



PAC.NZ
towards sustainable packaging

**PACKAGING COUNCIL
OF NEW ZEALAND (INC)**
ANNUAL REPORT 2015



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PACKAGING COUNCIL OF NEW ZEALAND (INC)
TOWARDS SUSTAINABLE PACKAGING

VALUES

INTEGRITY

The Packaging Council will always act with integrity and is acutely conscious of its role in protecting New Zealand's environment.

TRANSPARENCY

We are transparent in the presentation of impartial, factual information to members, the public and other stakeholders.

ENGAGEMENT

We are committed to actively engaging with a broad membership base to achieve sustainable environmental benefits.

COOPERATION

We take a supportive and collaborative approach with government and other organisations that are addressing related issues.

PURPOSE Advocate for the role of packaging across the whole-of-life

OUR MESSAGE Packaging grows product and customer value

EXECUTIVE DIRECTOR



Sharon Humphreys
(Executive Director)

EXECUTIVE COMMITTEE 2014/2015

President



Richard Manaton
Countdown

Vice President



Jonathan Marshall
O-I New Zealand



Andrew Gleason
Visy



Harry Burkhardt
Replas



Cheryl Speechly
Environment Manager



Keith Smith
Flight Plastics



Bruce Campbell
OfficeMax



Nic Bishop
FBNZ & Tip Top



Darren McClenaghan
Sealed Air



Elsbeth MacRae
Scion



John Cato
Orora Packaging



Andreas Haussrer
Ampcor Flexibles



Murray Parrish
Carter Holt Harvey



Craig Wilson
Waste Management



Alistair Egan
PSBG, Fuji Xerox



John Truscott
Coca Cola Amatil New Zealand
(Resigned during the year)

PRESIDENT'S REPORT



"ONGOING CHANGE BUT ALSO CONTINUATION"

As I reflect on the past year two themes emerge: ongoing change but also continuation. We have seen continuation at the political level with little change in central government policies, whilst at the

Packaging Council we have continued to change and evolve as an organisation, a journey we started under my tenure as President two years ago.

As a Board we conducted a Strategic Review of the direction of the Council should pursue and as part of that process conducted membership workshops to solicit what you wanted from your industry organisation.

To oversee this review we were delighted to appoint in the year Sharon Humphreys to the role of Executive Director, a very passionate and technically capable advocate for packaging. Sharon will outline the findings of that review, and our Strategic Direction that focuses on the whole of life role of packaging not the previous singular end of life emphasis, in her Executive Directors Report.

In parallel the Board has overseen the financial restructuring of the Packaging Council from an organisation that historically had committed the majority of its funding into relatively fixed costs such as salaries and rent, into one that now invests in specific projects, reports or insights that supports our strategic direction. As a consequence we now have a much more nimble organisation that can invest in the area of greatest member need with the right skills and resources on an as-needed basis.

In the year the Board also took the decision to align the membership year with the financial year of the Packaging Council. Aligning these two activities will make the financial administration of the Council much more streamlined.

I referred earlier to the political climate remaining relatively unchanged. Central Government continues to pursue a less interventionist stance on end of life issues, whilst Local Government is seeking more direct action.

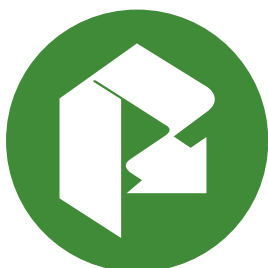
These positions however are set against a backdrop of economic growth returning to the economy and the role packaging has to enable the international trade in food, this remains the overarching priority of Central Government and their goal of doubling exports.

To that end the Packaging Council's new focus on whole of life is more consistent with matters of strategic importance to New Zealand and seeks to rebalance the debate with key stakeholders.

During the coming year the Board will be reviewing our constitution to ensure our constitution more appropriately reflects the direction you want the Packaging Council to pursue. Governance will require more membership engagement and voting on this matter during the year.

This is my final annual report after 3 years in the role, as I will be stepping down as President at the AGM. I would like to thank the Board for their ongoing support and contribution to the Council over those 3 years. In addition I would like to recognise Sharon Humphrey's ongoing commitment to the organisation and wish her the best as she leads the Council over the coming years.

Richard Manaton
President



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EXECUTIVE DIRECTOR'S REPORT



Clarity in our core purpose and a membership committed to delivering on that core purpose are key to our credibility as an organisation.

The Strategic Review process has driven some significant changes which has seen the organisation reposition its core purpose, reinvent

its messaging, redevelop the platforms to deliver the messaging, and resource itself accordingly. As a result we have seen changes in the membership make-up which strengthens the core of the organisation and a more clearly defined mandate has seen a shift in the forums the Packaging Council has been invited to participate in. Advocacy and Packaging Promotion are the key areas of value the membership see in this organisation and our work programme has been developed to reflect that direction.

As the 'go-to' organisation for the packaging industry it is incumbent upon us to commission and disseminate evidence-driven and fact-based data if we are to provide a sensible counter to many of the emotive issues which surround packaging. We produced two such pieces of work during the year the Mass Balance Report and the Packaging Statistics Database. Outsourcing this work to highly respected organisations such as Infometrics ensures that the results are independent and impartial and provides the members with quality, professional data which they can use in their own business decision making processes.

We have increased the number of issues we have entered submission on over the past year reacting to the pressures members are facing as legislation either comes up for review or comes under scrutiny driven by consumers concerns. We see this trend continuing, exacerbated by separatist local policies and opportunistic attempts to drive industry responsibility for issues which require systemic solutions not ad-hoc projects.

Features such as the Auckland Today Packaging Series have opened up the world of packaging beyond the end of life focus to demonstrate that there is a sound business-case to be made for using less materials, processing more efficiently, transporting more smartly and understanding end of life options. This message is not just core to our purpose but it is also our platform for demonstrating that product stewardship does take many forms and our members are providing real environmental benefits within their businesses, for their customers, clients and communities.

Supporting the strong advocacy focus is a sustained packaging promotion work programme. This will be led by a brand new Packaging Awards Programme. We have been delighted to engage the services of Promote Ltd to assist us in developing this new programme. With strong credentials from their management of the Pride in Print Awards they will provide insight and expertise on celebrating and rewarding packaging in its many varied functions and myriad of forms.

It is with great pleasure and privilege that I accepted the role of Executive Director to lead the organisation in this new direction – but I am also mindful of the responsibility I am taking on. I wrote a column recently for Supermarket News talking about the greatest challenge for any membership association is ensuring that it remains relevant. Relevance takes many forms and relevance today does not guarantee relevance tomorrow. As a membership association we must always be on the lookout for ways to improve how we engage with our members, how we improve the quality and range of our services and most importantly, ensure that membership always represents good value for money. This is now my challenge!

We live in a world of unparalleled change, in terms of both scale and speed. The new shape of the organisation and the focussed work-streams are a reflection of the support and commitment from the Board to position the organisation for future relevance and growth. My sincere thanks go to Richard Manaton who has provided leadership and guidance to the Packaging Council throughout the last three years. We have been through massive changes both internally and externally and despite significant pressures in his role with Countdown, Richard's support for the organisation and me personally has never wavered.

In closing, as always I must thank the members for all of their support, ideas, feedback, time and effort, these remain our lifeblood. I look forward to working with you all over the coming year as we enter a new era of Executive leadership and focussed work programmes.

A handwritten signature in black ink that reads "Sharon Humphreys". The signature is stylized and fluid.

Sharon Humphreys
Executive Director

PACKAGING COUNCIL ACTIVITY – 2014/2015

COMMUNICATIONS

What, how and who we communicate with has been a large focus of activity for the year. The Strategic Review shaped the key communication points:

- **Our purpose** is to advocate for the role of packaging across its whole of life,
- **Our message** is that packaging grows product and customer value
- And the **key themes** which will support our purpose and message are

P = packaging innovation,

A = adding value; and

C.NZ = caring for the environment

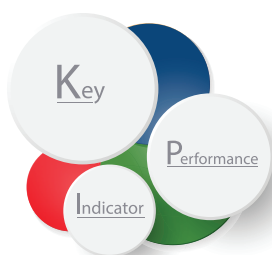
We ran a significant media campaign in the Auckland Today publication during the year. This comprised a three-part series looking at the whole of life of packaging built around the key principles in our Code of Practice for Design, Education and Procurement.

We contributed to several Supermarket News publications during the year and featured in the Rata Publication *Incontext*.

We also launched a new version of the very popular weekly newsletter – Packaged Up Weekly. Two key factors drove the development of the new newsletter: (1) A need to move away from the legacy delivery platform (2) the ability to track who is looking at what so we can better tailor the news items to the stories and trending themes which the members are interested in.

Communications will be central to our work programme for 2015/16 with our 'shop front' being the brand new web-site which will have significantly improved integrated functionality, refreshed content with a stronger focus on members and more intuitive navigation to promote the role of packaging across all of the activities the Packaging Council is involved in.

PACKAGING PRODUCT STEWARDSHIP SCHEME



As advised when we withdrew the application for accreditation of the Packaging Product Stewardship scheme we have undertaken a comprehensive review of the Packaging Product Stewardship Scheme, taking account of accreditation requirements under the Waste Minimisation Act, the scheme's

effectiveness to meet the needs of the Packaging Council membership and evolving expectations of society at large.

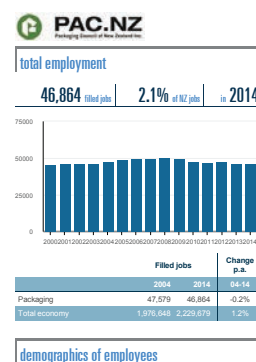
The results of the review were clear:

- an accreditable product stewardship scheme is limited by narrowly defined criteria in order to meet requirements under the Waste Minimisation Act;
- the scope of a narrowly defined scheme cannot capture the significant opportunities offered by a diverse membership base for demonstrating product stewardship; and
- the role of the Packaging Council is not that of a product stewardship scheme manager, but rather as an industry-led advocate representing the diversity and scale of whole-of-life packaging product stewardship.

Moving forward the Packaging Council's focus will be to recognise all members who have embraced the principles of Product Stewardship, in whatever form that might take, and are providing real environmental benefits within their own businesses, for their customers, clients and communities.

INFORMING DISCUSSIONS ON PACKAGING

Promoting strong evidence-based argument in support of industry issues was identified as a key deliverable by the members. Infometrics were engaged to produce two significant pieces of work:



Mass Balance. Compiling mass balance data was a deliverable under the Packaging Accords. When the Accords finished the Packaging Council committed to continue compiling and reporting these numbers. However difficulties were encountered in the data gathering, not in the least because the recovery landscape has changed dramatically over recent years with the impact of kerbside recycling, MRFs, changing commodity markets and the Chinese 'Green Fence' which effectively closed the largest recovered materials market. The decision was taken by the Executive to out-source the data collection to provide an enhanced level of commercial confidentiality for the contributors, and a significantly improved level of independence in the reported data for all stakeholders. Infometrics also provided strong guidance on appropriate comparison metrics giving the final report a robust platform to compare how New Zealand sits globally when it comes to packaging material recovery.

Packaging Sector Database. This was a new piece of work which shows a detailed picture of the state of the Packaging

sector in New Zealand today. Covering key pieces of information such as the sector's contribution to GDP, demographic data, salary information and the spread of business units this is a comprehensive overview which will be of benefit to members and stakeholders alike as the full potential of this data is realised.



CANZBAC

CANZBAC activities for the year have been limited to maintenance of the CANZBAC website. However with redevelopment of the Packaging Council website, we have taken the opportunity to re-look at the CANZBAC platform and engage in a modest upgrade of the site.

REGULATORY AFFAIRS

The Packaging Council has been advocating for the industry across a number of forums during the year. The Executive Director was invited to join the FSANZ Packaging Advisory Group convened to address the issue of chemical migration from packaging into food. The Packaging Council also engaged Rae Nield of Rae Nield Marketing Law to run a member workshop on this issue and assist with the Packaging Council's submission on this issue. We have also entered submissions on the Proposals for EPA Notices for Classification, Labelling, Safety Data Sheets and Packaging, and the Local Government Funding Review. Plastic Bags is another issue which has seen significant attention since the beginning of 2015 and the Packaging Council will be represented in industry-led responses. The Packaging Council continues to be involved with government agencies such as MPI, MFAT and MfE both on specific issues and more generally raising the profile of the role of packaging.

PACKAGING AWARDS



Clear member feedback about the value of an awards programme led to significant discussions during the year about the development of new Packaging Awards Programme. The decision was taken to engage Promote Ltd, who have extensive expertise through the Pride in Print Awards, to assist the Packaging Council to develop a programme which celebrates all aspects of the packaging industry. A substantial programme of works will be carried out during 2015 to develop the programme with the inaugural Packaging Awards scheduled for 2016.

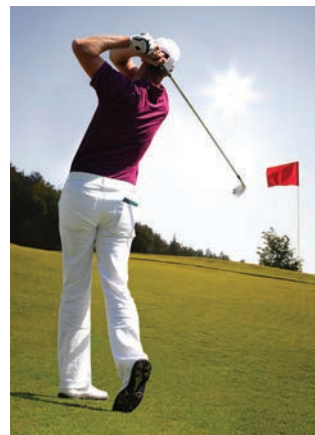
OUT 'N' ABOUT

The Executive Director maintained the usual schedule of conference attendances, WasteMINZ and Plastics NZ, but also attended the Food & Grocery Council Annual Conference and the Australian Institute of Packaging's Annual Conference. We exhibited at AUSPACK 2015. During the year we have also supported Fonterra's Recycling Forums and the Rata Certification Programme presenting at their events.



AMBROSE GOLF TOURNAMENT

Last year we changed the venue, this year we changed the timing! Due to a significant clash of events in November 2014 we postponed the Annual Ambrose Golf Tournament to March 2015. With, yet again, fantastic support from the membership we had an almost full field of players who unanimously agreed that future tournaments should move permanently from November to March which is generally a less frantic month for players, and the temperatures are more reliable! So date for the diary the 2016 event is planned for Thursday 17th March 2016.



PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED

2014/2015 ANNUAL GENERAL MEETING

MINUTES OF THE MEETING HELD ON THURSDAY 26TH JUNE 2014, AT BNZ Highbrook Partner Centre, Level 1
86 Highbrook Drive, East Tamaki

1. OPENING

The meeting commenced at 7.45am.

Sharon Humphreys, Acting Executive Director opened the AGM and welcomed the members to the meeting. Sharon then invited the President to make a brief presentation.

Richard Manaton, President welcomed members to the meeting. Richard thanked the Executive Committee, sub-committee members and the Packaging Council's Acting Executive Director for their support during the past year. Richard began by detailing that the solid financial result for the year reflects the changing direction for the organisation reducing the fixed overhead structure to enable a leaner, more flexible organisation.

He reflected on the operating environment of the past year.

- Political uncertainty around the election and the consequent impact on policy direction for the next three years;
- Brand NZ and the crucial role of packaging in the areas of provenance and environmental credibility;
- The drive towards efficient and effective industry representation providing less fragmentation for those stakeholders who seek to engage across the whole industry.

Lastly he reiterated comments made in his President's Report that in his opinion industry alignment is not a question of "if" but simply a matter of "when".

Richard also talked about succession planning. He informed the members that the 2014/15 year would be his last term as President. He also advised that Jonathan Marshall would continue in the role of Vice President in the short term only, due to increasing work commitments. Both Richard and Jonathan were committed to ensuring a smooth transition to a new leadership of the Executive Committee and this would be a priority for them both as the 2014/15 term began.

Sharon Humphreys, Acting Executive Director

Sharon provided an overview of the recently completed strategic exercise undertaken by the Executive Committee. She pointed out that the purpose of this exercise was to establish priority areas for focus for the organisation which could then be defined and shaped to present to the membership for their consideration.

- Short term priorities established that the Packaging Council needs to define the vehicles and platforms it will use to advocate on behalf of the industry. The packaging product stewardship scheme was seen as a key area of development work.
- Longer term a brand new awards programme was seen as providing the complementary evidence-based platform for raising awareness of the role of packaging across its whole-of-life.

She explained that the Packaging Council were working with an external consultant to provide expertise into this process and the members could expect to see a clearly defined strategy and programme of works which reflected evolution not revolution.

8:10AM - COMMENCEMENT OF THE ANNUAL GENERAL MEETING - FORMAL BUSINESS

2. PRESENT

Richard Manaton	Progressive Enterprises
Cheryl Speechley	TetraPak
Murray Parrish	Carter Holt Harvey
Ian Maddaford	Transpacific Industries Group
Mike Shatford	NCI Packaging
John Webber	Glass Packaging Forum
Cathy Lundie	Elldex Packaging
Rebecca Sharma	Elldex Packaging
Rob Langford	Pernod-Ricard
Ken Sowman	Plastics New Zealand
Richard Hislop	B J Ball
Brett Keen	B J Ball
Adam Weller	Bluebird Foods Limited
Mark Bell	Progressive Enterprises
Bruce Campbell	OfficeMax
Penny Garland	O – I NZ
Keith Parker	NCI Packaging
Kaye Burling	SCA Hygiene
Alistair Egan	Fuji Xerox
Greg McGaghey	Bluebird Pepsico
Alistair Sayers	Frucor
Craig Miller	Goodman Fielder
Spring Humphreys	Lowe Corporation
Greig Young	Huhtamaki
Dawn O'Connor	British American Tobacco
John Matthews	Cospak
Harry Burkhardt	Replas

Also in attendance were:

Sharon Humphreys	Packaging Council of NZ
Jasmine Walters	Supermarket News
Felicity Flack	Supermarket News

3. APOLOGIES

Were received from:

Richard Smith	Clorox
Andrew Gleason	Visy Board NZ
Barry Helberg	NZ Retailers Association
Garyth Dalton	Sanitarium
Chris Rouse	Fonterra
Shane Craig	Punchbowl Packaging
Wayne Emerson	Charta Packaging
Craig Blackburn	Signode
Windsor Yang	NCI Packaging
Melissa Hodd	Foodstuffs

Claire Daly	Bemis
Jonathan Marshall	O-I
John Shiota	Shiseido
Grant Fitzgibbon	Carter Holt Harvey
Shayleen Taylor	Kimberley Clark
Gary Coombes	O-I NZ
Maree Brierly	Orora Packaging
Onur Yilmaz	Huhtamaki NZ
John Truscott	Coca Cola Amatil
Eddie Szopa	Fonterra
Elsbeth MacRae	Scion
Jeremy Warnes	Scion
Keith Smith	Flight Plastics
Kate Porter	Progressive Enterprises
Tim Bateman	Sanitarium
Doug Banks	DB
Maurice Gunnell	Nestle
Jo-Anna Partridge	Pernod Ricard
Antonio Scordamaglia	Minipack Quickshrink
Elaine Meeke	Punchbowl Packaging
Kevin Piccione	Sealed Air
Peter Phillips	Cerebos Greggs
Pamela Johnson	Officemax
Craig Wilson	Waste Management
Andreas Haussrer	Amcor Flexibles

It was moved: that the **35 apologies** for the meeting be accepted.

Ian Maddaford/Cathy Lundie: **Carried**

Simon Tree	Integrated Packaging (Late Apology)
John Cato	Amcor (Late Apology)
Stuart Shepherd	NCI Packaging (Late Apology)

PROXIES

3 proxies were received and given to the Chairman.

4. CONFIRMATION OF MINUTES

Minutes of the Annual General Meeting held on Thursday 27th June 2013 were included in the 2014 Annual Report which had been circulated.

It was moved: Minutes of the Annual General Meeting held on 27th June 2013 be accepted.

Bruce Campbell /Spring Humphreys: **Carried**

5. ANNUAL REPORT

The 2014 Annual Report of the Packaging Council had been circulated.

It was moved: that the 2014 Annual Report be received and adopted.

Cathy Lundie / Cheryl Speechley: **Carried**

6. AUDITED ACCOUNTS

The 2013/14 Audited Accounts of the Council for the year ended 31st March 2014 were included in the 2014 Annual Report and had been circulated.

It was moved: that the 2013/14 Audited Accounts be received and adopted.

Penny Garland / Greg McGaghey: **Carried**

7. ELECTION OF AUDITORS

The Acting Executive Director advised that the Packaging Council of New Zealand were satisfied with their current Auditor, Hudson Kasper and wish to remain with them.

It was moved: that Hudson Kasper remain as PAC.NZ's Auditors.

Cathy Lundie /Murray Parrish: **Carried**

8. 2014 / 2015 ELECTION OF OFFICERS

The Executive Director advised that the nominees for the positions on the Executive Committee were as follows:

President

Richard Manaton, Countdown

Vice President

Jonathan Marshall, O-I New Zealand

The position of **IMMEDIATE PAST PRESIDENT** will not apply to the 2014/15 Executive Committee as the constitution only allows for a two year tenure.

PACKAGING MANUFACTURERS (Max of 4)

Andrew Gleason, Visy
Keith Smith, Flight Plastics
Andreas Haussrer, Amcor Flexibles

PACKAGING USERS AND FILLERS (Max of 4)

John Truscott, Coca-Cola Amatil
Nic Bishop, Fonterra
Bruce Campbell, OfficeMax
Alistair Egan, Fuji Xerox

RAW MATERIAL SUPPLIERS, SERVICES & WASTE (Max of 3)

Craig Wilson, Waste Management
Harry Burkhardt, Replas
Murray Parrish, Carter Holt Harvey

DISTRIBUTION & SALES FOR WHOLESALE / RETAIL PRODUCTS (Max of 3)

Darren McClenaghan, Sealed Air
John Cato, Orora Packaging
Cheryl Speechley, Tetra Pak

REPRESENTATIVE OF ONE FROM ANY SECTOR (Max of 1)

Elsbeth MacRae, Scion

I confirm that no ballot is necessary as places are available for all the nominations. It was moved: that the above Nominees be confirmed as the 2014/2015 Executive Committee.

Penny Garland/ Spring Humphreys: **Carried**

9. GENERAL BUSINESS

No general business was raised.

10. CLOSURE

There being no further business the meeting closed at 8.30am

Sharon introduces the guest speaker Alistair Irvine, Manager Food Contact Compliance, Smithers Pira via Skype.

PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2015

PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED INDEPENDENT AUDITOR'S REPORT

To the members of the Packaging Council of New Zealand Incorporated

We have audited the financial statements of the Packaging Council of New Zealand Incorporated on pages 10 to 13, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance and the statement of movements in members' funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executive Committee's responsibility for the financial statements

The Executive Committee is responsible for the preparation of the financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making

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those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we assist in the drafting of the statutory financial statements and in the preparation of the annual tax return. Other than this we have no relationship with or interests in the Packaging Council of New Zealand Incorporated.

In our opinion, the financial statements on pages 10 to 13:

- comply with generally accepted accounting practice in New Zealand; and
- give a true and fair view of the financial position of the Packaging Council of New Zealand Incorporated as at 31 March 2015 and its financial performance for the year ended on that date.

Hudson Kasper

Chartered Accountants

Auckland

Dated: 29 May 2015

PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 \$	2014 \$
Operating revenue	2	207 468	583 734
Operating expenses	3	(325 546)	(388 520)
Operating surplus (deficit) before other income		(118 078)	195 214
Interest income		11 675	8 255
Net surplus (deficit) before taxation		(106 403)	203 469
Taxation expense	4	(1 202)	(1 324)
NET SURPLUS (DEFICIT) AFTER TAXATION		(107 605)	202 145

PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED STATEMENT OF MOVEMENTS IN MEMBER'S FUNDS FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 \$	2014 \$
Accumulated funds at start of year		473 722	271 577
Net surplus (deficit) after taxation		(107 605)	202 145
Accumulated funds at end of year		366 117	473 722

PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	2015 \$	2014 \$
Current assets			
Cash at bank		377 685	508 618
Accounts receivable		-	748
Other current assets		1 956	1 956
Prepayments		8 458	-
GST refund due		851	-
Tax refund due	4	841	121
Total current assets		389 791	511 443
Non-current assets			
Fixed assets	5	9 635	14 546
Total non-current assets		9 635	14 546
Total assets		<u>399 426</u>	<u>525 989</u>
Current liabilities			
Accounts payable and accruals		29 334	25 997
Income received in advance		3 975	4 151
GST payable		-	22 119
Total current liabilities		33 309	52 267
Equity			
Members' accumulated funds		366 117	473 722
Total liabilities and equity		<u>399 426</u>	<u>525 989</u>

For and behalf of the Executive Committee:



Richard Manaton
President
Dated: 29 May 2015



Sharon Humphreys
Executive Director
Dated: 29 May 2015

PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. STATEMENT OF ACCOUNTING POLICIES

a) Reporting entity

The Packaging Council of New Zealand Incorporated (the Council) is an incorporated society. The Council was established to provide New Zealand industry with a unified, balanced and authoritative voice on environmental issues.

The financial statements of the Council are a general purpose report which has been prepared in accordance with generally accepted accounting practice as determined by the External Reporting Board.

b) Measurement base

The accounting principles recognised as appropriate for the measurement and reporting of performance and financial position on a historical cost basis are followed by the Council.

c) Specific accounting policies

The following specific accounting policies which materially effect the measurement of financial performance and position have been applied.

Revenue recognition

Subscriptions are accounted for on a cash basis. No adjustment is made for subscriptions received in advance.

Interest received is credited to the statement of financial performance on an accruals basis.

Accounts receivable

Accounts receivable are carried at estimated realisable value after providing against bad debts where collection is considered doubtful.

Accounts payable and accrued liabilities

Trade and other payables are stated at cost.

Fixed assets

Plant and equipment is recorded at cost less depreciation to date. Depreciation has been provided on all fixed assets at the maximum diminishing value (DV) rates allowable by the Inland

Revenue Department. The principal rates are as follows.

Furniture and fittings	9.6% - 31.2%	DV
Office equipment	18% - 60%	DV
Leasehold improvements	10% - 12%	DV
Website development	40%	SL

Leases

The Council leases a photocopier and premises.

Leases which have a significant portion of the risks and rewards of ownership retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of financial performance on a straight-line basis over the period of the lease.

Goods and services tax

The statement of financial performance has been prepared so that all components are presented exclusive of GST. All items in

the statement of financial position are presented net of GST, with the exception of receivables and payables, which include GST invoiced.

Income tax

Income tax is accounted for using the taxes payable method, i.e. the income tax expense charged to the statement of financial performance is based on the return to the Inland Revenue Department.

Differential reporting

The Council qualifies for differential reporting as it is not publicly accountable and it is not large as defined in the framework for differential reporting. The Council has taken advantage of all available differential reporting exemptions.

d) Changes in accounting policies

There have been no changes in accounting policies during the period under review.

2. OPERATING REVENUE

	2015	2014
	\$	\$
Membership fees - current year	144 438	330 371
Membership fees - prior years	39 241	122 524
Packaging product stewardship scheme	-	22 373
Miscellaneous income	11 557	26 438
Rent & OPEX Received	12 055	1 300
CANZBAC	177	176
Awards evenings and sponsorships	-	80 552
	<u>207 468</u>	<u>583 734</u>

During the year a decision was made by the Executive Committee to align the subscriptions billing period with the Council's financial year which ends on 31 March each year.

Accordingly, effective 1 April 2015 members will now be billed at the start of each year from 1 April to 31 March.

Previously members were billed each year from 1 October to 30 September.

As part of the transitional arrangements members were only billed for the period from 1 October 2014 to 31 March 2015 in the current financial year.

Consequently, membership income is significantly lower in the current year as compared to the prior year ending 31 March 2014.

3. OPERATING EXPENSES

	2015	2014
	\$	\$
Audit fees	7 150	6 150
Fees paid to the auditor for other services	350	350
Depreciation	6 152	6 560
Rent - premises	28 138	28 450
Wages and salaries	138 992	186 971
Motor vehicle expenses and leases	1 429	7 104
	<u>182 211</u>	<u>235 585</u>

4. TAXATION

	2015	2014
	\$	\$
Income from non-exempt operations	227	176
Interest received	11 675	8 255
Rent received	12 055	1 300
Expenses claimed	(18 663)	(4 003)
	<u>5 294</u>	<u>5 728</u>
Exemption allowed	(1 000)	(1 000)
Taxable income	<u>4 294</u>	<u>4 728</u>
Income tax at 28%	1 202	1 324
Resident withholding tax paid	(2 043)	(1 445)
Taxation payable (refund due)	<u>(841)</u>	<u>(121)</u>

5. FIXED ASSETS

		Accumulated	Book
As at 31 March 2015	Cost	Depreciation	Value
Furniture and fittings	24 202	(20 913)	3 289
Office equipment	43 495	(41 127)	2 368
Leasehold improvements	11 031	(7 053)	3 978
Website development	10 330	(10 330)	-
	<u>89 058</u>	<u>(79 423)</u>	<u>9 635</u>
As at 31 March 2014			
Furniture and fittings	24 202	(20 300)	3 902
Office equipment	42 254	(39 909)	2 345
Leasehold improvements	11 031	(6 520)	4 511
Website development	10 330	(6 542)	3 788
	<u>87 817</u>	<u>(73 271)</u>	<u>14 546</u>

6. RELATED PARTY TRANSACTIONS

Other than membership fees and related revenues derived from members there were no related party transactions during the year (2014 : nil)

No related party balances have been written off in the period under review (2014: nil).

7. OPERATING LEASE COMMITMENTS

	2015	2014
	\$	\$
Current		
Premises	13 417	15 167
Photocopier	1 552	3 104
	<u>14 969</u>	<u>18 271</u>
Non-current		
Premises	-	-
Photocopier	-	1 552
	<u>-</u>	<u>1 552</u>
Total	<u>14 969</u>	<u>19 823</u>

Premises

A lease for the premises situated at 77 Greenmount Drive, East Tamaki was entered into for a term of four years, commencing 1 November 2006 with two rights of renewal for a further four years each. The lease was extended for another four years until 1 November 2014 and has now been renegotiated for one year ending 1 November 2015. The monthly rental excluding OPEX is \$1,917 plus GST (2014: \$2,167 plus GST).

Photocopier

The lease for the Kyocera photocopier was entered into in September 2011 for a term of 48 months. The monthly rental is \$259 plus GST.

8. CAPITAL COMMITMENTS

The Council has approved expenditure of approximately \$42,000 plus GST in relation to the development of a new website (2014: nil).

9. CONTINGENT LIABILITIES

As at balance date the Council had no contingent liabilities or assets (2014: nil).

10. SUBSEQUENT EVENTS

There have been no events subsequent to balance date which require disclosure in or adjustment to the financial statements (2014: nil).

MEMBER COMPANIES







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