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THE INSTITUTE OF PACKAGING (INC.)

ANNUAL REPORT AND ACCOUNTS

31 DECEMBER, 1996

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



THE INSTITUTE OF PACKAGING (INC.)
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31 DECEMBER, 1996

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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, 1996.

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 £
(52,376)

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

Education Fund	100,783	
Accumulated Fund	<u>422,971</u>	523,754

Leaving reserve funds to be carried forward:

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

The Dixie Dean Bursary Fund amounted to: 7,065

Social Funds held by Branches amounted to: 1,080

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 (appointed 5 June, 1996)

The Trustee retiring by rotation is Mr P M Curtis. Being eligible, he offers himself 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:

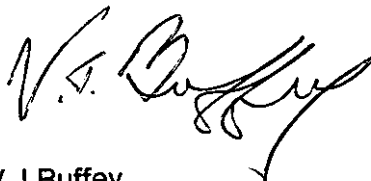
- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- * prepare the accounts on the going concern 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



V J Buffey
Secretary

Approved by the Trustees on 12 March, 1997

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, 1996 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, 1996 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.

12 March, 1997

THE INSTITUTE OF PACKAGING (INC.)
REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER, 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
<u>INCOME FOR THE YEAR</u>			
Subscriptions		176,484	173,068
Education (deficit)	3	(31,986)	(6,608)
Royalties/surplus on textbooks		15,670	4,414
Starpack awards		10,200	7,974
Student starpack awards		1,880	2,044
Industry dinner and awards		6,887	10,071
Worldstar & Eurostar awards		(703)	(1,120)
Letting of property	4	16,736	22,383
Dividends & interest	5	17,868	14,935
Sundry income		3,162	4,840
Covenant received from subsidiary company, The Institute of Packaging (Services) Ltd		124,586	334,500
		<hr/>	<hr/>
		340,784	566,501
<u>LESS: EXPENDITURE</u>			
Staff costs	6	193,912	186,880
Premises expenses	7	36,149	25,194
Insurances		4,809	5,692
Printing & stationery		10,634	10,676
Postage & telephone		7,792	7,166
Cost of production of newsletter		47,237	38,492
Branch expenses		8,676	8,399
Membership/external relations costs		11,143	10,866
Other travelling & subsistence expenses		12,887	13,311
Subscriptions		1,405	1,327
Auditors' remuneration		9,800	9,500
Office equipment, leasing & maintenance		12,913	13,987
Office supplies & services		1,339	1,400
Bank charges		1,886	1,807
Sundry expenses		3,984	6,069
Legal & professional charges		392	8,004
P.R. fees & expenses		39,663	10,940
Depreciation		23,015	17,899
Bad debts less recovered		-	-
Promotional activities		3,999	3,717
Library & enquiries		256	162
		<hr/>	<hr/>
		431,891	381,488
<u>Less: Transfer to education account</u>		<u>(38,731)</u>	<u>(34,188)</u>
		<hr/>	<hr/>
		393,160	347,300
(Deficit)/Surplus for the year		<u>£(52,376)</u>	<u>£219,201</u>
(Deficit)/Surplus carried to:			
Education fund		(31,986)	(6,608)
Accumulated fund		(20,390)	225,809
		<hr/>	<hr/>
		£(52,376)	£219,201
		<hr/>	<hr/>

THE INSTITUTE OF PACKAGING (INC.)

BALANCE SHEET

AT 31 DECEMBER, 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
FIXED ASSETS			
Tangible assets	8	233,633	235,288
Investments	9	158,043	158,043
		<u>391,676</u>	<u>393,331</u>
CURRENT ASSETS			
Stocks	10	3,904	5,022
Debtors	11	107,528	52,135
Cash at bank and in hand		156,325	387,287
		<u>267,757</u>	<u>444,444</u>
CREDITORS: amounts falling due within one year	12	179,910	305,945
		<u>87,847</u>	<u>138,499</u>
NET CURRENT ASSETS			
		<u>£479,523</u>	<u>£531,830</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>£479,523</u>	<u>£531,830</u>
RESERVES			
Accumulated Fund			
Balance at 1 January, 1996		422,971	197,162
(Deficit)/Surplus from Revenue Account		(20,390)	225,809
		<u>402,581</u>	<u>422,971</u>
Education Fund			
Balance at 1 January, 1996		100,783	107,391
Less: (Deficit) from Revenue Account		(31,986)	(6,608)
		<u>68,797</u>	<u>100,783</u>
Dixie Dean Bursary Fund			
Balance at 1 January, 1996		6,168	6,000
Additions in year		897	168
		<u>7,065</u>	<u>6,168</u>
Social Funds held by Branches		1,080	1,908
		<u>£479,523</u>	<u>£531,830</u>

The accounts on pages 4 to 10 were approved by the Trustees on 12 March, 1997 and were signed on their behalf by:

G K TOWNSHEND)
) Trustees
 D T M SMALLEY)

Gerald K. Townshend
David M. Smalley

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, 1996.

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, 1996.

3. <u>EDUCATION</u>	<u>1996</u>	<u>1995</u>
Examinations	3,224	3,650
Training courses	21,200	33,658
Open learning course	8,388	7,584
Conferences and seminars	23,714	3,490
Donations/bursary schemes	1,710	24,601
Accreditations	1,839	3,204
	<hr/>	<hr/>
	60,075	76,187
<u>Less:</u> College course support	(4,806)	(1,012)
Expenses	(1,297)	(1,865)
Transfer from general salaries & pension premiums	(47,227)	(45,730)
Transfer of general overheads	(38,731)	(34,188)
	<hr/>	<hr/>
	(92,061)	(82,795)
	<hr/>	<hr/>
Education (deficit)	£(31,986)	£(6,608)
	<hr/>	<hr/>

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

		<u>1996</u>	<u>1995</u>
4.	<u>LETTING OF PROPERTY</u>		
	Gross rental income	22,652	21,489
	Related property outgoings	(5,916)	894
		<hr/>	<hr/>
		£16,736	£22,383
		<hr/>	<hr/>
5.	<u>DIVIDENDS & INTEREST</u>		
	Dividends from listed investments (gross)	5,219	5,332
	Dividends from other unlisted investments (gross)	3,870	3,535
	Interest on bank deposits (gross)	8,756	5,978
	Other interest	23	90
		<hr/>	<hr/>
		£17,868	£14,935
		<hr/>	<hr/>
6.	<u>STAFF COSTS</u>		
	Wages & salaries	221,383	201,922
	Social security costs	23,036	20,791
	Pension contributions	14,993	26,897
	Recruitment & relocation expenses	227	-
		<hr/>	<hr/>
		259,639	249,610
	<u>Less:</u> Transfer to education account	(47,227)	(45,730)
	Administration & management services charged to The Institute of Packaging (Services) Limited	(18,500)	(17,000)
		<hr/>	<hr/>
		(65,727)	(62,730)
		<hr/>	<hr/>
		£193,912	£186,880
		<hr/>	<hr/>

The average monthly number of employees during the year was 15 (1995: 14)
No Trustee received any emoluments during the year (1995: £Nil)

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

	<u>1996</u>	<u>1995</u>
7. <u>PREMISES EXPENSES: SYSONBY LODGE</u>		
Repairs & maintenance	9,196	8,682
Heat & light	7,093	6,872
Rates & water	6,085	5,299
Cleaning	3,886	3,228
Provision for maintenance	9,889	1,113
	<hr/>	<hr/>
	£36,149	£25,194
	<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, 1996	247,727	79,554	29,622	356,903
Additions	-	20,451	922	21,373
Disposals	-	(2,215)	(759)	(2,974)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December, 1996	£247,727	£97,790	£29,785	£375,302
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation:				
At 1 January, 1996	52,039	43,989	25,587	121,615
Charge for the year	4,979	16,444	1,592	23,015
Disposals	-	(2,215)	(746)	(2,961)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December, 1996	£57,018	£58,218	£26,433	£141,669
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 31 December, 1996	£190,709	£39,572	£3,352	£233,633
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December, 1995	£195,688	£35,565	£4,035	£235,288
	<hr/>	<hr/>	<hr/>	<hr/>

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

9. FIXED ASSET INVESTMENTS **1996** **1995**

i) Unlisted investment in Group Company

Cost at 1 January, 1996 and 31 December, 1996 (a)	£100	£100
	<u> </u>	<u> </u>

Other unlisted investments

Cost at 1 January, 1996 and 31 December, 1996 (b)	£71,282	£71,282
	<u> </u>	<u> </u>

ii) Listed investments

Cost at 1 January, 1996 and 31 December 1996 (b)	£86,661	£86,661
	<u> </u>	<u> </u>

<u>Total at 31 December, 1996</u>	£158,043	£158,043
	<u> </u>	<u> </u>

- (a) 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 Directors have relied on the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts. Additionally, the Directors 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 was £124,586 (1995:£334,500) of which £124,586 (1995:£334,500) 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. Total assets at 31 December, 1996 £92,520 (1995:£532,439); total liabilities £92,335 (1995: £532,254).

- (b) Aggregate market value of investments:

	<u>1996</u>	<u>1995</u>
Other unlisted	96,355	85,470
Listed	97,679	96,214
	<u> </u>	<u> </u>
	£194,034	£181,684
	<u> </u>	<u> </u>

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

10. <u>STOCKS</u>	<u>1996</u>	<u>1995</u>
Goods for resale	£3,904	£5,022

11. <u>DEBTORS</u>		
Amounts falling due within one year:		
Trade debtors	34,863	23,021
Prepayments & accrued income	41,411	29,017
Other debtors - taxation recoverable	31,254	97
	<u>£107,528</u>	<u>£52,135</u>

12. <u>CREDITORS</u>		
Amounts falling due within one year:		
Trade creditors	15,245	10,429
Taxation & social security	2,968	931
Amounts owed to group company	5,329	210,884
Accruals	73,222	44,831
Deferred income:		
Education, subscriptions, rent and other income received in advance	83,146	38,870
	<u>£179,910</u>	<u>£305,945</u>

13. FINANCIAL COMMITMENTS

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

	<u>1996</u>	<u>1995</u>
Expiring:		
- in the next year	4,000	-
- in the second to fifth years	18,246	23,350
- after the fifth year	-	-
	<u>£22,246</u>	<u>£23,350</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, 1996 the Institute had 3552 members (1995 - 3569 members).