

THE INSTITUTE OF PACKAGING (INC.)

ANNUAL REPORT AND ACCOUNTS

31 DECEMBER 1997

**WEST, WAKE, PRICE & CO.,
Chartered Accountants and Registered Auditors
LONDON**



THE INSTITUTE OF PACKAGING (INC.)
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31 DECEMBER 1997

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THE INSTITUTE OF PACKAGING (INC.)

REPORT OF THE TRUSTEES

The Trustees have pleasure in submitting their annual report and the accounts of the Institute for the year ended 31 December 1997.

PRINCIPAL ACTIVITIES

Incorporated under the Companies Act 1948 on 3 January 1964, The Institute is Limited by guarantee without share capital and is a Registered Charity, Number 295762. Its principal activity is that of a professional, educational and qualifying body in the technology of packaging and there has been no significant change therein during the year.

FINANCIAL SUMMARY

The Institute's financial operations during the year are summarised as under:

	£
The net deficit for the year amounted to	(16,516)

which has been allocated to reserve funds brought forward from previous years, viz:

Education Fund	68,797	
Accumulated Fund	<u>402,581</u>	471,378

Leaving reserve funds to be carried forward:

Education Fund	109,462	
Accumulated Fund	<u>345,400</u>	454,862

The Dixie Dean Bursary Fund amounted to:	7,572
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Social Funds held by Branches amounted to:	1,109
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The Institute has made no political donations during the year.

TRUSTEES

The Trustees are and act as the Board of Directors for all the purposes of the Companies Act 1985.

The Trustees who have served during the year were:

H J Emblem	G K Townshend
P M Curtis	D T M Smalley
Mrs J R Dale	V H Watson
A M Lovell	K V H Barnes (resigned 4 June 1997)
J D Bence (appointed 17 September 1997)	

J D Bence was appointed a Trustee on 17 September 1997. He retires and, being eligible, offers himself for election.

The Trustees retiring by rotation are H J Emblem and G K Townshend. Being eligible, they offer themselves for re-election.

THE INSTITUTE OF PACKAGING (INC.)

REPORT OF THE TRUSTEES (CONTINUED)

TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Institute and of the surplus or deficit of the Institute for that period. In preparing those accounts, the Trustees are required to:

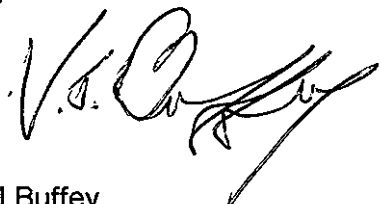
- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the Institute will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Institute and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The Auditors, Messrs West, Wake, Price & Co, Chartered Accountants and Registered Auditors, have expressed their willingness to continue in office. In accordance with the provisions of Section 385 of the Companies Act 1985, a resolution proposing their reappointment as Auditors will be put to the Annual General Meeting.

Signed on behalf of the Trustees

A handwritten signature in black ink, appearing to read 'V J Buffey', with a stylized flourish extending from the end.

V J Buffey
Secretary

Approved by the Trustees on 11 March 1998

REPORT OF THE AUDITORS TO THE MEMBERS OF
THE INSTITUTE OF PACKAGING (INC.)

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 2, the Institute's Trustees are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the Institute's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the Institute's affairs as at 31 December 1997 and of its deficit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

In our opinion the Institute is entitled for the year ended 31 December 1997 to the exemptions conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts.



WEST, WAKE, PRICE & CO.,
Chartered Accountants and Registered Auditors,
London.

11 March 1998

THE INSTITUTE OF PACKAGING (INC.)
REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
<u>INCOME FOR THE YEAR</u>			
Subscriptions		183,207	176,484
Education surplus/(deficit)	3	40,665	(31,986)
Royalties/surplus on textbooks		21,550	15,670
Starpack awards		14,995	10,200
Student starpack awards		1,184	1,880
Industry dinner and awards		19,953	6,887
Worldstar & Eurostar awards		(350)	(703)
Letting of property	4	5,571	16,736
Dividends & interest	5	22,049	17,868
Sundry income		7,086	3,162
Covenant received from subsidiary company, The Institute of Packaging (Services) Ltd		47,500	124,586
		<hr/>	<hr/>
		363,410	340,784
<u>LESS: EXPENDITURE</u>			
Staff costs	6	201,535	193,912
Premises expenses	7	21,204	36,149
Insurances		4,785	4,809
Printing & stationery		9,865	10,634
Postage & telephone		7,812	7,792
Cost of production of newsletter		44,293	47,237
Branch expenses		6,316	8,676
Membership/external relations costs		12,330	11,143
Other travelling & subsistence expenses		12,913	12,887
Subscriptions		1,727	1,405
Auditors' remuneration		10,000	9,800
Office equipment, leasing & maintenance		17,872	12,913
Office supplies & services		1,658	1,339
Bank charges		1,851	1,886
Legal & professional charges		1,538	392
P.R. fees & expenses		29,902	39,663
Promotional activities		1,514	3,999
Bad debts less recovered		-	-
Sundry expenses		3,965	4,240
Depreciation		26,031	23,015
		<hr/>	<hr/>
		417,111	431,891
<u>Less:</u> Transfer to education account		(37,185)	(38,731)
		<hr/>	<hr/>
		379,926	393,160
(Deficit)/Surplus for the year		<hr/>	<hr/>
		£(16,516)	£(52,376)
(Deficit)/Surplus carried to:		<hr/>	<hr/>
Education fund		40,665	(31,986)
Accumulated fund		(57,181)	(20,390)
		<hr/>	<hr/>
		£(16,516)	£(52,376)
		<hr/>	<hr/>

THE INSTITUTE OF PACKAGING (INC.)

BALANCE SHEET
AT 31 DECEMBER 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
FIXED ASSETS			
Tangible assets	8	215,038	233,633
Investments	9	158,043	158,043
		<u>373,081</u>	<u>391,676</u>
CURRENT ASSETS			
Stocks	10	2,868	3,904
Debtors	11	83,080	107,528
Cash at bank and in hand		293,492	156,325
		<u>379,440</u>	<u>267,757</u>
CREDITORS: amounts falling due within one year	12	288,978	179,910
		<u> </u>	<u> </u>
NET CURRENT ASSETS		<u>90,462</u>	<u>87,847</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£463,543</u>	<u>£479,523</u>
RESERVES			
Accumulated Fund			
Balance at 1 January 1997	402,581	422,971	
Less: (Deficit) from Revenue Account	(57,181)	(20,390)	
		<u>345,400</u>	<u>402,581</u>
Education Fund			
Balance at 1 January 1997	68,797	100,783	
Surplus/(Deficit) from Revenue Account	40,665	(31,986)	
		<u>109,462</u>	<u>68,797</u>
Dixie Dean Bursary Fund			
Balance at 1 January 1997	7,065	6,168	
Additions in year	507	897	
		<u>7,572</u>	<u>7,065</u>
Social Funds held by Branches		<u>1,109</u>	<u>1,080</u>
		<u>£463,543</u>	<u>£479,523</u>

The accounts on pages 4 to 10 were approved by the Trustees on 11 March 1998 and were signed on their behalf by:

G K TOWNSHEND)

D T M SMALLEY

Trustees

THE INSTITUTE OF PACKAGING (INC.)
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption, conferred by FRS1, from presenting a cash flow statement as it qualifies as a small company.

(b) Depreciation

Depreciation is provided to write off the cost of the assets in equal annual instalments on the following basis:-

Freehold buildings	2% - 25%
Machinery	25% - 50%
Furniture & fittings	10% - 33.3%

(c) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(d) Pension costs

Pension costs charged against profits represent the amount of contributions payable to a defined contributions pension scheme in respect of the accounting period.

2. STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

CONTINUING OPERATIONS

None of the Institute's activities were acquired or discontinued during the two financial years ended 31 December 1997.

TOTAL RECOGNISED GAINS AND LOSSES

The Institute has no recognised gains or losses other than the deficit or surplus for the two financial years ended 31 December 1997.

3. EDUCATION

	<u>1997</u>	<u>1996</u>
Examinations	2,475	3,224
Training courses	46,153	21,200
Open learning course	40,170	8,388
Conferences and seminars	46,442	23,714
Donations/bursary schemes	60	1,710
Accreditations	1,798	1,839
College course support	1,254	(4,806)
	<hr/>	<hr/>
	138,352	55,269
<u>Less:</u> Expenses	(4,017)	(1,297)
Transfer from general		
salaries & pension premiums	(56,485)	(47,227)
Transfer of general		
overheads	(37,185)	(38,731)
	<hr/>	<hr/>
	(97,687)	(87,255)
	<hr/>	<hr/>
Education surplus/(deficit)	£40,665	£(31,986)
	<hr/>	<hr/>

THE INSTITUTE OF PACKAGING (INC.)
NOTES TO THE ACCOUNTS (CONTINUED)

		<u>1997</u>	<u>1996</u>
4.	<u>LETTING OF PROPERTY</u>		
	Gross rental income	12,940	22,652
	Related property outgoings	(7,369)	(5,916)
		<hr/>	<hr/>
		£5,571	£16,736
		<hr/>	<hr/>
5.	<u>DIVIDENDS & INTEREST</u>		
	Dividends from listed investments (gross)	5,367	5,219
	Dividends from other unlisted investments (gross)	4,356	3,870
	Interest on bank deposits (gross)	12,308	8,756
	Other interest	18	23
		<hr/>	<hr/>
		£22,049	£17,868
		<hr/>	<hr/>
6.	<u>STAFF COSTS</u>		
	Wages & salaries	233,949	221,383
	Social security costs	23,908	23,036
	Pension contributions	12,971	14,993
	Recruitment & temporary staff	2,942	227
		<hr/>	<hr/>
		273,770	259,639
	<u>Less:</u> Transfer to education account	(56,485)	(47,227)
	Administration & management services charged to The Institute of Packaging (Services) Limited	(15,750)	(18,500)
		<hr/>	<hr/>
		(72,235)	(65,727)
		<hr/>	<hr/>
		£201,535	£193,912
		<hr/>	<hr/>

The average monthly number of employees during the year was 15 (1996: 15)
No Trustee received any emoluments during the year (1996: £Nil)

THE INSTITUTE OF PACKAGING (INC.)
NOTES TO THE ACCOUNTS (CONTINUED)

	<u>1997</u>	<u>1996</u>
7. <u>PREMISES EXPENSES: SYSONBY LODGE</u>		
Repairs & maintenance	4,806	9,196
Heat & light	6,584	7,093
Rates & water	6,331	6,085
Cleaning	4,483	3,886
Provision for maintenance	(1,000)	9,889
	<hr/>	<hr/>
	£21,204	£36,149
	<hr/>	<hr/>

8. TANGIBLE FIXED ASSETS

	<u>FREEHOLD LAND AND BUILDINGS</u>	<u>MACHINERY</u>	<u>FURNITURE AND FITTINGS</u>	<u>TOTAL</u>
Cost:				
At 1 January 1997	247,727	97,790	29,785	375,302
Additions	-	2,025	5,440	7,465
Disposals	-	(14,458)	(2,225)	(16,683)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1997	£247,727	£85,357	£33,000	£366,084
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation:				
At 1 January 1997	57,018	58,218	26,433	141,669
Charge for the year	4,902	19,631	1,498	26,031
Disposals	-	(14,458)	(2,196)	(16,654)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1997	£61,920	£63,391	£25,735	£151,046
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 31 December 1997	£185,807	£21,966	£7,265	£215,038
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1996	£190,709	£39,572	£3,352	£233,633
	<hr/>	<hr/>	<hr/>	<hr/>

THE INSTITUTE OF PACKAGING (INC.)
NOTES TO THE ACCOUNTS (CONTINUED)

9. <u>FIXED ASSET INVESTMENTS</u>	<u>1997</u>	<u>1996</u>
i) <u>Unlisted investment in Group Company</u>		
Cost at 1 January 1997 and 31 December 1997 (a)	£100	£100
	<hr/>	<hr/>
<u>Other unlisted investments</u>		
Cost at 1 January 1997 and 31 December 1997 (b)	£71,282	£71,282
	<hr/>	<hr/>
ii) <u>Listed investments</u>		
Cost at 1 January 1997 and 31 December 1997 (b)	£86,661	£86,661
	<hr/>	<hr/>
<u>Total at 31 December 1997</u>	<u>£158,043</u>	<u>£158,043</u>

(a) Related party transactions

The Institute of Packaging (Inc.) owns the whole of the issued share capital of the Institute of Packaging (Services) Limited, incorporated in England & Wales.

Group accounts dealing with the subsidiary company, which promotes and advances the use of packaging and packaging materials, have not been prepared, and the Trustees have relied on the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts. Additionally, the Trustees are of the opinion that they would involve expense out of proportion to their value to members of the Institute. The trading profit for the year, after charging the administration and management charges from the Institute of Packaging (Inc.) of £15,750 (1996:£18,500), was £47,500 (1996:£124,586) of which £47,500 (1996:£124,586) was covenanted to the Institute of Packaging (Inc.). The whole of the issued capital, viz 100 ordinary shares of £1 each fully paid, is held by the Institute. The total assets at 31 December 1997, which included an amount owed by the Institute of Packaging (Inc.) of £150,197 (1996:£5,329), are £208,605 (1996:£92,520) and the total liabilities are £208,420 (1996: £92,335).

(b) Aggregate market value of investments:

	<u>1997</u>	<u>1996</u>
Other unlisted	118,612	96,355
Listed	111,865	97,679
	<hr/>	<hr/>
	<u>£230,477</u>	<u>£194,034</u>

THE INSTITUTE OF PACKAGING (INC.)
NOTES TO THE ACCOUNTS (CONTINUED)

10. <u>STOCKS</u>	<u>1997</u>	<u>1996</u>
Goods for resale	£2,868	£3,904

11. <u>DEBTORS</u>		
Amounts falling due within one year:		
Trade debtors	33,741	34,863
Prepayments & accrued income	38,268	41,411
Other debtors - taxation recoverable	11,071	31,254
	<u>£83,080</u>	<u>£107,528</u>

12. <u>CREDITORS</u>		
Amounts falling due within one year:		
Trade creditors	15,334	15,245
Taxation & social security	3,362	2,968
Amounts owed to group company	150,197	5,329
Accruals	68,402	73,222
Deferred income:		
Education, subscriptions, rent and other income received in advance	51,683	83,146
	<u>£288,978</u>	<u>£179,910</u>

13. FINANCIAL COMMITMENTS

Annual commitments under operating leases (excluding land and buildings) at 31 December were as follows:

	<u>1997</u>	<u>1996</u>
Expiring:		
- in the next year	333	4,000
- in the second to fifth years	18,246	18,246
- after the fifth year	-	-
	<u>£18,579</u>	<u>£22,246</u>

14. GUARANTEES

The Institute is limited by guarantees from its members. In the event of winding up, the liability of each member is limited to £10. At 31 December 1997 the Institute had 3548 members (1996 - 3552 members).