



PAC.NZ
towards sustainable packaging

PACKAGING COUNCIL OF NEW ZEALAND (INC)
ANNUAL REPORT 2014

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PACKAGING COUNCIL OF NEW ZEALAND (INC)
TOWARDS SUSTAINABLE PACKAGING

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PURPOSE

The Packaging Council of New Zealand's role is to assist its members minimise the environmental impact of packaging by championing cost effective, sustainable solutions and product stewardship.

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.

VISION TO 2015

Packaging Council of New Zealand members are:

- Meeting their business objectives
- Demonstrating sustainable management of packaging
- Achieving self-determination around relevant industry issues

PACKAGING COUNCIL STAFF



EXECUTIVE COMMITTEE 2013/2014

President



PROGRESSIVE

Richard Manaton
General Manager
Strategy and Corporate Affairs

Vice President



Jonathan Marshall
General Manager



David Carter
Immediate Past President



MADE IN NZ FROM
100% RECYCLED PLASTIC

Harry Burkhardt
Managing Director



Cheryl Speechly
Environment Manager



Andrew Gleason
General Manager



Nic Bishop
Environment Manager
FBNZ & Tip Top



Bruce Campbell
Product Manager, Packaging
OfficeMax



Darren McClenaghan
Environment Health & Safety
Engineering Manager



John Cato
Sales Manager
North Island



Ian Maddaford
National Recycling Manager



Alistair Egan
Product Manager
PSBG, Fuji Xerox



Refreshingly Kiwi

Caroline Beaumont
Legal & Commercial Manager
Coca Cola Amatil New Zealand

PRESIDENT'S REPORT



“WASTE MINIMISATION LEGISLATION CONTINUES TO BITE”

Last year I concluded my report by stating *“To meet these regulatory and customer challenges we will need to continue the change process around how the industry is*

represented so as to achieve a more effective and impactful voice in the conversation”

With a national election only months away this statement is all the more true, as all persuasions of the political spectrum continue to discuss policies that will impact the packaging industry.

From the current government concerned about brand “New Zealand” and its vital role to support the continued growth of exports. To a Labour/Greens coalition, were it to happen, who will clearly push for greater environmental intervention via regulation and likely increases in the waste levy.

Be it product authenticity or protection of our natural environment the Ministry for the Environment’s discussion document seeking feedback on mandatory stewardship schemes and concerns the Waste Minimisation Act is not achieving the rate of waste diversion anticipated, are good examples of increased environmental scrutiny to ensure the province of brand New Zealand.

Motives aside, the outcome is a future where industry’s ability to engage and represent itself to external stakeholders will become all the more important to achieve shared outcomes in a sensible pragmatic manner.

I have spoken to many people in the industry over the last year, who share the view that packaging industry representation is too fragmented. In New Zealand we have six packaging related industry organisations. It’s not difficult to conceive a more efficient model that, at best could drive a more impactful programme of engagement with central/local government and the media, or at

the very least, would prevent duplication of activity and share some common resources.

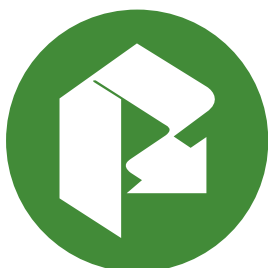
This was the driving force behind discussions which took place during the year on restructuring the packaging industry representation. However, the outcome of those cross sectoral discussions demonstrated that although there is support for review, there are also challenges between the differing stances member companies take and the associated representation expectations from the organisations they choose to represent them. For example there are members who want their representative body to take a more active stance on issues and are prepared to invest resources; on the other hand there are members that prefer their representative organisation to act in a more reactive, below the radar mode.

Meeting the varied needs of members is, at this stage, still a challenge to be overcome, however this remains a current issue whose time will come in my view.

Throughout the year the council has been busy engaging on a number of regulatory matters from Select Committee representations, new legislation submissions, FSANZ workshops and implications of the new Consumer Law Reform Bill on our members

In addition as the organisation gears up for the challenges of 2014/15 either with or without a change of Government, I’m pleased to report a much stronger financial position this year and I look forward to the full programme of activities we have planned demonstrating our commitment to provide value-add for our members.

Richard Manaton
President



PAC.NZ

towards sustainable packaging

EXECUTIVE DIRECTOR'S REPORT



Twenty one years of age; a time of reflection for a fulfilled childhood and contemplation for the next stage in life – adulthood. This pretty much sums up the last year for the Packaging Council. We turned our focus inwards as we worked through the way we have always been, and what we were going to have to do different in the future. This has been

less of a strategic exercise, and more of a fundamental assessment of who we are and what we are here to do.

Nothing has been off limits as we have questioned everything that we do and sought answers if or how we should do things differently in the future. Being an Environmental Packaging Awards year made this an obvious choice for a critical look at the awards programme which essentially has followed the same format for the last decade. We sought guidance from the Executive throughout the programme as we worked through the challenges of attracting high quality entries into the programme, and demonstrating to members, stakeholders and policy makers the value that the gala evening presentation ceremony represented for the industry. We also solicited feedback from those same parties after the event, to measure their perception of the success of the programme and gather ideas for future iterations to the awards programme. The feedback wasn't polarised in terms of the value of the awards programme but it wasn't overwhelmingly supportive either. This now presents the Packaging Council with an opportunity to take the successful elements of the awards programme and re-format these into a new awards programme which is fit for the next decade.

Another critically important area which has consumed the Packaging Council during the year has been the packaging product stewardship scheme accreditation process. It had been a goal of the Executive to see our scheme accredited in 2013 and it was a source of particular disappointment that in the end they had to take the decision to withdraw from the application process. Once again though this presents an opportunity to take the successful elements of our scheme and, in consultation with the scheme members, develop an alternative scheme framework which first and foremost provides demonstrable product stewardship for the members and offers the ability to seek accreditation.

Although we have been inwardly focussed this past year we haven't been sole searching alone. The Executive has engaged across the packaging sector seeking out opportunities to better represent the packaging sector as a whole. The President will address the outcome of this work in more detail so I will concentrate on the exciting opportunities this work has brought sharply into focus.

Firstly, the Packaging Council is only as strong as our members. This may seem a rather obvious statement to make about a membership association, but if we take this as less of a statement of fact and more of a statement of intent then we can begin to shape the opportunities.

The Packaging Council membership covers the whole of life of packaging and within that lifecycle encompasses expertise across research and development, technical design, process engineering, logistics, sales, marketing, communications, analytics, merchandising, recyclers, end of life service providers...We are a

dynamic industry! The Packaging Council's role is to promote the diversity of our membership, advocate for the part our members play in creating a sustainable society, and educate our communities so they understand that the richness of choices they enjoy in the food they eat, the beverages they drink, and the goods they buy from down the road, or across the globe, are made possible by a robust packaging industry.

Challenges come at our industry on all fronts not in the least from the environmental impact of packaging and we need to be prepared to answer those challenges with a membership committed to demonstrating that continuous improvement takes many forms and collectively adds up to environmental savings which are noteworthy for the impressive environmental credentials they actually represent, not for how much they go unrecognised in the packaging waste debate.

Undoubtedly the modern world we live in means that communicating the positive benefits of packaging is not a subject for the faint hearted. Packaging touches everybody, everyday, and just about everyone has an opinion about it! But the sheer scale of the packaging supply chain and the complexity of issues, which determine why a package is made one way when it could be made another, is not something which can be simply, or indeed quickly, communicated and that is the challenge for the industry. We must engage across the whole of society, on all levels, with all people so packaging is understood in the context of the benefits it brings to our daily lives.

Advocacy, communications and marketing are the core areas of work we need to excel in if we are to provide value-add to our members. As a small organisation we obviously are never going to be able to provide the wide skill set required, but then we don't have to, we simply have to be outstanding at corralling the collective strength of the membership, and ensure that we develop strong relationships with organisations who complement our own organisation.

Our first steps in this brave new world came in early 2014 when the Packaging Council entered into a sub-let arrangement with Keep New Zealand Beautiful to utilise our office space and offset some of the costs associated with maintaining the Packaging Council office. This has provided a much needed boost for office morale in both organisations and has opened up the potential for synergistic opportunities.

Which brings me to my final words; The coming year will see a refreshed Packaging Council. We have already begun to explore new opportunities with old friends, we have clarity of purpose, a re-engaged team and an exciting work programme.

Lastly, to colleagues and friends who have supported my personal journey as I have managed the organisation throughout the past year, I thank you all for your support and look forward to working with you as the Packaging Council embarks on the challenges ahead.

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

Sharon Humphreys
Acting Executive Director

PACKAGING COUNCIL ACTIVITY – 2013/2014

COMMUNICATIONS

Communications in 2013 were low key compared to previous years as strategic discussion amongst the wider Packaging sector focussed communication inward.

The weekly newsletter has become the main channel for regular updates and engagement with the membership. The feedback which the Packaging Council staff receives on the content of the newsletter demonstrates that we are providing our members with information which is topical, interesting and is relevant to all aspects of our members' businesses.

The Packaging Council facilitated a FSANZ workshop which was hosted by Countdown to give the members the opportunity to hear first-hand about the proposed work FSANZ is investigating around standards related to food contact packaging. This workshop was particularly well attended and received by Packaging Council members and gave both FSANZ and MPI a strong signal that our members are keen to engage in these regulatory processes.

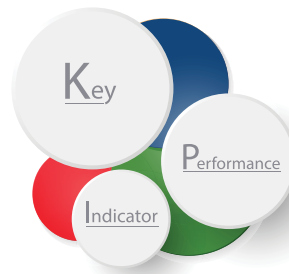
Similarly work has also been escalating in the area of labelling, claims and all of the attendant data sets which provide assurance around declarations and certifications which our members use when exporting their products across the globe. The Packaging Council has been communicating with the relevant experts and regulatory authorities in these areas to ensure that the membership has access to all the information they need to make informed choices when it comes to externally recognised measurement data and 2014 is likely to see more activity in this area.

Member networking sessions did not prove to be as popular as they had in the past. On a positive note solicited feedback basically told us that the membership are far more engaged with us and up to date on the latest information through the newsletter which unfortunately has been at the expense of the networking sessions. However feedback also pointed to a preference for networking sessions to be combined with member's site visits. This is an opportunity which the Packaging Council will be further exploring particularly since the Australian Packaging Institute (AIP) is also keen to provide the same opportunities for their members so there is potential for some collaboration which will expand the scope of potential sites to visit in 2014.

A lack of resources has challenged the use of social media during the year.

PACKAGING PRODUCT STEWARDSHIP SCHEME

In last year's report we advised that an application had been submitted to the Ministry for the Environment (MfE) to accredit the packaging product stewardship scheme. A great deal of work was subsequently undertaken during the year as we worked through the process of accommodating the requirements of MfE in their assessment of our scheme against the requirements of the Waste Minimisation Act. Unfortunately as the process progressed it became obvious that despite the significant



amount of clarification the Packaging Council provided around the KPIs of the packaging product stewardship scheme the KPIs would, nevertheless, not meet the narrowly defined requirements of the Waste Minimisation Act. This left the Board

with no option other than to withdraw the application pending consultation with the current scheme members. Although this was a disappointing outcome it is by no means the end of the road for the packaging product stewardship scheme and work will begin in earnest in 2014 year to re-evaluate the value of the current KPIs and make changes, if deemed necessary, to ensure that the scheme first and foremost adds value to the scheme members proportional to the resources required to collect and report the data.

CODE OF PRACTICE FOR DESIGN, EDUCATION AND PROCUREMENT

Following the overhaul of the Code in 2012 there has not been a need to make any changes to the main body of the Code during the year. However, with the Consumer Law Reform Bill being passed just before Christmas 2013 the Packaging Council has undertaken a revision of the Legal Section of the Code to ensure that members are being provided with the most up-to-date information. This revision of the Code will be released when the legislation takes effect on 17th June, 2014.

A positive consequence of the passing of the Consumer Law Reform Bill has been the recognition this now gives to industry Codes of Practice. Our own Code was often cited during the Select Committee hearings of the Consumer Law Reform process, as an industry code which offers as credible advice to industry without being 'self-serving'. This distinction is likely to carry more weight as the new legislation comes into practice and should prove to be a significant benefit for members of the Packaging Council.



CANZBAC



CANZBAC activities for the year have been limited to maintenance of the CANZBAC website. The Metal Can Forum has been participating in the wider industry sector discussions and future work programmes are largely

dependent on the outcome of those discussions.

REGULATORY AFFAIRS

The Packaging Council appeared before the Local Government and Environment Select Committee in November 2013 to make an oral submission on a petition which had been lodged with Parliament to investigate the feasibility of a NZ wide ban on single use plastic bags and single use plastic bottles. The main point of the Packaging Council submission was that an outright ban was a blunt instrument with the potential for unintended consequences such as driving consumers to purchase alternative products which had a larger environmental footprint than the products they were replacing. The Select Committee subsequently upheld this argument acknowledging that the petition was *“well intentioned but that a ban could have unintended consequences running counter to the intent of the ban”*.

The Packaging Council also submitted on the Environmental Reporting Bill. As a past contributor to policy work undertaken by the Ministry for the Environment the Packaging Council was keen to signal its general support of the Bill but raised a couple of cautionary points related to the role of the Minister for the Environment and limiting reporting data sets.

2013 Environmental Packaging Awards – Fast Forward

September 6th was the Environmental Packaging Awards gala dinner held, once again, at the Hilton Hotel on Auckland’s waterfront. The evening was the culmination of the year-long awards programme. As always there were some outstanding entries into the awards programme which were professionally displayed in the entrance foyer to the Hilton Ballroom. **O-I New**



Zealand took out the 2013 Supreme Award for Environmental Excellence, an accolade which was richly deserved having won both the Officemax Award for Excellence in Product Stewardship Programmes, and the

Award for Employee who has Championed Environmental Issues and Driven Change and being commended in the Countdown Award for Packaging Design with incorporates Sustainability Principles.

However, despite the success of the 2013 Awards Programme we did undertake a survey of the membership and wider stakeholders following the gala dinner to better understand if awards programmes such as the Packaging Council’s Environmental Packaging Awards are still relevant and what sort of opportunities are, or could be, better leveraged from participation. Feedback from this survey



did suggest that we should explore alternatives to the format which has been used in the past decade to ensure ongoing participation.

OUT ‘N’ ABOUT

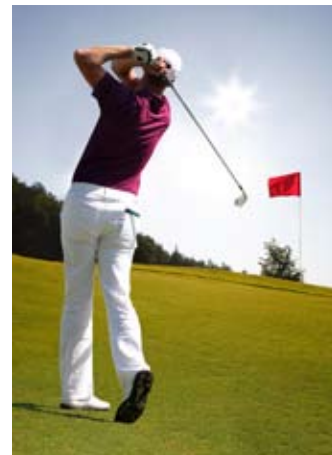
With reduced personnel the Acting Executive Director has maintained a modest schedule of attendance at industry forums which include the Plastic NZ conference, Aerosol Association AGM, WasteMINZ, Scion’s packaging workshop, the formal opening of Flight Plastics rPET plant, Auckland Conversations. Several meetings with MfE also provided opportunity to spend time in Wellington and where possible with our Wellington based members.

AMBROSE GOLF TOURNAMENT



In a major change for our annual golf tournament the venue was moved this year from Muriwai to the Grange Golf Course in Papatoetoe. The single biggest factor in the decision to switch venues was the travel distance to Muriwai. We had become increasingly aware that our golf players could not always spare the time to be out of the office for the whole day. Similarly for the Packaging Council staff, the logistics involved in transporting all the golf paraphernalia meant it was a two-day exercise. Moving to the Grange Golf Course enabled our golfers to only be away from the office for an afternoon and the Packaging Council staff could complete all the behind the scenes work in just one-day.

The weather on the day was not as kind as we have previously enjoyed, nevertheless the entire event was as always the most successful event the Packaging Council undertakes during the year and I can happily report that after the overwhelmingly positive feedback on the venue change, the Grange has been booked for the 2014 event. So mark the 6th November 2014 in your diary!



PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED

2013/2014 ANNUAL GENERAL MEETING

MINUTES OF THE MEETING HELD ON THURSDAY 27 JUNE 2013, 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, the sub-committees and the Packaging Council staff for their support.

Richard focussed on the work which was taking place across New Zealand at local government level and the clear mandate for change which Council's believe they have from their ratepayers. Whilst the shape of the impact was still to be determined it is apparent that there will be a drive towards seeking industry's facilitation of waste minimisation efforts. Richard signalled that the packaging product stewardship scheme would be a key component of the Packaging Council's strategy work to meet the challenges from local government and demonstrate to the community at large the commitment of its members to provide a leadership position in waste minimisation efforts.

In questions raised from the floor Richard confirmed that robust mass balance data would be an essential element of the work of the Packaging Council if we are to quantify where the opportunity for improvements lie and have the credibility to challenge our stakeholders where there is a clear need for supporting strategies.

Sharon Humphreys, Acting Executive Director

Sharon focussed on the work which had taken place to develop the Packaging Council's vision to 2015. In order to fully explain how the overall plan comes together Sharon split the plan into three areas of activity: Business as Usual, Value-Add and Credibility.

Business as Usual covers the daily activities of the Packaging Council providing membership services.

Value Add focusses on PAC.NZ maintaining a strong presence amongst the business community and proactively seeking collaboration opportunities across the packaging industry and its stakeholders

Credibility provides PAC.NZ members with the tools and systems to enable them to measure and report tangible improvements

Sharon also briefly covered the 2012/13 financials in particular pointing out the significant impact of late payment of subscriptions and the effects of the awards programme where the income and expenditure fall over two financial years rather than in one.

8.03AM - COMMENCEMENT OF THE ANNUAL GENERAL

MEETING - FORMAL BUSINESS

2. PRESENT

Alistair Egan	Fuji Xerox
Simon Tree	Integrated packaging
Onur Yilmaz	Huhtamaki NZ
Jonathan Marshall	O-I
Ian Maddaford	Transpacific Industries Group
Murray Parrish	Carter Holt Harvey
Keith Parker	NCI
Bruce Campbell	OfficeMax
Craig Miller	Goodman Fielder
Andreas Haussrer	Ancor
Richard Manaton	Countdown
Adam Weller	Bluebird Foods Limited
Alistair Sayers	Frucor
Richard Hislop	B J Ball
Cathy Lundie	Elldex Packaging
Andrew Gleason	Visy Board NZ
Nic Bishop	Fonterra
John Cato	Ancor
Cheryl Speechley	TetraPak
Lou Sherman	Scion Research
John Matthews	Cospak
Robert Simpson	Packaging House
Spring Humphreys	Lowe Corporation
Peter Philips	Cerebos Greggs
Nabil Askari	Ancor Cartons NZ
Ken Sowman	Plastics New Zealand
John Webber	Glass Packaging Forum
Caroline Beaumont	Coca Cola Amatil
Shane Craig	Punchbowl Packaging

Also in attendance were Sharon Humphreys and Roshni Prasad.

3. APOLOGIES

Were received from:

Barry Helberg	NZ Retailers Association
Penny Garland	O-I
Janice Thein	British American Tobacco

Susan Jones	British American Tobacco
Michael Shatford	NCI
Raj Bhana	Alto
John Albertson	NZ Retailers Association
Michelle Bollinger	Kimberly-Clark New Zealand
Grant Fitzgibbon	Carter Holt Harvey
Brent Devlin	Stratex
David Morkel	3M
Matt Wilson	DB
Windsor Yang	NCI
Brett Keen	B J Ball
John Shiota	Shiseido
Jo-Anna Partridge	Pernod Ricard
David Carter	Lion
Philip Miliona	Antares
Garyth Dalton	Sanitarium
Pierre Van Heerden	Sanitarium
Darren McClenaghan	Sealed Air
Jeremy Warnes	Scion

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

Nic Bishop/Spring Humphreys: **Carried**

PROXIES

3 proxies were received.

4. CONFIRMATION OF MINUTES

Minutes of the Annual General Meeting held on Thursday 28 June 2012 had been circulated.

It was moved: Minutes of the Annual General Meeting held on 28 June 2012 be accepted.

Ian Maddaford/Andreas Haussrer **Carried**

5. ANNUAL REPORT

The 2013 Annual Report of the Council had been circulated.

It was moved: that the 2013 Annual Report be received and adopted.

Andreas Haussrer /Nic Bishop: **Carried**

6. AUDITED ACCOUNTS

The 2012/13 Audited Accounts of the Council for the year ended 31st March 2013 had been circulated.

It was moved: that the 2012/13 Audited Accounts be received and adopted.

Peter Phillips/Bruce Campbell: **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.

John Cato /Alistair Sayers: **Carried**

8. 2013 / 2014 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

Immediate Past President

David Carter, Lion

PACKAGING MANUFACTURERS (Max of 4)

Darren McClenaghan, Sealed Air

John Cato, Amcor

Andrew Gleason, Visy

Murray Parrish, Carter Holt Harvey

PACKAGING USERS AND FILLERS (Max of 4)

Caroline Beaumont, Coca-Cola Amatil

Nic Bishop, Fonterra

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

Ian Maddaford – Transpacific Industries

Harry Burkhardt– Replas

Alistair Egan, Fuji Xerox

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

Cheryl Speechly, Tetra Pak

Bruce Campbell, OfficeMax

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 Mike Jones, Currency Strategist, BNZ.

PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2014

PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED INDEPENDENT AUDITOR'S REPORT

HUDSON • KASPER

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 2014, 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 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 2014 and its financial performance for the year ended on that date.

Hudson Kasper

**Chartered Accountants
Auckland**

Dated: 22 May 2014

PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 \$	2013 \$
Operating revenue	2	583 734	321 995
Operating expenses	3	(388 520)	(444 162)
Operating surplus (deficit) before other income		195 214	(122 167)
Interest income		8 255	8 294
Net surplus (deficit) before taxation		203 469	(113 873)
Taxation expense	4	(1 324)	-
NET SURPLUS (DEFICIT) AFTER TAXATION		202 145	(113 873)

PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED STATEMENT OF MOVEMENTS IN MEMBER'S FUNDS FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 \$	2013 \$
Accumulated funds at start of year		271 577	385 450
Net surplus (deficit) after taxation		202 145	(113 873)
Accumulated funds at end of year		473 722	271 577

PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Note	2014 \$	2013 \$
Current assets			
Cash at bank		508 618	313 941
Accounts receivable		748	3 285
Other current assets		1 956	1 956
Prepayments		-	13 219
Tax refund due	4	121	1 451
Total current assets		511 443	333 852
Non-current assets			
Fixed assets	5	14 546	21 106
Total non-current assets		14 546	21 106
Total assets		525 989	354 958
Current liabilities			
Accounts payable and accruals		25 997	38 116
Income received in advance		4 151	32 828
GST payable		22 119	12 437
Total current liabilities		52 267	83 381
Equity			
Members' accumulated funds		473 722	271 577
Total liabilities and equity		525 989	354 958

For and behalf of the Executive Committee:



Richard Manaton
 President
 Dated: 22 May 2014



Sharon Humphreys
 Acting Executive Director
 Dated: 22 May 2014

PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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.

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.

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 and formerly leased a motor vehicle.

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.

Comparative figures

Where necessary, certain comparative information has been reclassified in order to conform to changes in presentation in the current year.

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

	2014	2013
	\$	\$
Membership fees - Current year	330 371	251 117
Membership fees - Prior years	122 524	21 564
Packaging product stewardship scheme	22 373	12 907
Miscellaneous income	26 438	35 733
Rent Received	1 300	-
CANZBAC	176	674
Awards evenings and sponsorships	80 552	-
	<u>583 734</u>	<u>321 995</u>

3. OPERATING EXPENSES

	2014	2013
	\$	\$
Audit fees	6 150	5 800
Fees paid to the auditor for other services	350	350
Depreciation	6 560	5 855
Rent - premises	28 450	28 450
Wages and salaries	186 971	283 250
Motor vehicle expenses and leases	7 104	13 159
	<u>235 585</u>	<u>336 864</u>

4. TAXATION

	2014	2013
	\$	\$
Income from non-exempt operations	176	674
Interest received	8 255	8 294
Rent received	1 300	-
Expenses claimed	(4 003)	(8 137)
	<u>5 728</u>	<u>831</u>
Exemption allowed	(1 000)	(831)
	<u>4 728</u>	<u>-</u>
Taxable income	4 728	-
Income tax at 28%	1 324	-
Resident withholding tax paid	(1 445)	(1 451)
Taxation payable (refund due)	<u>(121)</u>	<u>(1 451)</u>

5. FIXED ASSETS

		Accumulated	Book
As at 31 March 2014	Cost	Depreciation	Value
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>
As at 31 March 2013			
Furniture and fittings	24 202	(19 563)	4 639
Office equipment	42 254	(38 823)	3 431
Leasehold improvements	11 031	(5 915)	5 116
Website development	10 330	(2 410)	7 920
	<u>87 817</u>	<u>(66 711)</u>	<u>21 106</u>

6. RELATED PARTY TRANSACTIONS

Other than membership fees and related revenues derived from members there were no related party transactions during the year (2013 :nil)

No related party balances have been written off in the period under review (2013: nil).

7. OPERATING LEASE COMMITMENTS

	2014	2013
	\$	\$
Current		
Premises	15 167	26 000
Motor vehicle	-	3 428
Photocopier	3 104	3 104
	<u>18 271</u>	<u>32 532</u>
Non-current		
Premises	-	15 167
Motor vehicle	-	-
Photocopier	1 552	4 656
	<u>1 552</u>	<u>19 823</u>
Total	<u>19 823</u>	<u>52 355</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 2010 with two rights of renewal for a further four years each. The lease has been extended for another four years until 1 November 2014. The monthly rental is \$2,167 plus GST (2013: \$2,167 plus GST).

was for a period of 45 months and commenced on 27 October 2009 and expired on 27 July 2013. The monthly rental was \$857 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.

Motor vehicle

The lease for the motor vehicle (registration number FDG312)

8. CAPITAL COMMITMENTS

The Council had no capital commitments at balance date (2013: nil).

9. CONTINGENT LIABILITIES

As at balance date the Council had no contingent liabilities or assets (2013: nil).

10. SUBSEQUENT EVENTS

There have been no events subsequent to balance date which require disclosure in or adjustment to the financial statements (2013: nil).

MEMBER COMPANIES







For more information on becoming a member of the Packaging Council of New Zealand, please visit our website www.packaging.org.nz or contact us on 09 271 4044 or email pac.nz@packaging.org.nz.