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UPOV

C/XVIII/3.

ORIGINAL: French

DATE: June 25, 1984

INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

GENEVA

COUNCIL

Eighteenth Ordinary Session
Geneva, October 17 to 19, 1984

FINANCES OF THE INTERNATIONAL UNION
FOR THE PROTECTION OF NEW VARIETIES OF PLANTS
AS AT DECEMBER 31, 1983

Memorandum by the Secretary-General

SUMMARY

This document sets out the finances of the Union as at December 31, 1983 (Article 23(2) of the Convention) and reproduces the auditor's report on the 1983 accounts (Article 25 of the Convention).

1. Results of the Financial Year

The results of the financial year 1983 are as follows:

	<u>francs*</u>
Receipts	1,547,735
Expenditure	1,499,613
Surplus	48,122
	=====

The surplus of 48,122 francs has been credited the Reserve Fund in accordance with Article 5(a) of the UPOV Financial Regulations.

2. Working Capital Fund

Pursuant to Article 8 of the UPOV Financial Regulations, UPOV has a Working Capital Fund. As shown in the balance sheet as at December 31, 1983 (Annex A.2 hereto), the Working Capital Fund amounts to 333,330 francs. The share of each State, calculated according to the decision taken by the Council at its session in November 1972 (document UPOV/C/VI/6) is as follows:

Belgium	8,333	Netherlands	24,999
Denmark	8,333	New Zealand	8,333
France	41,667	South Africa	8,333
Germany (Fed. Rep. Of)	41,667	Spain	8,333
Hungary	8,333	Sweden	8,333
Ireland	8,333	Switzerland	8,333
Israel	8,333	United Kingdom	41,667
Italy	16,666	United States of America	41,667
Japan	41,667		

3. Basis of Contributions

The amount of the annual contribution of each member State is calculated on the basis of the contribution units applied to it (Article 26 of the 1978 Act). However, Belgium, Sweden and Switzerland have voluntarily increased their annual contributions by half a unit and Denmark by a quarter unit. Consequently, the 1983 contributions were calculated on the basis of the following units [see, in this context, the 1983 budget (documents C/XVI/4, C/XVI/18 and C/XVI/20)]:

5 units for France
 5 units for Germany (Federal Republic of)
 5 units for Japan
 5 units for the United Kingdom
 5 units for the United States of America

3 units for the Netherlands

2 units for Italy

1.5 units for Belgium
 1.5 units for Sweden
 1.5 units for Switzerland
 1.25 units for Denmark

1 unit for Ireland
 1 unit for New Zealand
 1 unit for South Africa
 1 unit for Spain

0.5 units for Israel

Hungary's membership of UPOV came into effect on April 16, 1983. This new member State will be paying contributions as from January 1, 1984.

* In this report, the word "francs" means Swiss francs and the amounts given have been rounded off to the nearest franc (document C/XII/15, paragraph 8).

4. Annexes

Annexes A to this document contain the following:

- A.1 - comparison of the 1983 budget and accounts, followed by an explanatory note;
- A.2 - balance sheet as at December 31, 1983;
- A.3 - calculation of contributions;
- A.4 - list of member States.

Annex B contains the auditor's report.

5. The Council is invited to examine and approve the accounts for the 1983 financial year, in accordance with Article 21(f) of the Convention.

[Annexes follow]

Comparison of 1983 Budget and Accounts

	<u>Budget</u>		<u>Accounts</u>	
<u>Income</u>				
Contributions	1,504,000		1,504,000	
Bank Interest*	-		14,427	
Publications	5,000		11,276	
Miscellaneous**	<u>26,000</u>	1,535,000	<u>18,032</u>	1,547,735
		=====		=====
 <u>Expenditure</u>				
Personnel	933,000		895,103	
Travel	47,000		47,718	
Conferences	48,000		46,851	
Printing	66,000		57,091	
Translations	4,000		2,314	
Rental of Premises (i)	37,000		38,862	
Supplies (ii)	2,000		5,371	
Furniture and Equipment (iii)	5,000		13,140	
Other Expenditure (iv)	11,000		12,453	
Common Expenditure***	<u>382,000</u>	1,535,000	<u>380,710</u>	1,499,613
		=====		=====

* Interest paid by the Swiss Bank Corporation during 1983 was 0.25% on the current account and 4.5% and 3.75% on the fixed-term account.

** UPOV share of WIPO common receipts (v).

*** Breakdown of Common Expenditure
(services provided by WIPO)

	<u>Budget</u>		<u>Accounts</u>	
Salaries and Common Staff costs	260,000		230,147	
Printing	3,000		4,283	
Other Contractual Services	3,000		7,511	
Maintenance of Premises; Rental of Premises (except UPOV Office)	44,000		44,725	
Telecommunications	35,000		34,206	
Supplies, Furniture and Equipment	34,000		52,234	
Other Expenditure (unforeseen)	<u>3,000</u>	382,000	<u>7,604</u>	380,710 (v)
		=====		=====

(i) to (iv): see page 2 of these Annexes A.

(v): final figures obtained after closure of WIPO's accounts for the biennium 1982-1983.

Notes Concerning Adverse Variations Between
Budget and Accounts

Income

- (i) Rental of premises: the difference (1,862 francs) is due to the extra floorspace required by the secretariat staff.
- (ii) Supplies: the overspend (3,371 francs) is mainly due to the purchase of ringfiles for filing the texts of the Convention.
- (iii) Furniture and equipment: the overspend (8,140 francs) is due to the purchase of supplementary furniture for the secretariat.
- (iv) Other expenditure: the overspend (1,453 francs) is basically due to exchange difference on payment to the retirement fund (United Nations Point Staff Pension Fund).

ANNEX A.2

Balance Sheet as at December 31, 1983

<u>ASSETS</u>		<u>LIABILITIES</u>	
Liquid Assets	623,940	Accounts Payable	285,373
Accounts Receivable	146,976	Reserve Fund	
		Balance Carried Forward	
		December 31, 1983	104,091
		Surplus	48,122
		Working Capital Fund	333,330
	<u>770,916</u>		<u>770,916</u>
	=====		=====

ANNEX A.3

Basis for the Calculation of Contributions

The share of each country in the contributions is determined on the basis of Article 26 of the Convention (revised text of October 23, 1978).

<u>Number of Units</u>	+	<u>Number of Voluntary Units</u>	= Total	x	<u>Number of States*</u>	=	<u>(total units)</u>
5		-	5		5		25
4		-	4		-		-
3		-	3		1		3
2		-	2		1		2
1		0.5	1.5		3		4.5
1		0.25	1.25		1		1.25
1		-	1		4		4
0.5		-	0.5		1		0.5
					<u>16</u>		<u>40.25</u>
					==		=====

Calculation of Contributions

The amount of the contributions was as approved by the Council (document C/XVI/20, paragraph 23).

<u>Basis of Contributions</u>	<u>Units</u>	<u>Amount Due per State</u>	<u>Number of States*</u>	<u>Total</u>
(francs)		(francs)		(francs)
	5	186,832	5	934,160
	4	-	-	-
	3	112,100	1	112,100
1,504,000	2	74,733	1	74,733
	1.50	56,050	3	168,150
	1.25	46,710	1	46,710
	1	37,366	4	149,464
	0,50	18,683	1	18,683
			<u>16</u>	<u>1,504,000</u>
			==	=====

Value of one contribution unit: 37,366 francs

* According to the classification set out in paragraph 3 of this document.

ANNEX A.4

Member States on December 31, 1983

<u>Member State</u>	<u>Date of UPOV Membership</u>	<u>1978 Act date</u>
Belgium	December 5, 1976	-
Denmark	October 6, 1968	November 8, 1981
France	October 3, 1971	March 17, 1983
Germany (Fed. Rep. of)	August 10, 1968	-
Hungary	April 16, 1983	April 16, 1983
Ireland	November 8, 1981	November 8, 1981
Israel	December 12, 1979	-
Italy	July 1, 1977	-
Japan	September 3, 1982	September 3, 1982
Netherlands	August 10, 1968	-
New Zealand	November 8, 1981	November 8, 1981
South Africa	November 6, 1977	November 8, 1981
Spain	May 18, 1980	-
Sweden	December 17, 1971	January 1, 1983
Switzerland	July 10, 1977	November 8, 1981
United Kingdom	August 10, 1968	September 24, 1983
United States of America	November 8, 1981	November 8, 1981

17 member States

[Annex B follows]

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C/XVIII/3

ANNEX B

Federal Audit Service
[Contrôle fédérale des finances]
944.0.3.1
El - st

Berne, June 29, 1984

REPORT

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

for the 1983 Financial Year

1. GENERAL

1.1 Mandate

Pursuant to Article 25 of the International Convention of December 2, 1961, as revised in 1978, the Council of the International Union for the Protection of New Varieties of Plants (UPOV) designated Switzerland as its auditor in November 1981, at its fifteenth ordinary session. In accordance with this mandate, we carried out the auditing of the accounts for the 1983 financial year at the headquarters of the Office of the Union in Geneva.

1.2 Information Supplied

Mr. A. Jaccard, Head of the Finance Section of the World Intellectual Property Organization (WIPO), which is responsible for the UPOV accounts, and his staff obligingly supplied us, to our entire satisfaction, with all the information and documents necessary for our work. On completion of that work, we had a talk with Mr. T.A.J. Keefer, Director of the Administrative Division of WIPO, to whom we imparted our findings and comments.

1.3 Nature and Scope of the Audit

The audit related to entries in the income and expenditure accounts during the 1983 financial year, to the relevant financial statements and to the items in the balance sheet as at December 31, 1983. Our examination was carried out according to generally accepted auditing standards.

1.4 Member States of the Union

The 16 member States of the Union that participated in the financing of its activities during the 1983 financial year, are Belgium, Denmark, France, Germany (Federal Republic of), Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States of America. Hungary became a member of the Union on April 16, 1983, and will contribute financially as of 1984.

2. 1983 BUDGET AND RESULTS

2.1 1983 Budget

The budget for the 1983 financial year, adopted by the Council at its sixteenth session, in October 1982, provided for expenditure of 1,535,000 francs and total contributions of 1,504,000 from member States.

2.2 Results of the 1983 Financial Year

The results of the 1983 financial year were as follows:

	<u>francs</u>
Receipts	1,547,735.12
Expenditure	1,499,612.95
Surplus	48,122.17
	=====

As shown in the balance sheet as at December 31, 1983, the above surplus was transferred directly to the Reserve Fund in accordance with Article 5(a) of the Financial Regulations of UPOV.

3. 1983 ACCOUNTS

3.1 Receipts

Article 6 of the Financial Regulations of UPOV provides that the contributions of member States must be paid during January of the year to which they relate. The dates of receipt of contributions for 1983 show that the deadline was not observed by all States and that 5 of them had not paid their contributions by the end of the first quarter of 1983. One member State still owed the balance of its 1983 contribution, amounting to 5,500 francs.

3.2 Expenditure

The expenditure figures for the 1983 financial year, which are reproduced in Annex 1 to this report, 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 Regulations. Expenditure included an amount of 380,709.67 francs owed to WIPO for services rendered by that Organization in the course of the 1983 financial year; that amount covered also general expenses relating to the premises used (Article 2 of the Agreement of November 26, 1982, between WIPO and UPOV).

As far as variations in relation to the budget are concerned, it should be noted that, although there are differences under a number of items, overall expenses were about 35,000 francs lower than in the budget. We refer to the comments of the Secretary-General in his memorandum on the finances of the Union as at December 31, 1983 (C/XVIII/3).

3.3 Balance Sheet as of December 31, 1983

We verified the balance sheet as of December 31, 1983, as appearing in Annex 2 to this Report*, and found it to be in agreement with the figures shown in the accounts.

The overall increase in the balance sheet, which grew from 679,461 francs at the end of 1982 to 770,916 francs at the end of 1983, is basically due to the fund on deposit received from Japan, which are shown as liabilities for the amount paid in 1983 and as assets to the extent of expenditure incurred during the financial year.

With regard to the liquid, we verified the reconciliation statements as at December 31, 1983, of the two bank accounts, namely the current account and the fixed-term account, both of which are with the Swiss Bank Corporation. We also requested and obtained from that bank confirmation of the balances as at December 31, 1983, and an attestation to the effect that the funds deposited with it were fully available and that there were no reservations in favor of third parties.

On December 31, 1983, Hungary's participation in the Working Capital Fund was shown as an asset under accounts receivable. It was paid at the beginning of 1984.

* In this Report on page 6 of Annex B.

4. 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 1983 financial year agree with the supporting documents and were carried out in accordance with applicable provisions;
- (c) that the funds deposited at the bank have been certified by that bank;
- (e) that the accounts have been accurately maintained.

Signed by

F. Faessler
Head of Section
FEDERAL AUDIT SERVICE

Annexes

- 1. Accounts and Results of 1983 Financial Year
- 2. Balance Sheet as at December 31, 1983

ACCOUNTS AND RESULTS OF 1983 FINANCIAL YEAR

ACCOUNTS RECEIVABLE

INCOME

Contributions	1,504,000	
Miscellaneous income	<u>43,735</u>	1,547,735 =====

ACCOUNTS PAYABLE

EXPENDITURE

Personnel	895,103	
Missions	40,604	
Third-Party Travel	7,114	
Conferences	46,851	
Printing	57,091	
Translation	2,314	
Rental of Premises	38,862	
Supplies	5,371	
Furniture and Equipment	13,140	
Other Expenditure	12,453	
WIPO Services	<u>380,710</u>	1,499,613

RESULTS

Surplus transferred to Reserve Fund		<u>48,122</u>
		1,547,735 =====

BALANCE SHEET AS AT DECEMBER 31, 1983

ASSETS

LIQUID ASSETS

Swiss Bank Corporation		
- Current Account		298,943
- Fixed-Term Account, Working Capital Fund		324,997

ACCOUNTS RECEIVABLE

Sundry Debtors		44,382
FIT/Japan		<u>102,594</u>
		770,916
		=====

LIABILITIES

ACCOUNTS PAYABLE

Sundry Creditors		145,712
FIT/Japan		139,661

RESERVE FUND

Balance Carried Forward		
December 31, 1982	104,091	
Surplus	<u>48,122</u>	152,213

WORKING CAPITAL FUND

Belgium	8,333	
Denmark	8,333	
France	41,667	
Germany (Federal Republic of)	41,667	
Hungary	8,333	
Ireland	8,333	
Israel	8,333	
Italy	16,666	
Japan	41,667	
Netherlands	24,999	
New Zealand	8,333	
South Africa	8,333	
Spain	8,333	
Sweden	8,333	
Switzerland	8,333	
United Kingdom	41,667	
United States		
of America	<u>41,667</u>	<u>333,330</u>
		770,916
		=====

The Secretary General:

Arpad Bogsch

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