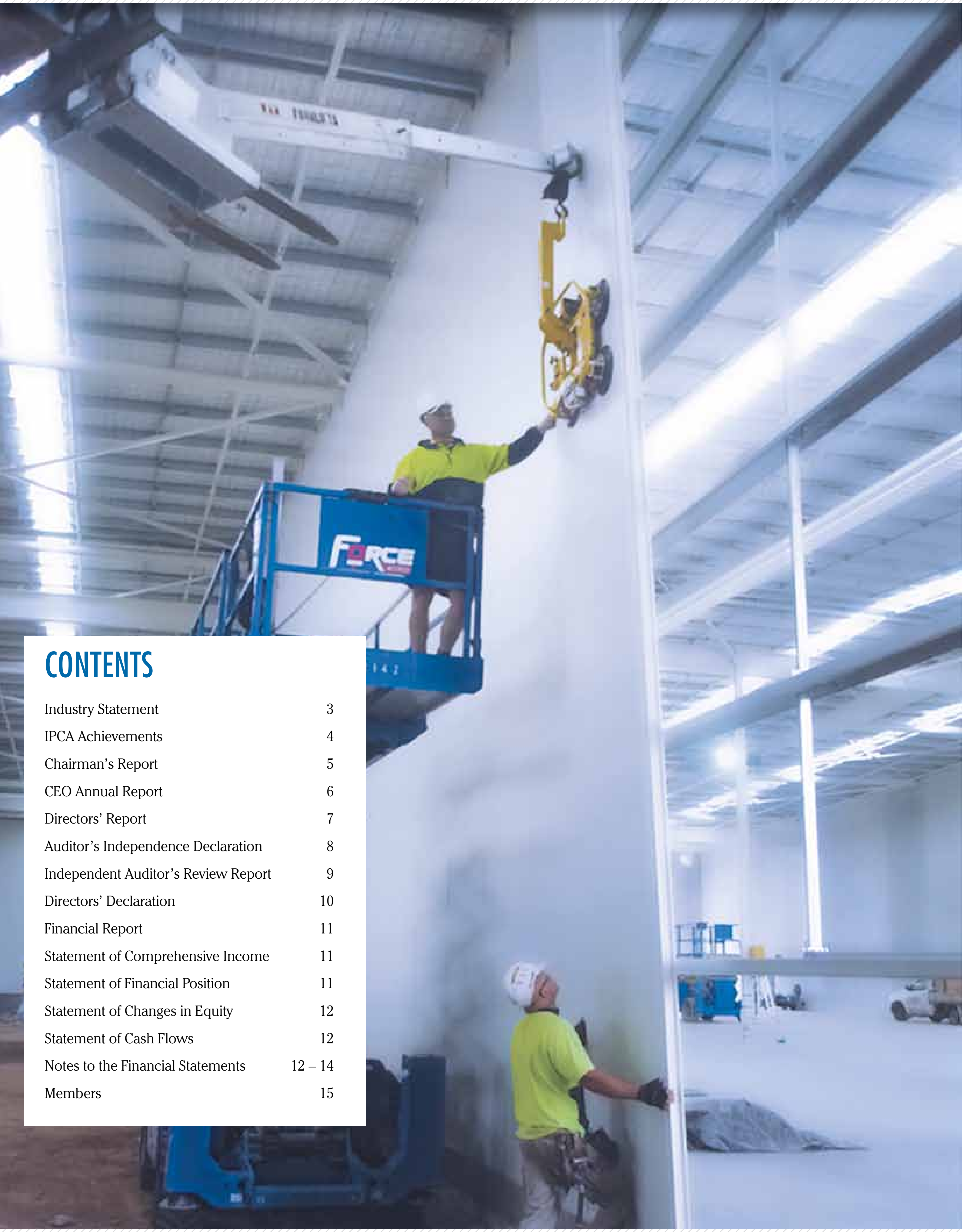
FINANCIAL REPORT 2012

IPCA Ltd.
Insulated Panel Council Australasia Ltd

www.insulatedpanelcouncil.org



CONTENTS

INDUSTRY STATEMENT

The Insulated Panel Council Australasia (IPCA) was established as an industry interest group of the Plastic and Chemical Industry Association in 2004 to promote the many applications of EPS Panel Systems.

The Insulated Panel Council Australasia has operated within the Expanded Polystyrene Australia Inc. and a special interest group of the Plastics and Chemical Industry Association which is the pre-eminent national body representing the plastics, chemicals, adhesives and sealants industries in Australia. Now separately incorporated IPCA represents all Insulated Sandwich Panel (ISP) types.

- The Insulated Panel Council Australasia recognised that the responsible use of EPS Panel Systems in building required the input of all players in the construction process.
- To this end the group has undertaken a range of activities to promote and distribute factual information to decision makers and users across multiple industries to promote responsible use of Insulated Panel.
- The Insulated Panel Council Australasia members demonstrated their commitment to the Industry by member funded research and developed initiatives.
- Research outcomes support that optimum performance of EPS as well as all Panel Systems lies in their correct installation.
- The Insulated Panel Council Australasia Code of Practice for manufacture and installation published are based on trials applying internationally accepted ISO/AS 9705 Room Fire Test Standards independent research and testing.
- EPS Panel can achieve the highest Category applicable under the standard as well as the Building Code of Australia – GROUP 1 BCA 2005 C1.10.
- The Insulated Panel Council Australasia requires of its members a standard of construction in line with the test undertaken by the Group and its Code of Practice, as well as a standard of advertising.

Benefits of Insulated Panels

It is estimated that over the past 50 years, more than 100 million m^2 of EPS Panel has been installed. EPS Panels have been preferred for their many benefits including:

- Economical to use, durable, low maintenance
- Good thermal insulation – energy efficient.
- Neat, tidy and hygienic finish.
- Excellent vapour barrier – low temperature applications.
- Excellent air and dust tightness.
- Easy to design and/or modify buildings.
- High load bearing capacity at low weight.
- Ease and speed of installation.
- Building Regulation Compliant.
- Insurable at acceptable rates.

Australian industry facts

- 5,000 employees.
- 6,000,000 m^2 produced annually.
- 1,000 million m^2 currently installed.
- $2 billion turn over annually.
- Amount growing every year.

IPCA ACHIEVEMENTS

Since IPCA (formerly EPSA) formed itself in to a professional industry group in the area of Building Regulation and fire environment, the following achievements have been attained:

- IPCA is now acknowledged by all of the building regulatory stakeholders (ABCB, AFAC, Standards Australia, Property Council, HIA etc.) as the peak body and spokesperson in the matter of Sandwich Panels.
- IPCA representatives now sit on two Standards Australia Committees.
- Has brought new members to the IPCA Group.
- Now a member of the Australian Fire Protection Association.
- Have produced the Insulated Panel Council Australasia Ltd Code of Practice (the CODE).
- IPCA has successfully argued that any proposal for change to the provisions of the Building Code of Australia in relation to Sandwich Panels was not necessary. The entire industry was saved from further significant costs and imposed regulations as a result.
- Further independent testing was undertaken that has clarified and proven wrong many misconceptions of the fire behaviour of Sandwich Panels.
- Along with the testing, a significant research program was undertaken that has brought to light material that also clarifies the fire performance of Sandwich Panel.
- A research collaboration was formed with the University of New South Wales, AFAC, Arup Engineering, City University of Hong Kong and the University of Science and Technology of China, in developing a research program in relation to a more efficient fire retardant, a forensic analysis of the behaviour of EPS Sandwich Panels and to develop predictive modelling software.
- We now have the Code of Practice being used on Projects across the States and Territories of Australia.
- The CODE is supported by all of the Fire Brigades in Australia and New Zealand and viewed as a prerequisite for approval.
- Due to the great deal of interest, we are in discussions for the CODE to be also adopted in New Zealand. We are also currently discussing the implementation of the CODE with the industry representatives in Papua New Guinea.
- We have made presentations to nearly all of the Fire Brigades around Australia and New Zealand. Numerous presentations have been made, not only the Code of Practice, but also the research findings.
- We have presented the details of the Code of Practice at insurance, building regulatory, fire, food, transport and building conferences around Australia and New Zealand
- The Code of Practice is now up to its third edition.
- We are working with the NSW Fire Brigade in relation to the use of Sandwich Panel for residential buildings and the Code of Practice will include provisions for residential buildings in future editions when this work is completed.
- Submissions were made with PACIA and EPSA to prevent a 5 year phase out of HCBD without a clear alternative having been proven and tested. This submission to Department of Health and Aging and NICNAS is not the end to this issue. More work is required and we are in dialogue with the Department of Sustainability Environment Water Population and Communities.
- In partnership with the Housing Industry of Australia (HIA) we are producing specification for Insulated Sandwich Panel for the Building Code of Australia.
- We are discussing and investigating how the CODE could be applied to Class 6 Buildings and these additions will be included in the next version – Version 4.
- IPCA now represents all of the different types of Insulated Sandwich Panel and the industry, through IPCA, speaks with one united and consistent voice.
- IPCA has developed significant goodwill amongst many regulatory, insurance, fire and building certifying stakeholders by the responsible and collaborative way it has gone about dealing with the issues. This is no small achievement considering the starting position. It now also means that should any changes or issues arise, then these stakeholders know that they will be able to approach and work with our industry in a positive way.
- The Fire Brigades in Australia and New Zealand now have a more considered approach to the use of Sandwich Panel as can be seen by changes in their policies and attitude.
- After a lot of hard work, there are signs that progress is being made with the Insurance Industry in Australia.
- After meetings in Boston and in Australia, initiated by IPCA, and to address a misconception by many, FM Global approval has clarified that they have no automatic negative view towards EPS Sandwich Panel.
- Submissions have been made to the Ministers in two Australian States outlining the positive aspects of all types of Panel. This has prevented a significant possible backlash against the industry.
- Critics are now more circumspect with their criticisms as they are now aware that IPCA has a policy of publicly debating issues based upon verifiable research data.

In short, it is fair to say, that three years ago it was no exaggeration that some parts of the Insulated Panel Industry in Australia were facing possible extinction, due to the perception and lobbying. Due to the work of IPCA and its member companies, whilst there is still much work to be done, this threat has, for now, passed. The misconceptions and negative attitude towards Sandwich Panels and its fire behaviour was very much entrenched and has created a very significant legacy that much progress has been made in overcoming. But the legacy is strong and much more work is still required.

These achievements are evidence of what an industry can do when it works together to ensure the viability and future of its products. Now that the credibility and viability of all types of Sandwich Panel has improved, it now enables the industry to focus on other lesser performing materials to enable snaring a larger part of the Construction Industry.

IPCA LTD PRESIDENT CHAIRMAN'S REPORT AGM ANNUAL REPORT

On behalf of the Board I am delighted to report results for IPCA Ltd for the financial year 2011–2012 IPCA was created to represent the interests of the Insulated Panel Industry in total; that is IPCA represents all Panel types, unencumbered by the interests of other building products. It is an independent voice that represents our interests in the market, with regulators and other industry bodies or lobby groups.

Insulated panel is a truly unique product and well suited to meeting many of the demands and challenges confronting our society today.

IPCA was formed to carry our message forward, promote growth and develop industry standards.

By working collaboratively with Government and Regulators at all three levels we have ensured the industry's products and services are not disadvantaged by regulation in relation to other competing products.

The Board has met seven times throughout the year and the meetings have been held in Brisbane Sydney and Melbourne to accommodate the locations of our operations and to allow for various presentations to take place.

As part of our role in providing research and education into the uses and performance of Insulated Panel we undertook a review of the performance of Panel structures during the Brisbane floods of 2011. The findings were presented at industry seminars in Sydney and Brisbane which gave an opportunity for industry members, customers and interested parties to engage over an issue of mutual interest.

The Code of Practice continues to be a major foundation of our work, it has been well accepted and supported by ABCB in allowing us to present the CODE at their conference and AFAC, who recommended, in their letter of support, that the CODE should apply to all Panel types. These recommendations have been accepted and are now being implemented. Take up of the CODE has been good however we have the desire to see more advantage taken of this initiative to improve Industry Standards demonstrating our willingness to address issues in a voluntary and meaningful manner.

We have enjoyed excellent relations with Plastics New Zealand, EPSA Inc. and PACIA throughout the year and look forward to continuing those relationships into the future.

The Revision of the CODE to include all Panel types has been a significant step forward and we will continue to work on the application of the CODE to other BCA Classes of buildings in the near future.

The support of our sponsors is acknowledged as is their contributions to our work and projects.

Whilst IPCA exists to represent its members we are not a large organisation, we are essentially member driven, so we depend on the active participation of members in project teams, committees and work groups to get our projects successfully completed. There is a lot of work to do; to date this work has been carried by a small number of member organisations. The continued success of IPCA depends on the active participation of its wider member group, essentially you get out of the organisation what you put in, we do not have the funding to employ large groups of consultants or researchers so we need a passionate and active member base if we are to realise the potential our industry offers and protect it against other competing interests.

I would like to thank all those members who have contributed over and above the fees to the organisation over the past decade, this includes travel cost and time to attend meetings and the provision of personnel for various tasks completed. It is what has made us successful in protecting our market and achieving our goals.

Geoff Marsdon, Chairman & President

CEO ANNUAL REPORT

In the first year of operating as IPCA Ltd much has been achieved and the decision to Incorporate independently of EPSA and PACIA has been clearly a good decision.

We have

- Increased our Advocacy and representation on Key Issues
- We have proven Credibility
- Increased and achieved a Greater Visibility
- Improved our Independence.

The Strategic planning that has been completed and the six “Key Projects” that were set up as a result will move our representation into a new and exciting era. We appreciate the increase in membership in all levels and with representation of the panel Industry now 90% plus a reality, this places IPCA in an excellent position to achieve continued growth as we strive to inform the market about our Industry’s excellent products and act as advocates to maintain an environment in which to develop.

Communication to educate the market about the excellent credentials and benefits of our products is a real challenge for us all and some thing we can best achieve together as the sum of us is greater than all our parts.

We are operating in some of the toughest economic times I have seen in my working life and I am convinced now even more of the need whenever possible to communicate a united message. Our industry does have a range of products that can dramatically reduce costs, with improved performance, reduce losses, reduce Energy Consumption and emissions and this message is worthwhile communicating. This is a fantastic unique promotional opportunity to capitalise on together.

I wish to thank the Board Members, Sponsors and members for their continued support as well as Stephanie McNamee for her hard work and professional assistance throughout the year.

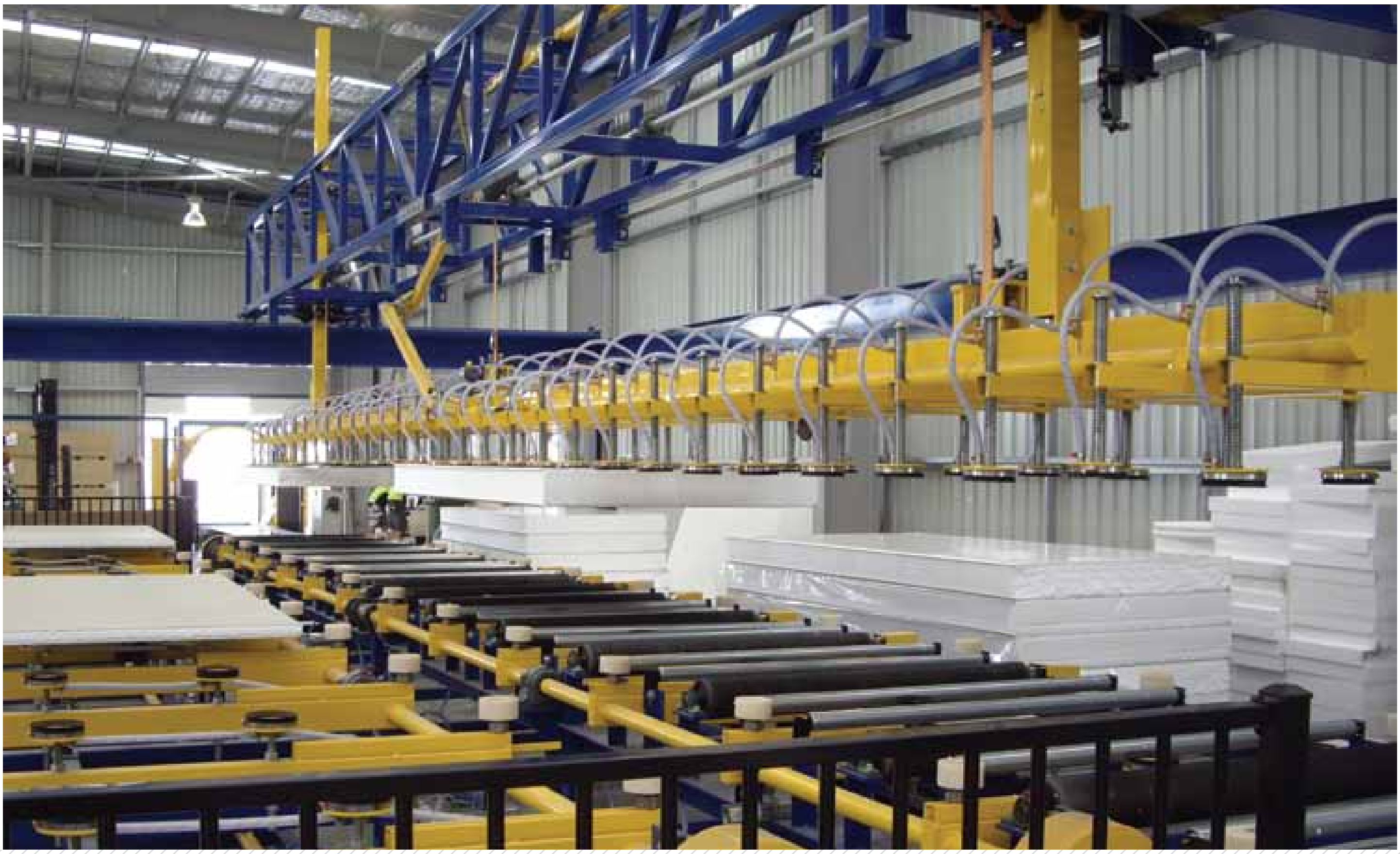
The greatest challenge for us is to reverse the De - Selection of our products due to the current Hard Insurance Market and to show our products can actually reduce losses for the Insurance Industry and our clients for all the natural disaster events, that have taken place over recent years including wind, cyclone or typhoons, earthquake and flood as well as fire. When our products are appropriately installed to our CODE the loss reductions are effective. We are ready to address concerns collaboratively with the Insurance Industry in the same way we did with regulators.

The second challenge is to “stay the course” and not ever believe all issues have gone away. Issues are best addressed together and to that end we need to continue to support and consolidate the organisation as a long term viable association.

We now have a decade of operation behind us with unbelievable opportunities to achieve our goals.

The Code of Practice is the back bone of the promotional and training opportunities for all members and sponsors and can deliver improved market growth and penetration with its continued support.

Ron Lawson, CEO



DIRECTORS' REPORT

Your Directors present their report on the foundation for the period ended 30 June 2012.

Directors

The name of the Directors in office at any time during or since the end of the year are:

Geoffrey William Marsdon (appointed 29 July 2011)
William James Martin Porter (appointed 29 July 2011)
Adam Gerard Shannon (appointed 29 July 2011)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company's secretary

The Company's secretary for the period was William James Martin Porter. He was appointed as the foundation's secretary since 29 July 2011.

Principal activities and objects of the foundation

The principal activity of the Company during the financial year was to undertake comprehensive research and testing of EPS Panel.

In addition, the Company represents all Insulated Sandwich Panel (ISP) types and undertakes a range of activities to promote and distribute factual information to decision makers and users across multiple industries to promote responsible use of Insulated Panel.

Meetings of Directors

	Number eligible to attend	Number attended	Number attended by Proxy
Geoffrey William Marsdon	7	7	Nil
William James Martin Porter	7	4	3
Adam Gerard Shannon	7	5	2

Result

The profit of the entity for the period amounted to $39,604 (2011 – Nil).

Review of operations

Having taken the bold step of incorporating IPCA in its own right the opportunities have resulted are significant and the council is in a strong position to achieve exciting results in improving the acceptability of all products and market growth. With continued support of the code of practice being a key factor in achieving this in the immediate future.

Growth in membership resulting in an increase in the level of representation to 90% plus indisputably establishes the council as the representative voice for the industry.

Planned projects have been completed or commenced and have only been constrained by limited financial resources. The financial position had been underpinned by over and above contributions of the founder members. Strategic planning meetings were held recently by the board and executive to address both required projects and a way to deliver these with improved financial stability. Expenses this year have been kept under budget in line with actual cash flow.

State of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Events subsequent to balance date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the foundation, the results of those operations, or the state of affairs of the foundation in future financial years.

Likely developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the foundation.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a State or Territory.

Indemnification and insurance of directors and officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

Proceedings on Behalf of the Foundation

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the period.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

Signed in accordance with a resolution of the Board of Directors:

G W Marsdon

Director

W J M Porter

Director

Date: 13.9.12

HLB Mann Judd

Accountants | Business and Financial Advisers

Insulated Panel Council Australasia Ltd
ABN 78 152 384 659

Auditor's Independence Declaration under s.307C of the *Corporations Act 2001* to the Directors of Insulated Panel Council Australasia Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

(i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

CJM KING
Partner

Date: 24 September 2012
Brisbane, Queensland

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HLB Mann Judd

Accountants | Business and Financial Advisers

INSULATED PANEL COUNCIL AUSTRALASIA LTD
ABN 78 152 384 659
Independent Auditor's Review Report
To the members of Insulated Panel Council Australasia Ltd

I have reviewed the accompanying financial report of Insulated Panel Council Australasia Ltd, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express a conclusion on the financial report based on my review. I conducted my review in accordance with Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report - Company Limited by Guarantee, in order to state whether, on the basis of the procedures described, I have become aware of any matter that makes me believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 30 June 2012 and its performance for the year ended on that date; and complying with the Australian Accounting Standards and Corporations Regulations 2001. ASRE 2415 requires that I comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Independence

In conducting my review, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Insulated Panel Council Australasia Ltd, would be in the same terms if given to the Directors as at the time of this auditor's review report.

Conclusion

Based on my review, which is not an audit, I have not become aware of any matter that makes me believe that the financial report of Insulated Panel Council Australasia Ltd is not in accordance with the Corporations Act 2001 including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and Corporations Regulations 2001.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

CJM KING
Partner
Date: 24 September 2012
Brisbane, Queensland

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DIRECTORS' DECLARATION

For the period ended 30 June 2012

The Directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the Company declare that:

The financial statements and notes, as set out on pages 7 to 16 are in accordance with the *Corporations Act 2001* and:

comply with Accounting Standards as described in Note 1 to the financial statements and the *Corporations Regulations 2001*; and

give a true and fair view of the foundation's financial position as at 30 June 2012 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Director

Date: 13.9.12

FINANCIAL REPORT

	Note	2012 $	2011 $
STATEMENT OF COMPREHENSIVE INCOME			
Revenue	2	471,736	-
Administration expenses		240,157	-
Promotional expenses		15,649	-
Travel and accomodation expenses		49,727	-
Special projects		50,658	-
Other operating expenses		75,941	-
Profit for the period		39,604	-
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		**39,604**	-
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Current assets			
Cash and cash equivalents	3	26,281	-
Trade and other receivables	4	142,940	-
Other current assets	5	4,400	-
Total current assets		173,621	-
Total assets		173,621	-
LIABILITIES			
Current liabilities			
Trade and other payables	6	101,922	
Total current liabilities		101,922	-
Total liabilities		101,922	-
Net assets		**71,699**	-
EQUITY			
Retained surplus	7	71,699	-
TOTAL EQUITY		**71,699**	-

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Retained Surplus $	Total $
Balance at 1 July 2011	-	-
Profit for the period	39,604	39,604
Other comprehensive income	-	-
Total comprehensive income for the period	39,604	39,604
Transactions with owners in their capacity as owners		
Contributions of equity, net of transaction costs	32,095	32,095
	32,095	32,095
Balance at 30 June 2012	71,699	71,699

STATEMENT OF CASH FLOWS

	Note	2012 $	2011 $
Cash flows from operating activities			
Receipts from customers		324,264	-
Payments to suppliers & employees		(330,210)	-
Interest received		132	-
Net cash provided by/(used in) operating activities	8	(5,814)	-
Cash flows from financing activities			
Proceeds from member contributions		32,095	-
Net cash provided by/(used in) investing activities		32,095	-
Net increase/(decrease) in cash held		26,281	-
Cash at beginning of year		-	-
Cash at end of year	3	26,281	-

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Insulated Panel Council Australasia Ltd.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the *Corporations Act 2001* requirements to prepare and distribute a financial report to the members and must not be used for any other purpose.

The financial report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and other mandatory professional requirements in Australia. It contains only those disclosures considered necessary by the directors to meet the needs of the members.

Comparatives

As this is the first year of operations for the company, there are no comparatives available.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(a) Income Tax

The Company is exempt from income tax under the *Income Tax Assessment Act 1997*.

(b) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(c) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for doubtful debts) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in

NOTES TO THE FINANCIAL STATEMENTS continued

a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(d) Revenue

Revenue is recognised to the extent that it is probable that the respective economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Member fees

The Company's membership subscription year is 1 July to 30 June. Fees are payable annually in advance. Only those member fee receipts which are attributable to the current financial year are recognised as revenue.

Fee receipts relating to periods beyond the current financial year are shown, excluding any applicable taxes, in the Statement of Financial Position as fees in advance under the heading 'current liabilities'.

(ii) Other revenue-generating activities

The Company undertakes certain activities which are accounted for on a work-in-progress basis, training and development courses, quality reviews, conferences and activities. The Company's policy of accrual accounting with respect to the recognition of revenue and expenses on such activities is as follows:

- For activities which are completed on or before balance date, any surplus or deficit is incorporated into the year's results;
- For activities which take place wholly after the end of the financial year, any revenue received and expense incurred on such activities prior to balance date are deferred and carried forward in the Statement of Financial Position within fees in advance and prepayments respectively
- For activities which span the balance date, a proportion of the final projected net surplus is recognised in the financial year on the percentage of completion basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(e) Investments and other financial assets

Classification

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 4).

Financial assets – classification

The Company may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Company may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(i) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Impairment testing of trade receivables is described in note 1(c).

(f) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) New Accounting Standards and Interpretations

In the period ended 30 June 2012, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Company's accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the period ended 30 June 2012. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to the Company's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS continued

	2012 $	2011 $
Note 2: Revenue		
Operating activities		
- Code compliance	15,641	-
- Interest received	132	-
- Membership fees	419,263	-
- Other revenue	36,700	-
Total revenue	**471,736**	**-**
Note 3: Cash and cash equivalents		
Cash at bank	**26,281**	**-**
Note 4: Trade and other receivables		
CURRENT		
Trade receivables	148,940	-
Less: Provision for doubtful debts	(6,000)	-
	142,940	**-**
Note 5: Other current assets		
Security deposits	4,400	-
Note 6: Creditors		
Trade payables	96,220	-
GST payables	5,702	-
	101,922	**-**

Note 7: Share capital
The company is limited by guarantee and therefore has no share capital. If the Company is wound up, the Articles of Association state that each director is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the Company. At 30 June 2012, the number of directors was 3.

	2012 $	2011 $
Note 8: Reconciliation of profit after income tax to net cash inflow from operating activities		
Profit for the period	39,604	-
Changes in operating assets and liabilities		
- (Increase)/decrease in trade and other receivables	(142,939)	-
- (Increase)/decrease in other operating assets	(4,400)	-
- Increase/(decrease) in trade and other payables	101,921	-
Cash flows from operations	(5,814)	**-**

Note 9: Company Details
The registered office of the Company is:
Level 15, 66 Eagle Street, Brisbane, QLD, 4000
The principal place of business is:
Level 15, 66 Eagle Street, Brisbane, QLD, 4000

MEMBERS

MANUFACTURING

ASSOCIATE MEMBERS

SPONSORS

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Insulated Panel Council
Australasia Ltd

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