

**The Institute of Packaging Limited**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended  
31 December 2007

Company registration number 786826

Charity registration number 295762



# The Institute of Packaging Limited

## ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 December 2007

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# The Institute of Packaging Limited

## DIRECTORS' AND TRUSTEES' REPORT

for the year ended 31 December 2007

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### INTRODUCTION

The directors hereby submit the annual report and financial statements of the company for the year ended 31 December 2007. This report represents the trustees' report for the purposes of section 45 of the Charities Act 1993 and the directors' report for the purposes of section 234 of the Companies Act 1985. The provisions of 'Accounting and Reporting by Charities: Statement of Recommended Practice' (revised 2005) have been adopted in preparing the annual report and financial statements of the company.

This report contains the following information:

- Reference and administrative details of the charity, its trustees and advisers
- Structure, governance and management
- Objectives and activities
- Achievements and performance
- Financial review
- Plans for future periods
- Auditors
- Disclosure of information to auditors

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

The Institute of Packaging was incorporated under the Companies Act 1948 on 3 January 1964, registration number 786826. The Institute is limited by guarantee without share capital and is a registered charity, number 295762.

The registered office is situated at 1 Carlton House Terrace London SW1Y 5DB.

The directors (and trustees of the charity) who served during the year were as follows:

J D Bence	Chairman
D T M Smalley	
K V H Barnes	
N J Farmer	
H Kendle	
A C Streeter	

All directors who served during the year resigned on 29 April 2008 and were replaced by Mr B D Lye, Dr B C Suddell, Mr C T Massey and Dr B A Rickinson.

The company secretary is Mr R C Milbank.

# The Institute of Packaging Limited

## DIRECTORS' AND TRUSTEES' REPORT

for the year ended 31 December 2007

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### Professional advisers

Auditors Baker Tilly UK Audit LLP,  
12 Gleneagles Court, Brighton Road, Crawley, West Sussex RH10 6AD

Bankers Lloyds TSB Bank Plc,  
65 High Street, Stamford, Lincolnshire PE9 2AT

Solicitors Howes Percival,  
No 1 Bede Island Road, Bede Island Business Park, Leicester LE2 7EA

### STRUCTURE, GOVERNANCE AND MANAGEMENT

The company operates in accordance with its memorandum and articles of association and its ultimate parent undertaking is the Institute of Materials, Minerals and Mining (IOM3). The company has a wholly owned subsidiary company called the Institute of Packaging (Services) Ltd.

Governance of the company is vested in the directors who are also trustees. The directors were appointed by the members of the Institute and have remained in office to oversee the merger arrangements agreed by the members with IOM3. The day to day management of the company is delegated to staff employed by the Institute who report to the chief executive.

The board meet as necessary to review strategy and approve operating plans and budgets.

The directors have overall responsibility for ensuring that the company has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that

- The company is operating efficiently and effectively,
- Its assets are safeguarded against unauthorised use or disposal,
- Proper records are maintained and financial information used within the company or for publication is reliable,
- The company complies with relevant laws and regulations

# The Institute of Packaging Limited

## DIRECTORS' AND TRUSTEES' REPORT

### for the year ended 31 December 2007

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The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include

- A strategic plan and an annual budget approved by the directors
- Regular consideration by the directors of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews
- Delegation of authority and segregation of duties
- Identification and management of risks

A formal risk management process to assess business risks and implement risk management strategies is in place. It involves identifying the types of risks the company faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing these financial statements, the directors should follow best practice and are required to

- Select suitable accounting policies and apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

#### OBJECTIVES AND ACTIVITIES

The main objects of the Institute, as set out in the memorandum of association, are to advance public education in and to improve the technology of packaging in all its aspects. In previous years, the Institute has achieved these objects through its principal activities of a professional, educational and qualifying body in the technology of packaging and of an organiser of competitions designed to improve that technology. Following the decision by members in January 2005 to merge, these activities have been transferred to the Institute of Materials, Minerals and Mining in 2006 subject to the completion of one contracted activity.

#### ACHIEVEMENTS AND PERFORMANCE

The Institute continued to sponsor a major packaging exhibition in conjunction with 'IOP – The Packaging Society' in 2007 and the net proceeds were donated to the IOM3. After the conclusion of the event, the company ceased all operations.

# The Institute of Packaging Limited

## DIRECTORS' AND TRUSTEES' REPORT

for the year ended 31 December 2007

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### FINANCIAL REVIEW

The gross surplus generated from exhibition sponsorship was donated to the company's parent organisation

No political donations were made during the year

The company held no reserves at the year-end

### PLANS FOR FUTURE PERIODS

The Institute has ceased all operations for the foreseeable future

### AUDITORS

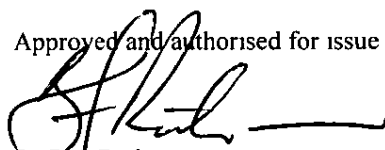
Baker Tilly UK Audit LLP has indicated their willingness to continue in office

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved and authorised for issue by the board and signed on its behalf on 29 April 2008 by -



Dr B A Rickinson  
Director

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE INSTITUTE OF PACKAGING LIMITED

We have audited the financial statements on pages 6 to 12

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of The Institute of Packaging Limited for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the trustees' report on pages 2 and 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees'/directors' report is not consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the trustees'/directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

## Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

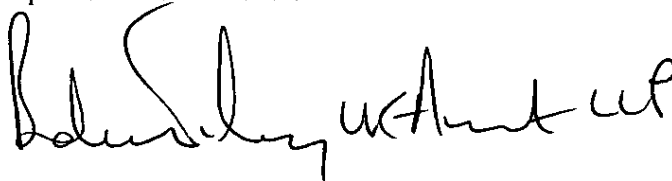
We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

## Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charitable company's affairs as at 31 December 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985
- the information given in the trustees'/directors report is consistent with the financial statements

BAKER TILLY UK AUDIT LLP  
Registered Auditor and Chartered Accountants  
12 Gleneagles Court, Brighton Road  
Crawley, West Sussex  
RH10 6AD  
29 April 2008



# The Institute of Packaging Limited

STATEMENT OF FINANCIAL ACTIVITIES including income and expenditure account  
for the year ended 31 December 2007

		Discontinued activities		2007	2006
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Notes	£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from charitable activities</b>					
Membership and related activities	1	-	-	-	1,579
Awarding body		-	-	-	38,314
Charitable trading activities	2	50,000	-	50,000	341,620
		<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>381,513</u>
<b>Incoming resources from generating funds</b>					
Investment income	3	-	-	-	21,016
<b>TOTAL INCOMING RESOURCES</b>		<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>402,529</u>
<b>RESOURCES EXPENDED</b>					
<b>Charitable activities</b>					
Membership and related activities		-	-	-	102,953
Awarding body		-	-	-	121,532
Charitable trading activities	2	9,000	-	9,000	204,210
Transfer to the Institute of Materials, Minerals and Mining on merger		41,000	-	41,000	293,816
		<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>722,511</u>
<b>Cost of generating funds</b>					
Investment management charges		-	-	-	3,567
<b>Governance costs</b>					
		-	-	-	26,404
<b>TOTAL RESOURCES EXPENDED</b>	4	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>752,482</u>
<b>NET (OUTGOING)/INCOMING RESOURCES representing excess of expenditure over income</b>					
		-	-	-	(349,953)
(Losses)/gains on investment assets		-	-	-	(13,757)
<b>NET MOVEMENT IN FUNDS</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>(363,710)</u>
<b>BALANCES BROUGHT FORWARD AT 1 JANUARY 2007</b>					
		-	-	-	363,710
<b>BALANCES CARRIED FORWARD AT 31 DECEMBER 2007</b>					
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The annexed notes form part of these financial statements



# The Institute of Packaging Limited

## BALANCE SHEET

31 December 2007

	2007 £	2006 £
FIXED ASSETS	-	-
CURRENT ASSETS	-	-
CREDITORS		
Amounts falling due within one year	-	-
NET CURRENT LIABILITIES	-	-
TOTAL ASSETS LESS CURRENT LIABILITIES	-	-
CREDITORS		
Amounts falling due after more than one year	-	-
NET ASSETS	-	-
TOTAL FUNDS	-	-

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. The annexed notes form part of these financial statements.

The financial statements on pages 6 to 12 were approved and authorised for issue by the board of directors on 29 April 2008 and signed on its behalf by -

  
C T Massey

Director

  
B A Rackinson

# The Institute of Packaging Limited

## ACCOUNTING POLICIES

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The financial statements of the Institute are prepared in accordance with The Charities (Accounts and Reports) Regulations 1995, the Companies Act 1985, the Statement of Recommended Practice "Accounting and Reporting by Charities" revised in March 2005 ("SORP") and applicable accounting standards. These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value. A separate cash flow statement has not been prepared. The company's parent organisation has prepared a consolidated cash flow statement incorporating the company's activities.

### CONSOLIDATION

The Institute and its subsidiary company, which did not trade during the year, comprise a small group. The directors consider that the results of the subsidiary are not material to the group and have decided not to prepare group financial statements.

### RELATED PARTY TRANSACTIONS

The Institute has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosure concerning transactions with entities that are owned 90% or more within the group.

### INCOMING RESOURCES

Income from training courses represents the amount received in respect of the current year. Amounts received in respect of courses to be run in future years are carried forward to the following year.

Other income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

### RESOURCE EXPENDITURE

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be clearly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

The company does not directly employ any staff. All personnel working on the company's activities are employed by The Institute of Materials, Minerals and Mining and their salaries are recharged to the company at cost. The company operates from premises owned by the Institute and reimburses the Institute for the use of the premises, services and fixed assets at cost.

Support costs comprise employment, establishment and administration costs in support of the charitable activities of the Institute. Allocations of these costs are made to the various activities of the Institute using standard rates based on staff time involved on each activity and facility usage.

Governance costs comprise those costs relating to the general running of the Institute. Where costs are not fully attributable to governance costs, employment, establishment and administration costs are allocated on the basis of staff time and facility usage at standard rates.

### DEPRECIATION

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

Computers and equipment	15% - 50%
Furniture and fittings	10% - 50%

# The Institute of Packaging Limited

## ACCOUNTING POLICIES

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### IRRECOVERABLE VAT

Irrecoverable VAT incurred in respect of the year is included in the statement of financial activities

### INVESTMENTS AND INVESTMENT INCOME

Investment assets are stated at market value which is calculated at the mid price value at the balance sheet date. Any resultant gain or loss is taken to the fund to which it relates. Income is included in the financial statements of the year in which it is receivable.

### LEASED ASSETS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit on a straight line basis over the lease term.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to profit and loss account over the period of the lease at a constant proportion of the outstanding balance of repayments.

# The Institute of Packaging Limited

## NOTES TO THE FINANCIAL STATEMENTS

1	MEMBERSHIP AND RELATED ACTIVITIES	2007 £	2006 £
	Incoming resources		
	Other income	-	1,579
		<u>-</u>	<u>1,579</u>
	Resources expended		
	Packaging Professional	-	69,784
	Membership and related activities	-	32,809
		<u>-</u>	<u>102,593</u>
		<u>-</u>	<u>102,593</u>
2	CHARITABLE TRADING ACTIVITIES		
	Incoming resources		
	Training courses	-	228,925
	Royalties	-	62,695
	Exhibitions	50,000	50,000
		<u>50,000</u>	<u>341,620</u>
	Resources expended		
	Training courses	-	186,357
	Royalty costs	-	7,651
	Exhibitions	9,000	10,202
		<u>9,000</u>	<u>204,210</u>
		<u>9,000</u>	<u>204,210</u>
	Net resources expended	<u>41,000</u>	<u>137,410</u>
		<u>41,000</u>	<u>137,410</u>
3	INVESTMENT INCOME		
	Dividends and interest	-	14,292
	Interest on bank deposits (gross)	-	6,724
		<u>-</u>	<u>21,016</u>
		<u>-</u>	<u>21,016</u>
	Interest on restricted fund capital (gross)	-	-
		<u>-</u>	<u>21,016</u>
		<u>-</u>	<u>21,016</u>

# The Institute of Packaging Limited

## NOTES TO THE FINANCIAL STATEMENTS

### 4 TOTAL RESOURCES EXPENDED

#### BREAKDOWN OF COST OF ACTIVITIES

	Direct costs £	Support costs £	2007 Total £	2006 Total £
Charitable activities				
Membership and related services	-	-	-	102,953
Awarding body	-	-	-	121,532
Charitable trading activities	9,000	-	9,000	204,210
Transfer to the Institute of Materials, Minerals and Mining	41,000	-	41,000	293,816
	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>722,511</u>
Costs of generating funds				
Investment management costs	-	-	-	3,567
Governance costs	-	-	-	26,404
	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>752,482</u>

#### SUPPORT COSTS

	Employment costs £	Establishment costs £	Administration costs £	2007 Total £	2006 Total £
Membership and related services	-	-	-	-	65,085
Awarding body	-	-	-	-	93,865
Charitable trading activities	-	-	-	-	81,075
Governance costs	-	-	-	-	26,404
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,429</u>

The basis of allocating costs to activities is set out in the accounting policies on page 9

#### EMPLOYEE INFORMATION

All personnel working on the company's activities during 2006 were employed by The Institute of Materials, Minerals and Mining and their salaries are recharged to the company at cost. The average monthly number of "employees" working on the company's activities during the year was nil (2006 – 7)

Employment costs were made up as follows

	2007 £	2006 £
Salaries	-	143,953
Social security costs	-	13,819
Pension costs	-	37,051
Temporary and other staff costs	-	8,717
	<u>-</u>	<u>203,540</u>

# The Institute of Packaging Limited

## NOTES TO THE FINANCIAL STATEMENTS

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### 4 TOTAL RESOURCES EXPENDED (continued)

	2007	2006
	£	£
TOTAL EXPENDITURE INCLUDES		
Auditor's fees for audit services	-	6,000
Depreciation less surplus on disposal of fixed asset	-	27,977
Interest on finance leases	-	9,665
Expenses reimbursed to trustees	-	-
	<u>          </u>	<u>          </u>

### TRANSACTIONS WITH TRUSTEES

No trustee received any emoluments during the year (2006 – nil)

### 5 ULTIMATE PARENT UNDERTAKING

The directors consider that The Institute of Materials, Minerals and Mining, a charity registered in England, is the company's ultimate parent undertaking