 <u>francs</u>	1977 <u>francs</u>
Contributions**	1 113 000.00	895 000.00
Interest	7 165.00	7 108.15
Miscellaneous Receipts	4 305.85	7 385.90
	<u>1 124 470.85</u> =====	<u>909 494.05</u> =====

Interest rates obtained from the Swiss Bank Corporation during the year were 0.5% on the current account and 3.25%, 2.75% and 2.5% on the deposit account.

3. Expenditure

	1978 <u>francs</u>	1977 <u>francs</u>
<u>3.1 Expenditure Proper to UPOV</u>		
Personnel	529 669.25	462 501.25
Missions	12 179.55	20 938.40
Third-Party Travel	8 958.10	456.25
Conferences	128 415.50	39 712.45
Printing	18 059.90	8 498.00
Rent	27 180.00	24 796.20
Furniture and Supplies	12 224.20	2 648.50
Other Expenditure	533.94	2 813.39
<u>3.2 Common Expenditure</u>		
WIPO Services	355 174.10	282 642.86
	<u>1 092 394.54</u> =====	<u>845 007.30</u> =====

\* In this report, the word "francs" means Swiss francs.

\*\* Contributions for 1978 were received by the Secretariat on the following dates: Belgium, April 13, 1978; Denmark, April 17, 1978; France, April 4, 1978; Germany (Federal Republic of), March 8, 1978; Italy, August 16, 1978; Netherlands, March 8, 1978; South Africa, April 6, 1978; Sweden, February 9, 1978; Switzerland, March 14, 1978; United Kingdom, April 13, 1978.

Contributions for 1979 received as of the date of this document are as follows: Belgium, March 23, 1979; Denmark, January 17, 1979; Germany (Federal Republic of), February 15, 1979; Italy, May 7, 1979; South Africa, May 7, 1979; Sweden, January 12, 1979; Switzerland, January 29, 1979; United Kingdom, April 27, 1979.

4. Working Capital Fund

Pursuant to Article 8 of the UPOV Financial Regulations, UPOV has a Working Capital Fund. The share of each State was established according to the decision taken by the Council during its session of November 1972 (document UPOV/C/VI/6). The contributions were received by UPOV in 1972, 1973, 1977 and 1978. As shown in the balance sheet as of December 31, 1978 (Annex A.1 to this document), the Working Capital Fund amounts to 199,998 francs.

5. Basis of Contributions

To determine the amount of their annual contributions, the member States of the Union are divided into various classes in accordance with Article 26(2) of the Convention (for the United Kingdom only) or in accordance with Article II (2) of the Additional Act of November 10, 1972, which entered into force on February 11, 1977. However, Belgium, Denmark, Switzerland and Sweden voluntarily increased their annual contributions by half a unit. Consequently, the 1978 contributions were calculated on the basis of the following units (see, in this context, the 1978 budget, document C/XI/4, and Annex A.4 hereto):

- 5 units for France
- 5 units for Germany (Federal Republic of )
- 5 units for the United Kingdom
  
- 2 units for Italy
- 2 units for the Netherlands
  
- 1½ units for Belgium
- 1½ units for Denmark
- 1½ units for Sweden
- 1½ units for Switzerland
  
- 1 unit for South Africa

6. Annexes

Annexes A to this document contain the following:

- A.1 - balance sheet as of December 31, 1978,
- A.2 - accounts and results of the 1978 financial year,
- A.3 - comparison of the 1978 budget and accounts, with an explanatory note,
- A.4 - calculation of contributions,
- A.5 - list of member States.

In addition, Annex B contains the auditor's report.

7. The Council is invited to examine and approve the accounts for the 1978 financial year, in accordance with Article 21(e) of the Convention .

[Annexes follow]

ANNEXE A.1

Balance sheet as of December 31, 1978

ASSETS

## LIQUID ASSETS

Swiss Bank Cooperation		
Current Account		229 825.10
Fixed-Term Account		
Working Capital Fund		203 219.00

## ACCOUNTS RECEIVABLE

Sundry Debtors		11 770.90
		<u>444 815.00</u>
		=====

LIABILITIES

## ACCOUNTS PAYABLE

Sundry Creditors		130 421.85
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## RESERVE FUND

Balance Carried Forward		
December 31, 1977	82 318.84	
1978 Results (Excess of Receipts)	<u>32 076.31</u>	114 395.15

## WORKING CAPITAL FUND

Belgium	8 333.00	
Denmark	8 333.00	
France	41 667.00	
Germany (Federal Republic of)	41 667.00	
Italy	16 666.00	
Netherlands	16 666.00	
South Africa	8 333.00	
Sweden	8 333.00	
Switzerland	8 333.00	
United Kingdom	<u>41 667.00</u>	199 998.00
		<u>444 815.00</u>
		=====

ANNEX A.2Accounts and Results for the 1978 Financial YearINCOME

Contributions	1 113 000.00	
Miscellaneous	<u>11 470.85</u>	1 124 470.85

EXPENDITURE

Personnel	529 669.25	
Missions	12 179.55	
Third-Party Travel	8 958.10	
Conferences	128 415.50	
Printing	18 059.90	
Rent	27 180.00	
Furniture and Supplies	12 224.20	
Other Expenditure	533.94	
WIPO Services	<u>355 174.10</u>	1 092 394.54

RESULT

Excess of Receipts		
transferred to Reserve Fund		32 076.31
		<u>32 076.31</u>
		=====

ANNEX A.3

Comparison of 1978 Budget and Accounts

<u>Income</u>	<u>Budget</u>	<u>Accounts</u>
Contributions	1 113 000.00	1 113 000.00
Miscellaneous*	<u>25 000.00</u>	<u>11 470.85</u>
	<u>1 138 000.00</u>	<u>1 124 470.85</u>
<u>Expenditure</u>		
Personnel	588 000.00	529 669.25
Missions	31 000.00	12 179.55
Third-Party Travel	00.00	8 958.10
Conferences	118 000.00	128 415.50
Printing	6 000.00	18 059.90
Other Contractual Services	3 000.00	00.00
Rent	27 000.00	27 180.00
Furniture and Supplies	13 000.00	12 224.20
Other Expenditure	8 000.00	533.94
WIPO Services**	<u>344 000.00</u>	<u>355 174.10</u>
	<u>1 138 000.00</u>	<u>1 092 394.54</u>

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\* Publication and Others

\*\*

<u>Details of WIPO Services</u>	<u>Budget</u>	<u>Accounts</u>
Personnel	233 000.00	259 442.96
Printing	2 000.00	1 350.62
Other Contractual Services	5 000.00	2 503.92
Rental of Premises	11 000.00	3 813.02
Maintenance of Premises and Rental of Equipment	47 000.00	45 188.07
Communications and Postage	31 000.00	40 388.97
Furniture and Supplies	12 000.00	14 542.68
Other Expenditure	3 000.00	551.73
Miscellaneous Receipts	00.00	(12 607.87)
Total of WIPO Services	<u>344 000.00</u>	<u>355 174.10</u>

NOTE

## 1 - Personnel

The savings made on personnel costs (58,000 francs) are due to the following factors:

(a) the new P grade post entered in the budget for 9 months was only occupied for 3 months (37,000 francs),

(b) the balance (21,000 francs) represents an overestimation of the 1978 budget, due mainly to the fact that the budgeted rate of inflation did not altogether materialize (e.g. no salary increase were paid to professional and higher grade staff).

It is to be noted that the savings mentioned under (b) have been taken into account in the 1979 budget estimates (see document C/XII/4, paragraph 9(b)(i)).

## 2 - Travel

The savings made on travel (missions and third-party travel) (10,000 francs) are mainly due to the fact that the members of missions for technical working groups fell short of that budgeted (7,000 francs) and relations with governments and organizations required less travel than estimated in the budget (3,000 francs).

## 3 - Conferences

The over expenditure (10,000 francs) is mainly due to the cost of the Diplomatic Conference on the Revision of the Convention (a second team of interpreters had to be hired for 5 days).

## 4 - Printing

The over expenditure (10,000 francs) is mainly due to the fact that the printing of a draft Revised Convention (4,000 francs) and the publication of a UPOV/ASSINSEL brochure (UPOV share: 4,500 francs) had not been budgeted.

## 5 - Common Expenditure

The over expenditure (11,000 francs) is a net figure after deduction of the miscellaneous receipts (12,607.87 francs). In reality, it is therefore 23,700 francs. The main cause was the fact that UPOV's share in the personnel costs of the Mail and Documents Section amounted to 9% instead of the 6% entered in the budget (these percentages are not estimates but based on statistics of the work done for UPOV by the staff of that Section) (+60,000 francs). The other percentages used have, on the other hand, been generally lower than estimated when drawing up the budget for 1978 (- 36,300 francs).

ANNEX A.4

BASIS FOR THE CALCULATION OF CONTRIBUTIONS

<u>Class</u>	<u>Number of Units</u>	<u>Number of Voluntary Units</u>	<u>Total Units</u>	<u>Number of States<sup>1</sup></u>	<u>Product of Previous Two Figures (total units)</u>
(i) Article 26(2) of the Convention					
I	5	-	5	1	5
(ii) Article II(2) of the Additional Act					
I	5	-	5	2	10
II	4	-	4	-	-
III	3	-	3	-	-
IV	2	-	2	2	4
V	1	$\frac{1}{2}$	$1\frac{1}{2}$	4	6
V	1	-	1	1	1
				<u>10</u>	<u>26</u>

CALCULATION OF CONTRIBUTIONS

(Article 26(2) of the International Convention for the Protection of New Varieties of Plants of December 2, 1961 and Article II(2) of the Additional Act of November 10, 1972)

<u>Basis of Contributions</u>	<u>Amount Due per State</u>	<u>Number of States<sup>1</sup></u>	<u>Total</u>
(Francs)	(Francs)		(Francs)
	214 038 (a)	3	642 114
	85 615 (b)	2	171 230
1 113 000	64 212 (c)	4	256 848
	42 808 (d)	1	42 808
		<u>10</u>	<u>1 113 000</u>
		==	=====

(a)  $\frac{1\ 113\ 000 \times 5}{26}$

(c)  $\frac{1\ 113\ 000 \times 1\frac{1}{2}}{26}$

(b)  $\frac{1\ 113\ 000 \times 2}{26}$

(d)  $\frac{1\ 113\ 000 \times 1}{26}$

<sup>1</sup> According to the classification set out in paragraph 5 of this document.



ANNEX A.5

Member States on December 31, 1978

Member State	Class chosen	Convention date	Additional Act date
Belgium	V	5 December 1976	11 February 1977
Denmark	V	6 October 1968	11 February 1977
France	I	3 October 1971	11 February 1977
Germany (Fed. Rep.)	I	10 August 1968	11 February 1977
Italy	IV	1 July 1977	1 July 1977
Netherlands	IV	10 August 1968	11 February 1977
South Africa	V	6 November 1977	6 November 1977
Sweden	V	17 December 1971	11 February 1977
Switzerland	V	10 July 1977	10 July 1977
United Kingdom	I	10 August 1968	---

[Annex B follows]

ANNEX B

FEDERAL AUDIT SERVICE

[Contrôle fédéral des finances]

No. 933.2.1

R E P O R T

on the Auditing of the Balance Sheet and  
Accounts of the International Union for the Protection of  
New Varieties of Plants  
(UPOV)

for the 1978 Financial Year

## 1. GENERAL

1.1 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 1978 financial year at the headquarters of the Office of the International Union for the Protection of New Varieties of Plants (hereinafter referred to as UPOV) in Geneva, on May 30 and 31, 1979.

1.2 Information Supplied

We were received by Mr. M. Pereyra, Director of the Administrative Division of the World Intellectual Property Organization (WIPO), and Mr. A. Jaccard, Counsellor, Head of the Finance Section of WIPO, who is responsible for the UPOV accounts, obligingly supplied us, to our entire satisfaction, with all the information and documents necessary for our work.

1.3 Nature and Scope of the Audit

The Audit related to entries in the income and expenditure accounts during the 1978 financial year, to the relevant financial statements and to the items in the balance sheet as of December 31, 1978. Our examination was carried out according to generally accepted auditing standards.

1.4 Member States of the Union

The ten member States of the Union, which participated in the financing of its activities during the 1978 financial year, are Belgium, Denmark, France, Germany (Federal Republic of), Italy, the Netherlands, South Africa, Sweden, Switzerland and the United Kingdom.

2. 1978 BUDGET AND ACCOUNTS2.1 1978 Budget

The budget for the 1978 financial year was adopted by the Council at its eleventh ordinary session, held in Geneva from December 6 to 9, 1977 (document UPOV/C/XI/21). This budget was balanced, anticipated expenditure and income amounting to 1,113,000 francs.

2.2 Results of the 1978 Financial Year

The results of the 1978 financial year were as follows: .

Receipts	1,124,470.85 francs
Expenditure	1,092,394.54 francs
Surplus	32,076.31
	=====

As shown in the balance sheet as of December 31, 1978, the above surplus was entirely credited to the Reserve Fund (Article 5(b) of the UPOV Financial Regulations).

3. Accounts

3.1 Receipts

3.11 Contributions

Under Article 26 of the Convention and Article II of the Additional Act, each member State of the Union contributes according to the number of units in the class to which it belongs. Article 6 of the Financial Regulations of UPOV provides that these contributions must be paid during January of the year to which they relate. The accounts show that nine member States paid their contributions between January and April 1978, while one member State did not pay its contributions to UPOV until August 1978.

3.12 Miscellaneous Receipts

These receipts consist of the proceeds from the sale of publications (4,051 francs) and bank interest (7,165 francs). The interest rates applied by the Swiss Bank Corporation were 0.5% for the current account and 3.75, 2.75 and 2.5% for the fixed-term account.

3.2 Expenditure

The expenditure figures appearing in the 1978 Financial Report by the Secretary General to the Council agree with the accounting entries. We verified the accuracy of the entries relating to expenditure by means of random checks. We satisfied ourselves that all the supporting documents for the financial year bore the signatures required by the financial regulations. Expenditure included an amount of 355,174.10 francs owed to WIPO for services provided and rendered by that Organization in the course of the 1978 financial year. This contribution is based on Article 8 of the Rules on the Procedures for Technical and Administrative Cooperation between UPOV and WIPO.

4. BALANCE SHEET AS OF DECEMBER 31, 1978 - GENERAL REMARK

We verified the balance sheet as of December 31, 1978, as appearing in the Annex to this Report, and found it to be an agreement with the figures appearing in the accounts. In addition, the Head of the Finance Section of WIPO, who is responsible for the UPOV accounts, informed us in reply to our inquiry that all financial obligations towards third parties had been entered in the accounts.

5. ASSETS

We verified the reconciliation statements as of December 31, 1978 of the two bank accounts, namely the current account and the fixed-term account, both of which are with the Swiss Bank Corporation in Geneva. We also requested and obtained from that bank an attestation, dated December 31, 1978, to the effect that the funds deposited with it were fully available and that there were no reservations in favor of third parties.

5.2 Debtors

The amount under this item (11,770.90 francs) consists of the following:

- advances on education grants (5,211.35 francs),
- proceeds from sale of publications, to be paid by WIPO (4,051.80 francs),
- withholding tax repayable by the Federal Tax Administration (Administration fédérale des contributions) (2,507.75 francs).

6. LIABILITIES6.1 Creditors

The amount of 130,421.85 francs corresponds to the balance of the contribution owed to WIPO for services provided during 1978 (124 354.10 francs), and includes various sums owed to suppliers.

6.2 Reserve Fund

Balance on January 1, 1978	82 318.84 francs
Surplus in the 1978 financial year	<u>32 076.31 francs</u>
Thus, on December 31, 1978 the Reserve Fund was increased to	<u>114 395,15 francs</u> =====

6.3 Working Capital Fund

Pursuant to a decision by the Council, the contribution of each member State was calculated according to document UPOV/C/VI/6 of 1972. The amount of 166,666 francs appearing in the balance sheet as of December 31, 1978 was increased by the shares of South Africa (8,333 francs) and Italy (16,666 francs) and by the second installment paid by the Netherlands (8,333 francs), according to paragraph 57(c) of document C/VI/12. Thus, on December 31, 1978, the Working Capital Fund totalled 199,998 francs.

7. CONCLUSIONS

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

(a) that the financial statements reproduced in the Annexes are in conformity with the UPOV accounts;

(b) that the entries in the accounts for the 1978 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, June 6, 1979

R. Küttel  
Head of Section  
FEDERAL AUDIT SERVICE

Balance Sheet as of December 31, 1978

ASSETS

LIQUID ASSETS	Swiss Bank Corporation	
	- Current Account	229 825.10
	- Fixed-Term Account	
	Working Capital Fund	203 219.00
ACCOUNTS RECEIVABLE	Sundry Debtors	11 770.90
		<u>444 815.00</u>
		=====

LIABILITIES

ACCOUNTS PAYABLE	Sundry Creditors		130 421.85
RESERVE FUND			
	Carried forward from December 31, 1977	82 318.84	
	1978 Results (Surplus of Receipts)	<u>32 076.31</u>	114 395.15
WORKING CAPITAL FUND			
	Belgium	8 333.00	
	Denmark	8 333.00	
	France	41 667.00	
	Germany (Federal Republic of)	41 667.00	
	Italy	16 666.00	
	Netherlands	16 666.00	
	South Africa	8 333.00	
	Sweden	8 333.00	
	Switzerland	8 333.00	
	United Kingdom	<u>41 667.00</u>	199 998.00
			<u>444 815.00</u>
			=====

The Secretary General :

Arpad Bogsch