PERSONAL INJURY EDUCATION FOUNDATION LIMITED

ACN 118 018 992

ANNUAL FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

PERSONAL INJURY EDUCATION FOUNDATION LIMITED

CONTENTS TO THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

PERSONAL INJURY EDUCATION FOUNDATION LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2012

The directors present their report together with the financial report of the Personal Injury Education Foundation Limited (the Foundation) for the financial year ended 30 June 2012, and the auditor's report thereon.

1. Directors

The directors of the Foundation at any time during or since the end of the financial year are:

Name	Appointment Date	Resignation Date
Chris Latham (Chair)	2 May 2011	
David Krawitz	14 June 2006	
Jon Winsbury	18 August 2006	
Jason Hammond	12 July 2007	
Denise Cosgrove	28 August 2008	
Andrew Fronsko	25 June 2009	
Sharon Stratford	6 August 2009	
Anthony Fleetwood	19 March 2010	
Michelle Reynolds	19 October 2010	
Lesley Morrison	18 November 2010	
Andrew Nicholls	18 January 2011	
Grant Speight	10 June 2011	
Diego Ascani	10 June 2011	
Ben Bessell	25 November 2011	
Geniere Aplin	8 June 2012	
Paul Smeaton	8 June 2012	
Bruce Crossett	8 August 2012	
Steve Marshall	11 December 2006	8 August 2011
Craig Olsen	4 December 2008	2 August 2011
Mary Hawkins	17 September 2010	29 November 2011
Chris McHugh	7 June 2010	11 January 2012
Gary Jeffery	21 May 2010	4 April 2012
Wayne Potter	26 March 2007	20 June 2012
Greg Tweedly	24 January 2006	6 July 2012
Robert Thomson	8 August 2012	19 September 2012

2. Company Secretary

Mr. Nathan Clarke was appointed to the position of company secretary on 24 January 2006.

3. Objective and Strategies

The Foundation was incorporated on 24 January 2006. Its objective is to create leading education programs, initiatives and events focused on the needs of those working in the accident compensation industry.

The 2011-15 Strategic Plan approved by the Board sets out the following strategies to achieve the Foundation's objectives:

- Undertake a comprehensive review of the Foundation's postgraduate program, including structure, design and delivery to help ensure greater participation and sustainability.
- Develop a national version of the vocational qualifications in personal injury management.
- Review the feasibility and desirability of becoming a Registered Training Organisation.
- Develop, expand and promote the Foundation's membership and certification programs with the aim of developing a strong alumni network of personal injury management professionals.
- Develop, expand and promote the Foundation's:
  - Excellence in Personal Injury Management Awards
  - Personal Injury Management Conference and seminar series across Australia and New Zealand.
- Develop and expand the Foundation's online systems to allow wider participation in the Foundation's programs, initiatives and events and engagement between fellow professionals in the industry.
- Promote the benefits relating to:
  - program membership
  - working in the personal injury management profession.
- Become the sole license holder (from 2012) for the International Disability Management Certification programs in both Australia and New Zealand, continue to take an Australasian approach to the development of these programs.
- Expand the Foundation's Return to Work Management Training Program, and ensure that it continues to reflect the training needs of return to work professionals across Australia.
- Continue to work with international centres of excellence to provide further opportunities for collaboration and learning, with the feasibility of providing scholarships to be reviewed.

3. Objective and Strategies (continued)

The Board has endorsed a suite of key performance indicators to measure its performance under the Strategic Plan, including:

- Participants' satisfaction with the Foundation's education programs, initiatives and events.
- Number of enrolments in the Foundation's postgraduate programs.
- Number of applications for the Foundation's Certified Disability Management Professional (CDMP), Certified Return to Work Coordinator (CRTWC) and Certified Personal Injury Professional (CPIP) designations.

4. Principal Activity

Over the 2011/12 financial year, the Foundation's principal activity was the continual development and implementation of education programs designed for the personal injury management sector.

During the financial year, the Foundation also:

- Introduced Stage 1 of the new structure of the Personal Injury postgraduate program.
- Introduced the *Certificate IV in Personal injury Management (Return to Work)* qualification (which was previously known as the Return to Work Management Training Program).
- Introduced a new online learning management system called *Learning @ PIEF*.
- Started the development of a national version of the *Certificate IV in Personal Injury Management (Claims Management)*, which will be delivered from July 2012.
- Completed a comprehensive analysis of the benefits and risks of PIEF becoming a Registered Training Organisation.
- Continued working with the Accident Compensation Corporation of New Zealand (ACCNZ) to develop an Australasian approach to the international disability management certification programs.
- Held the Australian version of the Certified Disability Management Professional (CDMP) and the Certified Return to Work Coordinator (CRTWC) examinations in Melbourne and Sydney.
- Held its bi-annual seminar series, with events in Alice Springs, Melbourne, Sydney and Brisbane.
- Continued to deliver the Foundation's online training program called *Understanding Accident Compensation in Australia and New Zealand.*

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

4. Principal Activity (continued)

- Invited staff from member organisations to undertake a short online survey to gauge their current level of satisfaction with working in the personal injury industry. Overall 1,853 staff from across the Australian and New Zealand personal injury industry completed the survey.
- Launched the 2012 Personal Injury Management Conference and Excellence in Personal Injury Management Awards in Brisbane to approximately 60 industry stakeholders.

5. Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Foundation during the financial year.

6. Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Foundation, to affect significantly the operations of the Foundation, the results of these operations, or the state of affairs of the Foundation, in future financial years.

7. Likely Developments

There are no likely developments or foreshadowed developments that have not otherwise been disclosed in this report.

8. Environmental Regulation

The Foundation's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the directors believe that the Foundation has adequate systems in place for the management of its environmental requirements and are not aware of any breach of those environmental requirements as they apply to the Foundation.

9. Indemnification and Insurance of Directors and Officers

Indemnification

The Foundation has agreed to indemnify the current and former directors and officers of the Foundation, against all liabilities to another person (other than the Foundation) that may arise from their position as directors or officers, except where the liability arises out of conduct involving a lack of good faith.

Insurance premiums

Since the end of the previous financial year, the Foundation has paid insurance premiums of $3,819 (2011: $5,012) in respect of professional indemnity, directors' and officers' liability and legal expenses' insurance contracts, for current and former directors and officers. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

10. Information on Directors

The qualification, experience and special responsibilities of the Foundation's directors at 30 June 2012 are as follows:

Name	**Qualification and Experience**	**Special Responsibilities**
Chris Latham (Chair)	Chris is a qualified actuary who specialises in advice to accident compensation schemes. He is a Partner at PricewaterhouseCoopers (PwC) Australia and is a member of the board of the Institute for Safety, Compensation and Recovery Research. Chris holds a degree in Actuarial Science.	• Chairman • Member of Executive Sub-committee

10. Information on Directors (Continued)

David Krawitz	David is the Chief General Manager, Workers Compensation at Allianz Australia. He holds a Master of Business Administration and a Bachelor of Arts (Psychology) degree.	• Member of Strategy Execution Sub-committee • Member of the Education & Certification Sub-Committee
Jon Winsbury	Jon is the Managing Director at Gallagher Bassett Services. He holds a Bachelor of Business.	• Member of Strategy Execution Sub-committee
Jason Hammond	Jason is the National Manager, Workers Compensation at QBE Australia. He holds a Bachelor of Business (Accounting) degree and is an Australian CPA.	• Member of Strategy Execution Sub-committee
Denise Cosgrove	Denise is the General Manager, Claims Management at Accident Compensation Corporation of NZ. She holds a Bachelor of Arts (French) degree and a Post Graduate Diploma in Human Resource Management.	• Member of Strategy Execution Sub-committee
Andrew Fronsko	Andrew is the Head, Business Risk and Intelligence at Transport Accident Commission (TAC). He holds a Master of Business Administration and a Doctorate degree in insurance.	• Member of Strategy Execution Sub-committee • Member of Executive Sub-committee • Member of Education and Certification Sub-committee
Sharon Stratford	Sharon is the General Manager, Customer Services at WorkCover Queensland. She holds a Bachelor of Physiotherapy degree, a Graduate Diploma in Business Systems and a Graduate Certificate in Management.	• Member of Strategy Execution Sub-committee • Member of Events Sub-committee

10. Information on Directors (Continued)

Anthony Fleetwood	Anthony is the Chief Operations Officer at Employers Mutual Limited. He holds a Bachelor of Commerce (Accounting) degree and is a member of the Institute of Chartered Accountants in Australia.	• Member of Education and Certification Sub-committee • Member of Executive Sub-committee
Michelle Reynolds	Michelle is the Chief Executive Officer at WorkCover WA. She holds a Bachelor of Arts and a Master of Business Administration.	• None
Lesley Morrison	Lesley is the General Manager, Recovery and Support at Comcare. She has a Master of Business Administration and holds a Bachelor of Social Studies.	• Member of Education and Certification Sub-committee
Andrew Nicholls	Andrew is the Acting General Manager of the NSW Motor Accidents Authority. He holds an Executive Master of Public Administration program, an Honours degree in political science and a Master's degree in public management.	• Member of Strategy Execution Sub-committee
Grant Speight	Grant is the Manager, Human Resources at the Insurance Commission of Western Australia. He holds a Masters of Human Resource Management, is a Fellow of the Australian Human Resources Institute and an Associate Fellow of the Australian Institute of Management.	• Member of Education and Certification Sub-committee
Diego Ascani	Diego is the Head of Workers Compensation at Xchanging Australia. He holds a Bachelor of Commerce, Bachelor of Law and a Master of Business Administration. He is also an Associate of the Insurance Institute of South Africa.	• Member of Education and Certification Sub-committee

10. Information on Directors (Continued)

Ben Bessell	Ben is the General Manager of Workers Compensation at CGU. He is an ANZIIF member and is an Alumni of the London Business School.	• None
Geniere Aplin	Geniere is the General Manager, Workers Compensation Insurnace for the WorkCover Authority NSW. She holds a Masters of Business Administration from the Australian Graduate School of Management, University of NSW and a Bachelor of Laws, Queensland University of Technology.	• Member of Executive Sub-committee
Paul Smeaton	Paul is the Executive General Manager, Statutory Claims, Suncorp. He has a Bachelor's Degree majoring in Management and a Directors Course Diploma from the Australian Institute of Company Directors.	• Member of the Events Sub-committee
Wayne Potter (resigned on 20 June 2012)	Wayne is the Executive Director, RTW Directorate at WorkCover Corporation of South Australia. He holds Bachelor of Arts degrees in psychology and social work, and a Graduate Diploma in OHS.	• Member of Strategy Execution Sub-committee • Member of Executive Sub-committee
Greg Tweedly (resigned on 6 July 2012)	Greg is the Chief Executive at WorkSafe Victoria. He holds a Bachelor of Commerce degree.	• Member of Executive Sub-committee

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

11. Meetings of Directors

The numbers of meetings of the Foundation's directors held during the financial year, and the numbers of meetings attended by each director are as follows:

Name	Number of Board Meetings Held	Number of Board Meetings Attended
Chris Latham (Chair)	2	2
David Krawitz	2	1
Jon Winsbury	2	1
Jason Hammond	2	2
Denise Cosgrove	2	1
Andrew Fronsko	2	2
Sharon Stratford	2	2
Anthony Fleetwood	2	2
Michelle Reynolds	2	1
Lesley Morrison	2	0
Andrew Nicholls	2	2
Grant Speight	2	2
Diego Ascani	2	2
Ben Bessell	2	2
Geniere Aplin	1	1
Paul Smeaton	1	1
Steve Marshall	0	0
Craig Olsen	0	0
Mary Hawkins	1	1
Chris McHugh	1	1
Gary Jeffery	1	1
Wayne Potter	2	2
Greg Tweedly	2	2

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

12. Winding-up of the Foundation

If the Foundation is wound up each Ordinary Member undertakes to contribute an amount not exceeding $25,000 to the Foundation for the:

- payment of debts and liabilities of the Foundation and payment of costs, charges and expenses of winding up; and
- adjustment of the rights of the contributories amongst themselves.

As the Foundation had 22 Ordinary Members as at 30 June 2012, the total amount that they are liable to contribute if the Foundation is wound up is $550,000.

13. Non-audit Services

The Foundation's auditor, RSM Bird Cameron, have performed pro-bono services in addition to their audit duties during the financial year.

14. Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 31 and forms part of the directors' report for the financial year ended 30 June 2012.

This report is made with a resolution of the directors:

Chris Latham
Chair
Dated at Melbourne this 15th day October 2012

PERSONAL INJURY EDUCATION FOUNDATION LIMITED

COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 $	2011 $
Revenue			
Membership revenue		667,950	588,955
Conference registrations and sponsorships		108,571	402,010
Education and training		303,041	117,149
Examination and certification revenue		13,809	7,158
Interest income from bank deposits		26,461	21,511
		1,119,832	**1,136,783**
Expenses			
Administrative support services		762,109	582,423
Travel expenses		21,282	50,668
Professional services		166,561	78,196
Conference expenses		50,978	268,590
Marketing and communication		-	9,516
Other expenses	7	41,906	27,966
		1,042,836	**1,017,359**
Net result for the year		**76,996**	**119,424**
Other comprehensive income		-	-
Total comprehensive income for the year		**76,996**	**119,424**

The comprehensive income statement is to be read in conjunction with the notes to the financial statements set out on pages 17 to 27.

PERSONAL INJURY EDUCATION FOUNDATION LIMITED

BALANCE SHEET
AS AT 30 JUNE 2012

	Notes	2012 $	2011 $
Current Assets			
Cash and cash equivalents	8	394,057	311,535
Receivables	9	51,597	66,584
Prepayments		-	7,500
		445,654	**385,619**
Non-current Assets			
Equipment	10	1,906	3,177
Intangibles	11	13,333	20,000
		15,239	**23,177**
TOTAL ASSETS		**460,893**	**408,796**
Current Liabilities			
Accruals	12	258,372	228,668
Unearned revenue	13	-	54,603
		258,372	**283,271**
Non-current Liabilities		**-**	**-**
TOTAL LIABILITIES		**258,372**	**283,271**
NET ASSETS		**202,521**	**125,525**
Equity			
Accumulated funds		202,521	125,525
TOTAL EQUITY		**202,521**	**125,525**

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 17 to 27.

PERSONAL INJURY EDUCATION FOUNDATION LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	2012 $	2011 $
Balance at beginning of the year	125,525	6,101
Total comprehensive income for the year	76,996	119,424
Balance at end of the year	**202,521**	**125,525**

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 17 to 27.

PERSONAL INJURY EDUCATION FOUNDATION LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 $	2011 $
Cash flows from operating activities			
Membership fees received		739,495	648,642
Sponsorship fees received		31,646	195,890
Conference fees received		70,958	359,733
Education and training fees received		293,252	45,180
Other income received		14,940	8,941
Funding contributions received from founding members		-	66,000
Payments to suppliers		(1,057,306)	(1,107,834)
Interest received		26,461	21,560
Goods and services tax (paid)		(16,924)	(7,935)
Net cash from operating activities	**8**	**102,522**	**230,176**
Cash flows from investing activities			
Purchase of fixed asset		-	(3,812)
Purchase of intangibles		(20,000)	-
Net cash used in investing activities		**(20,000)**	**(3,812)**
Cash flows from financing activities		**-**	**-**
Net increase in cash and cash equivalents held		82,522	226,364
Cash and cash equivalents at beginning of the year		311,535	85,171
Cash and cash equivalents at end of the year	**8**	**394,057**	**311,535**

The cash flow statement is to be read in conjunction with the notes to the financial statements set out on pages 17 to 27.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1. Reporting Entity

The Personal Injury Education Foundation Limited (the Foundation) was established on 24 January 2006 by the Victorian WorkCover Authority (WorkSafe Victoria) and the Transport Accident Commission (TAC) to develop and implement postgraduate qualifications in personal injury. The WorkCover Authority of New South Wales (WorkCover NSW) and the WorkCover Corporation of South Australia (WorkCover SA) joined this initiative in January 2006 and March 2006 respectively.

The Foundation is a separate legal entity and registered as a public company limited by guarantee under the *Corporations Act 2001*. It is domiciled in Australia and its registered office is Ground Floor, 222 Exhibition Street, Melbourne, Victoria 3000.

The Foundation does not directly employ staff and consequently no provisions for employee benefits are held, such as annual and long service leaves.

2. Basis of Preparation

(a) Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (AAS), which include Interpretations issued by the Australian Accounting Standards Board (AASB), and the *Corporations Act 2001*.

The financial statements were approved by the directors and authorised for issue on 15 October 2012.

(b) Australian Accounting Standards Issued but not yet Effective

The AASB has issued the following amendments to Australian Accounting Standards, which are applicable to the Foundation with effect from 1 January 2013:

AASB	Title
9	Financial Instruments
13	Fair Value Measurement
119	Employee Benefits
2009-11	Amendments to Australian Accounting Standards arising from AASB 9

2. Basis of Preparation (continued)

(b) Australian Accounting Standards Issued but not yet Effective (continued)

AASB	Title
2010-7	Amendments to Australian Accounting Standards arising from AASB 9
2011-8	Amendments to Australian Accounting Standards arising from AASB 13
2011-10	Amendments to Australian Accounting Standards arising from AASB 119

These amendments are not effective for the annual reporting period ended 30 June 2012 and have not been applied in preparing the Foundation's financial statements. Details of the impact of adopting AASB 9, AASB 2009-11 and AASB 2010-7 have not yet been assessed. The other new or revised standards are not expected to have a significant impact on the Foundation's financial statements. The Foundation will apply these standards for the annual reporting periods beginning on or after the operative dates set out above.

(c) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for equipments and financial instruments at fair value through comprehensive operating statement which are measured at fair value.

(d) Use of Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Foundation's functional currency.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Foundation.

(a) Revenue

Membership revenue

Members are required to pay annual membership fees, covering the period from 1 July to 30 June of each financial year. Revenue from membership fees is recognised over the annual membership period, membership fees relating to periods subsequent to reporting date are included in liabilities as unearned revenue.

Conference registrations and sponsorships

Registration and sponsorships received from conferences are recognised on an accruals basis.

Education and training

Education and training received in relation to programs are recognised on an accruals basis.

(b) Funding Contributions

Any deficiency in revenue received less expenditure incurred for the Foundation is funded equally by WorkSafe Victoria, TAC, WorkCover NSW and WorkCover SA.

(c) Administrative Support Services

All administrative support services for the Foundation are provided by WorkSafe Victoria. An administrative support service fee is charged by WorkSafe Victoria to the Foundation on a quarterly basis as recompense for the services performed.

(d) Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise receivables, cash and cash equivalents, and payables. Cash and cash equivalents comprise cash balances and call deposits.

These non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through comprehensive operating statement, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are described below.

3. Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(e) Taxation

The Foundation is endorsed as a charitable entity under sub-division 50-B of the *Income Tax Assessment Act 1997*.

(f) Equipment

Equipment is measured initially at cost and subsequently at fair value. Fair value is determined by reference to the asset's depreciated cost, less impairment.

Depreciation is provided on a straight-line basis to write-off the assets over their estimated useful lives to the Foundation. The useful life of the Foundation's equipment is 3 years (2011: 3 years).

The estimated useful lives and depreciation methods are reviewed at the end of each annual reporting period.

(g) Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance, and are recognised at cost. Costs incurred subsequent to initial recognition are capitalised when it is expected that additional future economic benefits will flow to the Foundation.

Amortisation is allocated to intangible assets with finite useful lives on a systematic basis over the asset's useful life. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at least at each year end. In addition an assessment is made at each reporting date to determine whether there are indicators that the intangible assets concerned are impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

The useful life of the Foundation's intangible assets is 3 years (2011: 3 years).

3. Significant Accounting Policies (continued)

(h) Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the comprehensive income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(i) Finance Income

Finance income comprises interest income on funds invested. Interest income is recognised on an accrual basis using the effective interest method.

(j) Employee Benefits

The Foundation does not directly employ staff and consequently no provisions for employee benefits are held, such as annual or long service leave.

(k) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

3. Significant Accounting Policies (continued)

(k) Goods and Services Tax (continued)

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Tax Office (ATO) is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(l) Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual sources and are disclosed at their nominal value, inclusive of GST.

4. Determination of Fair Values

A number of the Foundation's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Receivables
The fair value of receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Non-derivative financial liabilities
The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5. Financial Risk Management

The Foundation has exposure to credit, liquidity and market risks arising from the use of financial instruments. This note provides information about the Foundation's exposure to each of the above risks, their objectives, and policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

5. Financial Risk Management (continued)

The Board has overall responsibility for the establishment and oversight of the risk management framework.

(a) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Foundation, and arises principally from the Foundation’s receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(b) Liquidity Risk

Liquidity risk arises from the Foundation being unable to meet its financial obligations as they fall due.

The Foundation manages liquidity risk by maintaining adequate cash balances by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. In addition, the Foundation's ongoing financial obligations and liabilities are met by WorkSafe Victoria, TAC, WorkCover NSW and WorkCover SA.

(c) Market Risk

Market risk is the risk that changes in market prices such as interest rates will affect the Foundation’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk through its holding of cash and cash equivalents.

The Foundation manages interest rate risk by ensuring cash balances are not excessive to its operating requirements.

6 Remuneration of Auditors

	2012 $	2011 $
Audit of the Foundation's financial report - auditor of the Foundation	**15,000**	**15,000**

7 Other Expenses

	2012	2011
General insurance	3,819	5,012
Meeting expenses	1,536	1,196
Printing	9,841	2,339
Depreciation on equipment	1,271	635
Amortisation on intangibles	6,667	3,964
Write-down of intangibles	-	6,275
Other expenses	18,772	8,545
	41,906	**27,966**

8 Cash and Cash Equivalents

	2012	2011
Bank deposits held at call	**394,057**	**311,535**

Reconciliation of net result to net cash from operating activities

	2012	2011
Net result for the year	76,996	119,424
Depreciation on equipment	1,271	635
Amortisation on intangibles	6,667	3,964
Write-down of intangibles	-	6,275
Movements in assets and liabilities:		
Decrease in receivables	14,987	40,878
Decrease (increase) in prepayments	7,500	(7,500)
Increase in accruals	49,704	11,897
(Decrease) increase in unearned revenue	(54,603)	54,603
Total adjustments	25,526	110,752
Net cash from operating activities	**102,522**	**230,176**

9 Receivables

	2012	2011
Sundry debtors	38,390	57,807
Net GST receivable	13,207	8,777
	51,597	**66,584**

PERSONAL INJURY EDUCATION FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

10 Equipment	2012 $	2011 $
Computer equipment	3,812	3,812
Accumulated depreciation	(1,906)	(635)
Balance at end of the year, at fair value	**1,906**	**3,177**
Movements in carrying amounts		
Balance at beginning of the year	3,177	-
Addition	-	3,812
Depreciation	(1,271)	(635)
Balance at end of the year	**1,906**	**3,177**

11 Intangibles

Computer software		
At cost	20,000	20,000
Accumulated amortisation	(6,667)	-
Balance at end of the year	**13,333**	**20,000**
Movements in carrying amounts		
Balance at beginning of the year	20,000	10,239
Addition	-	20,000
Amortisation	(6,667)	(3,964)
Write-down of intangibles	-	(6,275)
Balance at end of the year	**13,333**	**20,000**

12 Accruals

WorkSafe Victoria - Administrative support services payable	201,452	161,708
Other Accruals	56,920	66,960
	258,372	**228,668**

13 Unearned Revenue

Membership fees received	-	36,000
Sponsorship fees received	-	15,000
Other income received	-	3,603
	-	54,603

14 Financial Instruments

Exposure to credit, liquidity and interest rate risks arises in the normal course of the Foundation's business.

(a) Credit Risk

The Foundation's maximum exposure to credit risk at reporting date in relation to each class of financial assets is the carrying amount of those assets as reported on the balance sheet.

$1,920 of the Foundation's receivables at 30 June 2012 were past due (2011: $3,583). However, no allowance for impairment in respect of these receivables was required at reporting date.

(b) Liquidity Risk

The table below summarises the maturity profile of the Foundation's financial liabilities at reporting date.

	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Contractual cash flow	Carrying amount
	$	$	$	$	$	$
30 June 2012						
Financial Liabilities						
Accruals	258,372	-	-	-	258,372	258,372
	258,372	-	-	-	258,372	258,372

	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Contractual cash flow	Carrying amount
	$	$	$	$	$	$
30 June 2011						
Financial Liabilities						
Accruals	228,668	-	-	-	228,668	228,668
	228,668	-	-	-	228,668	228,668

(c) Fair Value

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of receivables and accruals are assumed to approximate their fair values due to their short term nature.

(d) Interest Rate Risk

The interest rate profile of the Foundation's interest-bearing financial instrument at reporting date is summarised below.

	2012	2011
	$	$
Variable rate instruments		
Bank deposits	394,057	311,535

Interest rate sensitivity

A change of 100 basis points in interest rates at reporting date would have an impact of $3,941 (2011: $3,115) on the equity and net result of the Foundation. As the Foundation's losses were underwritten by the founding members, any increase or decrease in interest income from bank deposits would result in a corresponding decrease or increase in funding contributions received.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

15 Commitments	**2012**	**2011**
	$	**$**
Other Operating Commitments		
Amounts payable under non-cancellable other operational contractual agreements:		
Due within one year	22,000	22,000
Due later than one year and less than five years	-	22,000
	22,000	**44,000**

Prior year balances have been restated to include other operating commitments of $44,000 relating to fees for services relating to the provision of postgraduate courses in personal injury.

16 Contingent Assets and Contingent Liabilities

The Foundation has no contingent assets or contingent liabilities at the reporting date.

17 Related Party Disclosures

(a) Transactions with Director-related Entities

The aggregate amounts recognised during the financial year relating to transactions with director-related entities were as follows:

Director	**Director-related entity**	**Type of transaction**	**2012**	**2011**
			$	**$**
Chris Latham	PwC Australia	Conference sponsorship	-	26,148
Wayne Potter	WorkCover Corporation of South Australia	Award sponsorship	(2,000)	-
Greg Tweedly	WorkSafe Victoria	Administrative support services	(762,109)	(582,423)
Chris Latham & Greg Tweedly	Institute for Safety, Compensation & Recovery Research	Seminar	(318)	-

In addition, all members of the Foundation pay a standard membership fee which is set annually by the Foundation. The membership fees for the year were $36,000 for executive members, $10,800 for Group A non-executive members and $5,400 for Group B non-executive members (2011: $34,000, $10,500 and $5,250 respectively).

Transactions with director-related entities are made on terms equivalent to those that prevail in arm's length transactions.

Assets and liabilities arising from the transactions with director-related entities at report date were as follows:

Assets and liabilities	**Director-related entity**	**Type of transaction**	**2012**	**2011**
			$	**$**
Unearned revenue	PwC Australia	Conference sponsorship	-	(15,000)
Accruals	WorkSafe Victoria	Administrative support services	(201,452)	(161,708)

(b) Transactions with Key Management Personnel

Directorships of the Foundation are honourary positions. No salaries, compensation or other benefits were paid or are payable to the directors in their capacity as Board members and to other key management personnel.

PERSONAL INJURY EDUCATION FOUNDATION LIMITED

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2012

In the opinion of the directors of the Personal Injury Education Foundation Limited (the Foundation):

(a) the financial statements and notes set out on pages 13 to 27, are in accordance with the *Corporations Act 2001*, including:

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

(ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

(b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Chris Latham

Chair

Dated at Melbourne this 15th day of October 2012