



**THE ROYAL AUSTRALIAN  
CHEMICAL INSTITUTE INCORPORATED**

*Chemistry serving Australia*

ABN: 69 030 287 244

**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008**

**Prepared by: The RACI National Office**

## FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

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THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

## Statement by Members of the Board

In the opinion of the Board of the Royal Australian Chemical Institute:

- (a) the accompanying financial statements and notes are in accordance with the By-laws of the RACI, comply with the accounting standards and presents fairly the RACI's financial position as at 30 June 2008 and its performance for the year ended on that date; and
- (b) at the date of this declaration there are reasonable grounds to believe that the institute will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board.

Graham Taylor  
Treasurer

12 December 2008



THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

## Comparative Highlights

### *Total Operating Revenue*

2007/2008	\$2,180,450
2006/2007	\$1,815,021

### *Operating Surplus*

2007/2008	\$237,718
2006/2007	\$ 73,847

### *Net Assets*

2007/2008	\$2,916,276
2006/2007	\$3,223,333

### *Corporate Structure*

The Royal Australian Chemical Institute Incorporated is an incorporated association that is incorporated and domiciled in Australia.

The address of the Registered Office and principal place of business is:  
1/21 Vale Street  
North Melbourne VIC 3051

### *Employees*

The Royal Australian Chemical Institute Incorporated (National Office) employed the equivalent of 4 full-time employees.



THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

# Balance Sheet

As at 30 June 2008

	Notes	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash Assets	4	113,521	771,708
Trade and Other Receivables	5	55,086	29,578
Financial Assets	6	1,238,787	563,838
Inventories		33,885	34,258
<b>Total Current Assets</b>		<b>1,441,279</b>	<b>1,399,382</b>
<b>NON-CURRENT ASSETS</b>			
Financial Assets	6	1,535,694	1,987,820
Property, Plant and Equipment	8	369,211	368,340
<b>Total Non-Current Assets</b>		<b>1,904,905</b>	<b>2,356,160</b>
<b>TOTAL ASSETS</b>		<b>3,346,184</b>	<b>3,755,542</b>
<b>CURRENT LIABILITIES</b>			
Deferred Revenue	9	312,599	354,296
Trade & Other Payables	10	58,445	43,337
Interest – Special Projects	11	26,724	78,155
Provisions	12	30,589	54,870
<b>TOTAL CURRENT LIABILITIES</b>		<b>428,357</b>	<b>530,658</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		1,551	1,551
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,551</b>	<b>1,551</b>
<b>TOTAL LIABILITIES</b>		<b>429,908</b>	<b>532,209</b>
<b>NET ASSETS</b>		<b>2,916,276</b>	<b>3,223,333</b>
<b>MEMBERS FUNDS</b>			
Reserves	13(a)	780,305	786,049
Revaluation Reserve	13(b)	(97,515)	441,516
Retained Surplus	13(c)	2,233,486	1,995,768
<b>TOTAL MEMBERS FUNDS</b>		<b>2,916,276</b>	<b>3,223,333</b>

The above Balance Sheet is to be read in conjunction with the attached notes



THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

**Income Statement**

**For the Year Ended 30 June 2008**

Continuing Operations	Notes	2008 \$	2007 \$
Revenues	2	2,180,450	1,815,021
Expenses			
Salaries & Employees Benefits Expense		(591,744)	(499,862)
Depreciation Expense	3	(43,567)	(26,177)
Meeting Expenses		(235,150)	(207,275)
Finance Expenses		(17,366)	(35,996)
Membership Expenses		(150,526)	(45,370)
Administration Expenses		(225,477)	(210,030)
Project Expenses		(183,886)	(331,470)
Scholarships, Prizes and Donations		(86,508)	(68,492)
Chemistry In Australia Publication Expenses		(316,962)	(248,591)
Other Expense		(91,546)	(67,911)
Total Expenses		<u>(1,942,732)</u>	<u>(1,741,174)</u>
Operating Surplus Before Income Tax		<u>237,718</u>	<u>73,847</u>
Income Tax	1(h)	-	-
Operating Surplus After Income Tax		<u>237,718</u>	<u>73,847</u>

The above Income Statement is to be read in conjunction with the attached notes



THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

**Statement of Changes in Equity**

**As at 30 June 2008**

	Reserves \$	Asset Revaluation Reserve \$	Accumulated Losses \$	Total \$
<b>As at 30/6/2006</b>	<b>810,933</b>	<b>247,169</b>	<b>1,921,921</b>	<b>2,980,023</b>
Profit/(Loss) for Year	-	-	73,847	73,847
Gains on revaluation of non-current assets	-	194,347	-	194,347
Revenues recognised directly in equity	32,749	-	-	32,749
Expenses recognised directly in equity	(57,633)	-	-	(57,633)
<b>As at 30/6/2007</b>	<b>786,049</b>	<b>441,516</b>	<b>1,995,768</b>	<b>3,223,333</b>
Profit/(Loss) for Year	-	-	237,718	237,718
Gains/ (Losses) on revaluation of non-current assets	-	(539,031)	-	(539,031)
Revenues recognised directly in equity	72,436	-	-	72,436
Expenses recognised directly in equity	(78,180)	-	-	(78,180)
<b>As at 30/6/2008</b>	<b>780,305</b>	<b>(97,515)</b>	<b>2,233,486</b>	<b>2,916,276</b>

The above Statement of Changes in Equity is to be read in conjunction with the attached notes



THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

## Cash Flow Statement

For the Year Ended 30 June 2008

	Notes	2008 \$	2007 \$
<b>Cash Flows from Operating activities</b>			
Receipts from Member's subscriptions		707,075	773,017
Receipts from Advertisers		180,920	129,646
Receipts from Other Activities		701,208	668,429
Interest Received		139,412	9,713
Dividends Received		60,934	85,273
Receipts from Australian National Chemistry Quiz		217,943	200,437
Payment to Suppliers and employees		(1,905,559)	(1,576,701)
GST Paid		(53,839)	(64,909)
<b>Net cash Inflow From Operating Activities</b>	14b	<u>48,094</u>	<u>226,966</u>
<b>Cash flows for Investing Activities</b>			
Payment for Property, Plant and Equipment		(44,438)	(48,457)
Proceeds from the sale of investments		(327,820)	(14,994)
Payments for investments		308,922	-
Net (payments for) / proceeds from Bank Bills		(674,949)	47,383
<b>Net Cash Outflow from Investing Activities</b>		<u>(738,285)</u>	<u>(16,068)</u>
<b>Cash flows from Financing Activities</b>			
Transfers from / (to) Reserves		32,004	(9,175)
<b>Net Cash Outflow from Financing Activities</b>		<u>32,004</u>	<u>(9,175)</u>
Net increase/(decrease) in cash held		(658,187)	201,723
Cash at the beginning of financial year		771,708	569,985
<b>Cash at the end of the financial year</b>	14a	<u>113,521</u>	<u>771,708</u>

The above Cash Flow Statement is to be read in conjunction with the attached notes





## Notes to the Financial Statements

### *Introduction*

The financial report covers The Royal Australian Chemical Institute Incorporated (the RACI) as an individual entity. The Royal Australian Chemical Institute Incorporated is incorporated and domiciled in Australia.

The registered office and principal place of business is 1/21 Vale Street, North Melbourne Victoria. The principal activity of the RACI during the financial year was acting as a qualifying body in Australia for professional chemists and a learned society promoting the science and practice of chemistry.

The financial report for the year ended 30 June 2008 was authorised for issue by the Board Members of The Royal Australian Chemical Institute Incorporated on the date shown on the Statement by Members of the Board attached to the Financial Statements.

### **1. Statement of Significant Accounting Policies**

#### **a) Significant Accounting Policies**

This financial report is a general purpose financial report prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporations Act (Victoria). The financial report is prepared on an accrual basis and is based on historical costs and does not take into account changing money values, or except where stated, current variations of non-current assets. The financial Statements are presented in Australian Dollars.

The following is a summary of the material accounting policies adopted by the RACI in preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **b) Significant Judgements and Key Assumptions**

No significant judgements have been made in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

No key assumptions have been made concerning the future and there are no other key sources of estimation uncertainty at the balance date that the RACI Directors consider have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **c) Principles of Consolidation**

The Royal Australian Chemical Institute Incorporated accounts comprise the overall results of the consolidation of all RACI business Units (Branches, Groups, Sections and Divisions) into one consolidated operation conducted from the RACI National Office from the 1<sup>st</sup> July 2007.

#### **d) Revenue Recognition**

##### **I. Membership Fees and Subscriptions**

The subscription year for RACI Corporate members runs from 1 July through to 30 June. The subscription year, for RACI Associate and Affiliate members, runs from 1 January to 31 December. All membership subscriptions are taken up in the year to which the subscriptions relate.

##### **II. Subscriptions In Advance**

Subscriptions in Advance are shown in the Balance Sheet as a Deferred Revenue.



THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

**Notes to the Financial Statements (Cont.)**

**III. Publications – Advertising and Sales**

Revenue from Publications advertising and sales is recognised when the RACI controls the right to be compensated for the service provided.

**IV. Meeting Seminars and Conferences**

Revenue is recognised when the service is provided.

**V. National Chemistry Quiz**

Revenue is recognised when the quiz fees are received.

**VI. Interest and Dividends**

Revenue is recognised when the RACI controls the right to receive interest and dividend payments.

**e) Impairment**

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

**f) Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

**g) Investments**

Current investments in shares in listed entities are classified as "Available for Sale" and are stated at fair value, being current quoted market prices. A gain or loss arising from a change in fair value is recognised directly in equity through the "Statement of Changes of Equity" (except for impairment losses and foreign exchange gains or losses) until the financial asset is derecognised at which time the cumulative gain or loss previously recognised in equity is recognised in profit and loss.

Short term bank deposits are described as "Held to Maturity" investment and are measured at amortised cost. Gains and losses are recognised in the Profit and Loss account evenly over the maturity period of the financial asset.

**h) Income Tax**

The Royal Australian Chemical Institute Incorporated was incorporated in October 2000 under the Associations Incorporation Act 1981. Tax effect accounting has not been applied as the Association is exempt from Income Tax under Section 50-5 of the Income Assessment Act (1997).

**i) Cash and Cash Equivalents**

For purposes of the Cash Flow Statement, cash includes deposits at call which are readily convertible to cash on hand and are used in the cash management function on a day today basis, net of outstanding bank overdrafts.

**j) Unearned Income**

Unearned income has been provided for in respect of the Australian National Chemistry Quiz Project and conferences.

**k) Trust Fund**

The Jim O'Donnell International Travel Award is administered by the RACI National Office under the authorisation of Dr Tom Spurling as per the bequest directions of the late James Hamilton O'Donnell.

The C.S. Piper Award is administered by the RACI National Office under authorisation of the RACI Board as per the bequest directions of the late Charles Sherwood Piper.



THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

**Notes to the Financial Statements (Cont.)**

The Wolskel Award is administered by the RACI National Office under authorisation of the RACI Industrial Chemistry Division as per the bequest directions of the late Augustus Wolskel.

The Ollé Bequest is administered by the RACI National Office under authorisation of the RACI NSW Branch as per the bequest directions of the late Anna Katherine Ollé in the name of Archibald Durrant Ollé.

The David Solomon Foundation Fund is administered by the RACI National Office under authorisation and direction of Professor David Solomon.

**l) Accounts Payables**

Trade payables and other accounts payable are recognised when the RACI becomes obliged to make future payments resulting from the purchase of good and services.

**m) Employee Benefits**

Provision is made for the RACI's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages, salaries, annual leave and personal/carers leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the RACI to an employee selected superannuation fund and are charged as expenses when incurred.

**n) Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**o) Financial Assets and Financial Liabilities**

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the RACI.

A financial liability is removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expires.

**p) New and Revised Accounting Standards and Interpretations**

All new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) relevant to the RACI's operations and effective for annual reporting periods beginning July 2007 have been adopted by the RACI.

Consideration has been given to new and revised standards and interpretations issued by the AASB that are not yet effective and the RACI Board of Directors do not believe they will have any material financial impact on the financial statements of the organisation.



## THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

### Notes to the Financial Statements (Cont.)

#### q) **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

##### **I. Plant and Equipment**

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the RACI Directors to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

##### **II. Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the RACI commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of fixed asset	Depreciation rates	Depreciation basis
Plant and equipment	40%	Straight line
Furniture Fixtures and Fitting	20%	Straight line
Buildings	2.5%	Straight line

#### r) **Land and Building, 1/21 Vale Street, North Melbourne, Victoria**

The purchase of property in December 1992 was funded from the RACI Investment Pool. No repayment of principal will be made back to the investment pool because it is merely a conversion of cash investment to property investment. National Office will pay notional interest to the Branches and Divisions at a rate determined when the property was purchased. This notional interest will be paid over a twenty year period.

#### s) **GST**

The RACI is subject to GST on Income and Expenditure and the GST results for 2008 are as follows:

GST Paid	\$119,538
GST Collected	\$149,692

This resulted in a Net payment to the Taxation Department of \$53,839.



THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

*Notes to the Financial Statements (Cont.)*

**2. Revenues**

	2008 \$	2007 \$
<b>Revenue from Operating Activities</b>		
Revenue from Members	748,771	764,973
Chemistry in Australia Publication	180,921	129,646
Meeting, Seminar and Conference Receipts	444,905	484,553
Commissions	3,003	-
Australian National Chemistry Quiz	217,942	200,437
Merchandise	10,035	-
Grants and Funding	163,721	71,975
<b>Other Income</b>		
Interest Received	139,412	9,713
Dividends Received	60,934	85,273
Realised Gains/(Losses) on Sale of Investments	105,755	(2,060)
Other Revenue	105,051	70,511
<b>Total Revenue</b>	<b>2,180,450</b>	<b>1,815,021</b>

**3. Items included in Surplus / (Deficit)**

<b>Depreciation</b>		
Buildings and Chattels	5,696	5,696
Furniture and Equipment	37,871	20,481
<b>Total Depreciation on Non-Current Assets</b>	<b>43,567</b>	<b>26,177</b>

**4. Cash and Cash Equivalents**

Cash at Bank	113,521	771,708
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**5. Trade and Other Receivables**

<b>Current</b>		
Trade Debtors	21,649	(1,745)
Sundry Debtors	33,437	31,323
<b>Total Current Debtors</b>	<b>55,086</b>	<b>29,578</b>

**6. Financial Assets**

<b>Current</b>		
Bank Bills at Amortised Cost	1,238,787	563,838
<b>Investments at Net Market Value</b>	<b>1,238,787</b>	<b>563,838</b>
<b>Non-Current</b>		
Bank Bills at Amortised Cost	8,575	8,575
Shares in Listed Companies at Market Value	1,527,119	1,979,245
<b>Investments at Net Market Value</b>	<b>1,535,694</b>	<b>1,987,820</b>

**7. Inventories**

RACI Merchandise – At Cost	33,885	34,257
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THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

Notes to the Financial Statements (Cont.)

8. Property, Plant and Equipment

	2008 \$	2007 \$
<b>Land and Building</b>		
Cost	327,831	327,831
Accumulated Depreciation	(72,867)	(67,171)
<b>Total Land and Building</b>	<b>254,964</b>	<b>260,660</b>
<b>Plant and Equipment</b>		
Furniture and Fittings at Cost	113,716	123,839
Accumulated Depreciation	(89,549)	(108,519)
	<b>24,167</b>	<b>15,320</b>
Computer Equipment Cost	305,219	234,617
Accumulated Depreciation	(215,139)	(142,257)
	<b>90,080</b>	<b>92,360</b>
<b>Total Plant and Equipment</b>	<b>114,247</b>	<b>107,680</b>
<b>Total Property, Plant and Equipment</b>	<b>369,211</b>	<b>368,340</b>
<b>Reconciliations</b>		
<b>Land and Building</b>		
Opening written down value	260,660	266,356
Additions	-	-
Disposals	-	-
Depreciation Expense	(5,696)	(5,696)
<b>Closing written down value</b>	<b>254,964</b>	<b>260,660</b>
<b>Plant and Equipment</b>		
<i>Furniture and Fittings</i>		
Opening written down value	15,320	16,524
Additions	10,270	526
Disposals	-	-
Depreciation Expense	(1,423)	(1,730)
<b>Closing written down value</b>	<b>24,167</b>	<b>15,320</b>
<b>Computer Equipment</b>		
Opening written down value	92,360	63,180
Additions	34,168	47,931
Disposals	-	-
Depreciation Expense	(36,448)	(18,751)
<b>Closing written down value</b>	<b>90,080</b>	<b>92,360</b>
<b>Total Property, Plant and Equipment</b>	<b>369,211</b>	<b>368,340</b>

On 21 September 2006 the interest in Land and Buildings, (Suite 1, 21 Vale Street, North Melbourne) was assessed by Kevin Sheahan FAPI, FREI, CEA(REIV), CIPS of Kevin Sheahan Property Pty Ltd. The value of the interest was assessed at \$950,000.

9. Deferred Revenue

Members' Fees	305,781	354,296
Advertisements	6,818	-
	<b>312,599</b>	<b>354,296</b>



THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

Notes to the Financial Statements (Cont.)

	2008 \$	2007 \$
<b>10. Trade and Other Payables</b>		
Unsecured Sundry Creditors	58,445	43,337
<b>11. Interest - Special Projects</b>		
Interest Owning	26,724	78,155
<b>12. Provisions</b>		
Current Employee Entitlements	30,589	54,870
Non-Current Employee Entitlements	1,551	1,551
	<b>32,140</b>	<b>56,421</b>
<b>13. Equity</b>		
a) Reserves		
RACI Funds – Bequests and Awards		
<i>Movements in Institute Funds</i>		
Balance as at the beginning of the financial year	786,049	810,933
Transfer to Reserves	72,436	32,749
Payments out of Reserves	(78,180)	(57,633)
Net Movement	(5,744)	(24,884)
Balance as at end of Financial Year	<b>780,305</b>	<b>786,049</b>
b) Asset Revaluation		
Asset Revaluation Reserve at the beginning of the financial year	441,516	247,169
Movement during the year		
- Revalued during the year	(539,031)	194,347
Asset Revaluation Reserve at end of Financial Year	<b>(97,515)</b>	<b>441,516</b>
c) Retained Surplus		
Retained surplus at the beginning of the financial year	1,995,768	1,921,921
Surplus/(Deficit) for year	237,718	73,847
Retained Surplus at the end of the financial year	<b>2,233,486</b>	<b>1,995,768</b>



## THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

### Notes to the Financial Statements (Cont.)

#### i. Nature and Purpose of Reserves

Reserve	Purpose
Breyer Memorial	Recognition of international contributions in the field of electrochemistry.
CS Piper	Award made for the best published original research work carried out in the fields of soil chemistry or mineral nutrition.
Cornforth Medal	Award made to the member who is judged to have completed the most outstanding PhD thesis in a branch of chemistry, chemical science or chemical technology.
H.G. Smith Memorial	Award made to the member who is judged to have completed the most to the development of a branch of chemical science.
Board Initiatives Fund	RACI funds set aside for shortfalls in conference Funding.
Leighton Memorial Medal	Award in recognition of eminent services to chemistry in Australia in the broadest sense.
Masson Memorial Scholarship	Award made to those members who are eligible to proceed for a further years study of chemistry at BSc Honours level.
Wolskel Bequest	Award made every six years for an essay relating to industrial chemistry.
National Awards	RACI funds set aside to purchase medals in relation to national awards.
Organometallic Chemistry Award	The award shall be awarded to the applicant who has been a financial member of the RACI for at least five years and who, in the opinion of the Board, has contributed most to the development of organometallic chemistry.
Solomon Foundation	Support the provision of lectures by internationally respected Polymer Scientists to the Australian Polymer community.
Centenary of Federation Reserve	To recognise and reward outstanding excellence in the teaching of chemistry in Australia.
Jim O'Donnell Travel Award	Award made to two members (graduate students) judged by a selection committee, for the use in attending an international conference overseas to benefit a student's career.
Special Projects	Funds issued by the RACI Projects and Initiatives Committee upon written submissions for special projects.
Nyholm Memorial	To assist in financing the Nyholm Memorial Event.
Ollé Prize Bequest	Award made to the member who submits the best paper on any subject to the RACI's interests.
South Australian Exposition	To assist in financing the South Australian Exposition.
Organometallic Award	Award made to the member who has contributed the most toward the development of organometallic chemistry.
NSW Powerhouse	To support the financing of a "chemical attractions" exhibit at the Powerhouse Museum.
NT Branch Prize Account	Awarded to the best Northern Territory chemistry university student.
Alan Walsh Bursary	To provide the opportunity for outstanding PhD students who have significant advances in the areas of analytical chemistry, optics or atomic or molecular spectroscopy to present their work at a major international conference overseas.
NSW Chem Education Group M-M Prize	Award made to the outstanding performances in the National Titration competition.
Healy-Hunter Award	Award made to the member who has contributed the most toward the development of colloid chemistry.
NSW ICG Scholarship	Funds sets aside for the NSW ICG Scholarship Trust Fund, now incorporated into the New South Wales Industrial Chemistry Group Reserves..
Geelong Section Annual Chemistry Award	Annual Chemistry Award at Deakin University.
Stokes Medal	Ward for distinguished research in the field of electrochemistry carried out mainly in Australasia.





THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

Notes to the Financial Statements (Cont.)

i. Movement in Reserves

ii.

	2008				2007			
	Opening Balance	Transfers to Reserve	Payment from Reserve	Closing Balance	Opening Balance	Transfers to Reserve	Payment from Reserve	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
<b>RACI Funds</b>								
Breyer Memorial	5,720	177	-	5,897	5,565	201	46	5,720
C.S Piper	256,222	7,942	-	264,164	249,347	6,875	-	256,222
Cornforth Medal	1,164	36	75	1,125	1,539	45	420	1,164
H.G. Smith Memorial	2,693	83	84	2,692	2,621	72	-	2,693
Board Initiatives Fund	40,767	11,706	50,890	1,583	43,156	3,188	5,577	40,767
Special Projects	50,439	1564	-	52,003	49,090	1,349	-	50,439
Masson Memorial Scholarship	1,143	35	84	1,094	1,113	30	-	1,143
Wolskel	8,451	734	-	9,185	8,224	227	-	8,451
National Wards	336	10	-	346	567	519	750	336
Solomon Foundation	67,069	2079	-	69,148	72,160	1,989	7,080	67,069
Centenary of Federation	33,599	1042	2,000	32,641	61,863	2,236	30,500	33,599
J O'Donnell Travel Award	8,968	1,000	5,000	4,968	8,713	8,250	8,000	8,968
Federation of Asian Chemical Societies	56,781	1,760	9,145	49,396	55,258	1,523	-	56,781
ACGC Funds	13,713	425	-	14,138	13,345	368	-	13,713
Leighton Memorial Medal	(2,745)	85	488	(3,148)	(1,770)	-	975	(2,745)
Future of Chemistry Fund	(110)	110	-	-	(110)	-	-	(110)
Royal Society Travel Fund	1,000	31	1,000	31	4,000	-	3,000	1,000
Organometallic Futures Fund	14,400	37,258	7,100	44,558	14,013	387	-	14,400
<b>Total RACI Funds</b>	<b>559,610</b>	<b>66,077</b>	<b>75,866</b>	<b>549,821</b>	<b>588,699</b>	<b>27,259</b>	<b>56,348</b>	<b>559,610</b>

ii. Movement in Reserves (cont.)

	2008				2007			
	Opening Balance	Transfers to Reserve	Payment from Reserve	Closing Balance	Opening Balance	Transfers to Reserve	Payment from Reserve	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Business Unit Funds</b>								
NSW Nyholm Memorial	15,251	473	2,314	13,410	14,842	409	-	15,521
NSW Ollé Bequest	13,924	432	-	14,356	13,549	375	-	13,924
South Australian Exposition	14,440	448	-	14,888	14,045	395	-	14,440
Stokes Medal-Electro Div	1,991	62	-	2,053	2,215	61	285	1,991
Organometallic Chemistry Award	25,470	789	-	26,259	25,273	697	500	25,470
NSW Powerhouse	1,510	47	-	1,557	1,429	41	-	1,510
NT Branch Prize	13,767	427	-	14,194	13,398	369	-	13,767
Alan Walsh Bursary-Analytical Division	24,090	747	-	24,837	23,445	645	-	24,090
WA David Koch Travel Grant	8,218	255	-	8,473	7,979	239	-	8,218
NSW Chem Ed Group M-M Prize	2,459	76	-	2,535	2,393	66	-	2,459
Healy-Hunter Award-Colloid Division	19,853	615	-	20,468	19,380	473	-	19,853
NSW ICG Scholarship	64,116	1,988	-	66,103	62,396	17,720	-	64,116
Geelong Section Annual Chemistry Award	21,350	-	-	21,350	21,850	-	500	21,350
<b>Total Business Unit Funds</b>	<b>226,439</b>	<b>6,359</b>	<b>2,314</b>	<b>230,484</b>	<b>222,234</b>	<b>5,490</b>	<b>1,285</b>	<b>226,439</b>
<b>Total Consolidated Funds</b>	<b>786,049</b>	<b>72,436</b>	<b>78,180</b>	<b>780,305</b>	<b>810,933</b>	<b>32,749</b>	<b>57,633</b>	<b>786,049</b>



## THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

### Notes to the Financial Statements (Cont.)

#### 14. Note to the Cash Flow Statement

For the purpose of the Cash Flow Statement, cash includes: cash on hand and in the banks, and investments in money market instruments with terms of less than 90 days, net of outstanding bank overdraft. Cash at the end of the financial year in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2008 \$	2007 \$
(a) Cash at Bank	131,521	771,708
(b) Reconciliation of net cash outflow from operating activities to operating surplus		
Operating Surplus for the year	237,718	73,847
Adjustment for non-cash items		
Depreciation	43,567	26,177
(Gains)/Losses on Sale of Investments	(105,755)	2,060
Changes in operating assets and liabilities		
(Increase)/decrease in debtors & current receivables	(25,508)	41,390
(Increase)/decrease in inventories	372	(5,925)
Increase/(decrease) in subscriptions in advance	(41,696)	8,043
Increase/(decrease) in sundry creditors	15,108	2,942
Increase/(decrease) in special projects interest	(51,431)	72,319
Increase/ (decrease) in provisions	(24,281)	6,113
Net cash flow from operating activities	48,094	226,966

#### 15. Segment Reporting

The RACI obtains all of its revenues from the general promotion of Chemistry and membership subscriptions. The majority of these activities are performed in one geographical segment – Australia.

#### 16. Related Party Transactions

The RACI is governed by a Board of Management. The principal officers of the RACI are the President, President-Elect, Honorary General Secretary, Honorary General Treasurer, National Representative, Western Representative, South Eastern Representative and North Eastern Representative. All Board members are elected in accordance with the provisions of the RACI Constitution and By-Laws.

##### Key Management Personnel

Key Management personnel comprise the Directors, having the authority and responsibility for planning, directing and controlling the activities of the RACI and the General Manager who is a non-voting observer on the Board. The Directors of the RACI are elected volunteers and do not receive remuneration.

	2008 \$	2007 \$
Short Term employee benefits	16,154	36,311
Post-employment benefits	1,454	3,140
Termination Benefits	-	21,649
Retained Surplus at the end of the financial year	17,608	61,100

Board members are only reimbursed for personal costs in attending meetings and performing general RACI duties.



THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

*Notes to the Financial Statements (Cont.)*

**17. Board Members**

**Board Members – Office Holders**

Ian Rae	President
Robert Watts	President-Elect
Janis Hosking	Honorary General Secretary
Graham Taylor	Honorary General Treasurer
Leslie Field	National Representative
Colin Raston	Western Representative (resigned May 2008)
Joseph Shapter	Western Representative (voted in at May 2008 Assembly)
David Winkler (Board Chair)	South Eastern Representative (retired November 2007)
Vicki-Anne Gardiner	South Eastern Representative
Steven Bottle	North Eastern Representative (retired November 2007)
Peter Lye (Board Chair)	North Eastern Representative
David Hadley (Observer)	General Manager

**Assembly Members**

Michael Sherburn	Australian Capital Territory Branch
Attila Tottszer	New South Wales Branch (retired November 2007)
Mary Collins	New South Wales
Vinutha Ramakrishna	Northern Territory Branch
Stewart Walker	South Australian Branch (retired November 2007)
Mark Buntine	South Australian Branch
Greg Dicinoski	Tasmanian Branch
Helmut Hugel	Victorian Branch
Oana Lord	Western Australian Branch
Neil Barnett	Analytical Division
Wim Meutermans	Biomolecular Division
Chris Blanchard	Cereal Chemistry Division (retired November 2007)
Vicky Solah	Cereal Chemistry Division
Kieran Lim	Chemical Education Division (retired November 2007)
Siegbert Schmid	Chemical Education Division
Russell Crawford	Colloid and Surface Science Division
Justin Gooding	Electrochemistry Division
Peter Teasdale	Environment Division
Roya Sheikholeslami	Industrial Chemistry Division (until June 2008)
Position vacant	Industrial Chemistry Division
Richard Keene	Inorganic Chemistry Division (retired November 2007)
Paul Bernhardt	Inorganic Chemistry Division
Christopher Ling	Materials Division
Stephen Pyne	Organic Chemistry Division
Mark Buntine	Physical Chemistry Division
Greg Russell	Polymer Division (retired November 2007)
George Simon	Polymer Division

**18. Auditors Remuneration**

	2008 \$	2007 \$
Auditor's remuneration		
Auditing Services	24,518	18,750

**19. Events Subsequent to Reporting Date**

There are no material events subsequent to reporting date.



## THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

### Notes to the Financial Statements (Cont.)

## 20. Financial Instruments

### Financial risk management objectives and policies

The RACI's principal financial instruments comprise receivables, payable, cash and short-term deposits and available for sale investments. These activities expose the Institute to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Directors manage the different types of risks to which RACI is exposed by considering risk and monitoring levels of exposure to interest rate and foreign exchange risk and by being aware of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

#### a) Significant Terms and Conditions

It is the policy of the RACI not to enter into transactions that require the exchange of either foreign currency or interest rates in relation to future commitments.

#### b) Price Risk and Credit Risk Exposure

The RACI Board has delegated the investment of certain assets to an investment committee which closely manages the investment portfolio according to the Board's investment policy. The Institute does not engage in transactions which are speculative in nature.

#### c) Risk Exposure Sensitivity Analysis

Exposures to interest rate risks and price risks on financial assets and liabilities are summarised as follows:

	Non Interest Bearing \$	Interest Bearing \$	Interest Rate Sensitivity \$		Equity Price Sensitivity \$	
2008			+2%	-2%	+20%	-20%
<i>Financial Assets</i>						
Cash and Cash Equivalents		113,521	2,270	(2,270)		
Trade and other Receivables	55,086					
Other Investments		1,247,362	24,947	(24,947)		
	1,527,119				305,424	(305,424)
<i>Financial Liabilities</i>						
Trade and other payables	(58,445)					
Interest – Special Projects	(26,724)					
<b>Net financial Assets</b>	<b>1,497,036</b>	<b>1,360,883</b>				

Note: The RACI Bank Bills are applied to an "at call" and a "monthly holding deposit" split.

	Non Interest Bearing \$	Interest Bearing \$	Interest Rate Sensitivity \$		Equity Price Sensitivity \$	
2007			+2%	-2%	+20%	-20%
<i>Financial Assets</i>						
Cash and Cash Equivalents		771,708	15,434	(15,434)		
Trade and other Receivables	29,578					
Other Investments		572,413	11,448	(11,448)		
	1,979,245				395,849	(395,849)
<i>Financial Liabilities</i>						
Trade and other payables	(43,337)					
Interest – Special Projects	(78,155)					
<b>Net financial Assets</b>	<b>1,887,331</b>	<b>1,344,121</b>				

All financial liabilities mature within 3 months.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INC**

Chartered Accountants  
& Business Advisers

We have audited the accompanying financial report of the Royal Australian Chemical Institute Inc. ("RACI"), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

**The Responsibility of the Directors of RACI**

The Directors of RACI are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporations Act 1981. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 made by the Directors, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

**Qualification**

As is common for organisations of this type, it is not practical for the Institute to maintain an effective system of internal control over donations, seminars, conferences and other fund raising activities until their initial entry in the accounting records. Accordingly our audit in relation to these activities was limited to amounts recorded.

**Auditor's Opinion**

In our opinion, except for the effects, if any, on the financial report of the matter referred to in the qualification paragraph, the financial report of the Royal Australian Chemical Institute Inc is in accordance with the Associations Incorporation Act 1981 and gives a true and fair view of the financial position of the Royal Australian Chemical Institute Inc. as at 30 June 2008, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

PKF  
East Coast Practice

J A Mooney  
Partner

12 December 2008  
Melbourne

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