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UPOV

C/26/4

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ORIGINAL : English

DATE : August 1, 1992

INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS

GENEVA

COUNCIL

Twenty-sixth Ordinary Session

Geneva, October 29, 1992

FINANCES OF THE INTERNATIONAL UNION
FOR THE PROTECTION OF NEW VARIETIES OF PLANTS
AS AT DECEMBER 31, 1991

Memorandum by the Secretary-General

SUMMARY

This document sets out the finances of the Union as at December 31, 1991, and reproduces the Auditor's Report on the accounts for the 1990-91 financial period.

1. Results of 1990-91 Financial Period

The results for the 1990-91 financial period are as follows:

	<u>francs*</u>
Income	3,974,279
Expenditure	4,186,620

Excess of expenditure over income	(212,341)
	=====

In accordance with Article 5 of the Financial Regulations of UPOV, the excess of expenditure of 212,341 francs was drawn on the Reserve Fund.

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, 1991 (annex A.2 hereto), the Working Capital Fund amounts to 349,996 francs. The share of each State, calculated according to the decisions taken by the Council at its session in November 1972 (document UPOV/C/VI/12, paragraph 57), is the following:

Australia	8,333	Netherlands	24,999
Belgium	8,333	New Zealand	8,333
Denmark	8,333	Poland	8,333
France	41,667	South Africa	8,333
Germany	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		
		Total:	349,996
			=====

3. Basis of Contributions

The amount of the annual contribution of each Member State is calculated on the basis of the number of contribution units applied to it (Article 26 of the Act of 1961, as revised in 1972, and of the Act of 1978 of the Convention). However, Belgium, Denmark, Sweden and Switzerland have voluntarily increased their annual contributions by half a unit. Consequently, the calculation of the 1990 and 1991 contributions was based on the following units (see, in this respect, the 1990-91 budget (documents C/XXIII/4 and C/XXIII/13)):

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

5 units for France
5 units for Germany
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 Denmark
1.5 units for Sweden
1.5 units for Switzerland

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

0.5 units for Hungary
0.5 units for Israel
0.5 units for Poland

Total: 42.5 units for 19 Member States

4. Annexes

Annexes A to this document contain the following:

- A.1 - comparison of the 1990-91 budget and accounts, followed by an explanatory note;
- A.2 - balance sheet as at December 31, 1991;
- A.3 - basis for determining contributions;
- A.4 - determination of contributions for each of the years 1990 and 1991
- A.5 - list of Member States.

Annex B contains the Auditor's Report.

5. The Council is invited to examine and approve the accounts for the 1990-91 financial period.

[Annexes follow]

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ANNEX A.1

Comparison of 1990-91 Budget and Accounts

	<u>Budget</u>		<u>Accounts</u>	
<u>Income</u>				
Contributions	3,699,000		3,698,536	
Publications (i)	34,000		16,121	
Miscellaneous* (ii)	<u>96,000</u>	3,829,000	<u>259,622</u>	3,974,279
		=====		=====
 <u>Expenditure</u>				
Staff Costs (iii)	2,250,000		2,277,455	
Missions (iv)	129,000		160,973	
Third Party Travel (v)	25,000		105,622	
Conferences (vi)	242,000		273,689	
Printing	107,000		89,532	
Other Contractual Services	78,000		47,693	
Rental of Premises (vii)	93,000		103,894	
Supplies and Materials	6,000		2,950	
Furniture and Equipment	12,000		3,780	
Other Expenses	<u>29,000</u>		<u>5,967</u>	
	2,971,000		3,071,555	
Common Expenses**	<u>1,075,000</u>	4,046,000	<u>1,115,065</u>	4,186,620
 <u>Results</u>				
Deficit drawn on the Reserve Fund		<u>(217,000)</u>		<u>(212,341)</u>
		3,829,000		3,974,279
		=====		=====

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

* Including UPOV's share of the WIPO common income of 20,197 francs.

** Breakdown of common expenses
(services provided by WIPO)

	<u>Budget</u>		<u>Accounts</u>	
Salaries and Common Staff Costs	823,000		851,318	
Data Processing	13,000		2,513	
Miscellaneous Printing	4,000		2,853	
Maintenance of Buildings	74,000		94,759	
Equipment and Supplies	47,000		38,716	
Communications	101,000		109,955	
Other Expenses	<u>13,000</u>	1,075,000	<u>14,951</u>	1,115,065
		=====		=====

Notes Concerning Main Variations Between
Budget and Accounts

INCOME

(i) Publications:

Income did not reach the figure foreseen in the budget since sales were lower than expected.

(ii) Miscellaneous:

The surplus of 163,222 francs is mainly due to increased bank interest resulting from the more advantageous conditions that had been obtained from the banks and the higher rates of interest, as well as from a contribution of 52,600 francs from the Government of Spain for the regional seminar in Buenos Aires (November 1991).

EXPENDITURE

(iii) Staff expenses:

The excess of 27,455 francs is mainly due to the effect of post reclassifications and increases in salary that were higher than forecast for general service officials.

(iv) Missions:

The excess of 31,973 francs is mainly due to a large number of missions and the travel costs for the regional seminar in Buenos Aires (November 1991).

(v) Third party travel:

The excess of 80,622 francs is due to the travel costs for participants and lecturers at the seminar in Buenos Aires. However, a part of the excess is covered by the contribution of 52,600 francs from the Government of Spain (see above).

(vi) Conferences:

The excess of 31,689 francs is mainly due to increased expenditure for the Diplomatic Conference and the Administrative and Legal Committee.

(vii) Rental of premises:

The excess of 10,894 francs is due to an increase in office space and the higher cost of living in Geneva.

ANNEX A.2

Balance Sheet as at December 31, 1991

<u>ASSETS</u>		<u>LIABILITIES</u>	
Liquid Assets	1,092,485	Accounts Payable	1,143,493
Accounts Receivable	891,640	Reserve Fund	
		Balance carried	
		forward from	
		December 31, 1989	702,977
		Surplus of	
		expenditure	
		for 1990-91	(212,341)
			490,636
		Working Capital Fund	
			349,996
	<u>1,984,125</u>		<u>1,984,125</u>
	=====		=====

ANNEX A.3

Basis for Determining Contributions

The share of each Member State in the contributions is determined on the basis of Article 26 of the Act of 1961, as revised in 1972, and of the Act of 1978 of the Convention.

<u>Number of</u> <u>Units</u>	<u>x</u>	<u>Number of</u> <u>States*</u>	<u>=</u>	<u>Total Units</u>
5		5		25
4		-		-
3		1		3
2		1		2
1.5		4		6
1		5		5
0.5		<u>3</u>		<u>1.5</u>
		19		42.5
		==		====

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

ANNEX A.4

Determination of Contributions for Each of the Years 1990 and 1991

The amount of the contributions is as approved by the Council (document C/XXIII/13, paragraphs 20 and 21).

<u>Basis of Contributions</u> (francs)	<u>Number of Units</u>	<u>Amount due per State</u> (francs)	<u>Number of States*</u>	<u>Total</u> (francs)
	5	217,560	5	1,087,800
	4	-	-	-
	3	130,536	1	130,536
1,849,268	2	87,024	1	87,024
	1.5	65,270	4	261,080
	1	43,512	5	217,560
	0.5	21,756	3	65,268
			19	1,849,268
			==	=====

Value of one contribution unit: 43,512 francs.

ANNEX A.5

Member States on December 31, 1991

<u>Member State</u>	<u>Number of Contribution Units</u>	<u>Date of UPOV Membership</u>
Australia	1	March 1, 1989
Belgium	1.5	December 5, 1976
Denmark	1.5	October 6, 1968
France	5	October 3, 1971
Germany	5	August 10, 1968
Hungary	0.5	April 16, 1983
Ireland	1	November 8, 1981
Israel	0.5	December 12, 1979
Italy	2	July 1, 1977
Japan	5	September 3, 1982
Netherlands	3	August 10, 1968
New Zealand	1	November 8, 1981
Poland	0.5	November 11, 1989
South Africa	1	November 6, 1977
Spain	1	May 18, 1980
Sweden	1.5	December 17, 1971
Switzerland	1.5	July 10, 1977
United Kingdom	5	August 10, 1968
United States of America	5	November 8, 1981

19 Member States (on January 1, 1990, contributors for each of the years 1990 and 1991).

Canada	1	March 4, 1991
Czechoslovakia	0.5	December 4, 1991

21 Member States (on December 31, 1991).

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

[Annex B follows]

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ANNEX B

3003 Berne, July 14, 1992

Swiss Federal Audit Office
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SWISS FEDERAL AUDIT OFFICE

INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF PLANTS (UPOV)

GENEVA

1990-1991 Biennium

Auditor's Report

GENERAL

Terms of reference

1. 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), at its twenty-third ordinary session held in Geneva on October 17 and 18, 1989, renewed the appointment of Switzerland as auditor up to and including the year 1993 (paragraph 131 of document C/XXIII/14).

2. The Swiss Government entrusted to me, as Deputy Director of the Federal Audit Office, the task of auditing the accounts of UPOV. I instructed a number of qualified staff of the Federal Audit Office to carry out intermediate checks during the period and to examine the closing of the accounts as at December 31, 1991, at the headquarters of the International Bureau in Geneva, in June 1992.

Information received

3. Mr. P. Favatier, Head of the Finance Section of the World Intellectual Property Organization (WIPO), responsible for keeping the UPOV accounts, and his staff kindly provided us, to our entire satisfaction, with all the information and the documents needed for our work. My assistants further had regular meetings during their audit with Mr. T.A.J. Keefer, Controller and Director of the Budget and Finance Division of WIPO.

Nature and scope of the audit

4. The audit related to entries concerning the 1990-1991 biennium in the income and expenditure accounts, the financial statements and the items appearing in the balance sheet as at December 31, 1991. Our examinations were carried out according to generally accepted auditing standards and principles and with due regard to the checks carried out by the Internal Auditor of WIPO. Auditing was carried out at the same time as that of WIPO and the Unions it administers in view of the fact that the payment, entry and internal auditing procedures are identical.

1990-1991 BUDGET AND RESULTS

Budget for the biennium

5. The budget for the 1990-1991 biennium adopted by the Council at its twenty-third ordinary session in Geneva on October 17 and 18, 1989, (paragraph 20 of Document C/XXIII/13) was as follows:

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	<u>Francs</u>
- Income	3,829,000.--
- Expenditure	<u>4,046,000.--</u>
- Drawing on the Reserve Fund	217,000.--

Results of the biennium

6. The accounts for 1990-1991 closed as follows:

	<u>Francs</u>
- Income	3,974,279.--
- Expenditure	<u>4,186,620.--</u>
- Drawing on the Reserve Fund	212,341.--

1990-1991 ACCOUNTS

Expenditure

7. The figures relating to expenditure during the 1990-1991 biennium shown in Annex 1 to this report correspond to those of the accounts. Expenditure includes, amongst other things, an amount of 1,115,065 Francs corresponding to the participation of UPOV in services provided by WIPO during the period under review, in accordance with Article 2 of the Agreement of November 26, 1982, between WIPO and UPOV.

8. Charges for the financial period exceed the budgeted amount by 140,620 Francs (+ 3.4%). For more details on this subject, I would refer to the "Notes concerning the main variations between the budget and accounts" in the Report on the finances of UPOV.

Balance sheet as at December 31, 1991

9. The total of the balance sheet of UPOV amounts at December 31, 1991, to 1,984,125 francs.

10. The balance sheet published in the Report on the finances of UPOV is attached at Annex 2.

11. The item "Sundry debtors" includes an amount of 403,482 francs headed "Funds in trust"; it comprises the cumulative expenditure on two ongoing projects. The funds made available by the provider of the capital to cover the expenditure amount of 418,233 francs and are entered in the balance sheet as liabilities under the heading of "Sundry creditors." The item shown in the assets does not therefore represent a true liability of the Union with regard to a third party.

AUDIT CERTIFICATE

12. I have examined the financial statements of the International Union for the Protection of New Varieties of Plants (UPOV) in Geneva for the financial period ending December 31, 1991.

13. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary under the circumstances.

14. The financial statements present fairly the financial position as at the end of the period and the results of its operations for the period then ended.

15. The accounting principles were applied on a basis consistent with that of the preceding financial period.

16. In all essential points, the transactions were in accordance with the Financial Regulations and the instructions of the deliberative authority.

(Signed)

F. Faessler

Deputy Director
FEDERAL AUDIT OFFICE
OF THE SWISS CONFEDERATION

(Auditor)

Annexes:

1. Accounts and results of the 1990-1991 biennium
2. Balance sheet as at December 31, 1991

ACCOUNTS AND RESULTS OF THE 1990-1991 BIENNIUM

INCOME

Contributions	3,698,536	
Other income	<u>275,743</u>	3,974,279
		=====

EXPENDITURE

Staff expenses	2,277,455	
Missions	160,973	
Third party travel	105,622	
Conferences	273,689	
Printing	89,532	
Other contractual services	47,693	
Rental of premises	103,894	
Supplies and materials	2,950	
Furniture and equipment	3,780	
Other expenses	5,967	
Common expenses	<u>1,115,065</u>	
Total expenditure		4,186,620

RESULTS

Deficit drawn from the Reserve Fund		<u>(212,341)</u>
		3,974,279
		=====

BALANCE SHEET AS AT DECEMBER 31, 1991

ASSETS

CASH ASSETS

Swiss Bank Corporation, current account		493,969	
Swiss Confederation working capital fund	349,996		
investment	<u>248,520</u>	<u>598,516</u>	1,092,485

ACCOUNTS RECEIVABLE

Sundry debtors (chapter XIII)			<u>891,640</u>
			1,984,125
			=====

LIABILITIES

ACCOUNTS PAYABLE

Sundry creditors (chapter XIV)			1,143,493
--------------------------------	--	--	-----------

RESERVE FUND

Balance carried forward from December 31, 1989		702,977	
Result, excess expenditure in the 1990-1991 biennium		(212,341)	490,636

WORKING CAPITAL FUND

Australia		8,333	
Belgium		8,333	
Denmark		8,333	
France		41,667	
Germany		41,667	
Hungary		8,333	
Ireland		8,333	
Israel		8,333	
Italy		16,666	
Japan		41,667	
Netherlands		24,999	
New Zealand		8,333	
Poland		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>349,996</u>
			1,984,125
			=====

Arpad Bogsch
Secretary-General

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