



**THE ROYAL AUSTRALIAN
CHEMICAL INSTITUTE INCORPORATED**

Chemistry serving Australia

ABN: 69 030 287 244

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

Prepared by: The RACI National Office



FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

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Board Report

Your Board members submit the financial report of the Royal Australian Chemical Institute Inc for the financial year ended 30 June 2009.

Board Members

The names of Board members throughout the year and at the date of this report are:

Robert Watts
Janis Hosking
Joseph Shapter
Vicki-Anne Gardiner
Peter Lye
Leslie Field (Resigned Nov 2008)

David Wood (Appointed Nov 2008)
Frances Separovic (Appointed Nov 2008)
Roger Read (Appointed Nov 2008)
Graham Taylor (Resigned Nov 2008)
Ian Rae (Resigned Nov 2008)

Principal Activities

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.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The deficit from operating activities amounted to \$735,692.

Signed in accordance with a resolution of the Members of the Board.

Robert Watts

President

20 November 2009

Frances Separovic

Treasurer



Comparative Highlights

Total Operating Revenue

2008/2009	\$1,985,599
2007/2008	\$2,227,498

Operating Surplus

2008/2009	(\$735,692)
2007/2008	\$201,842

Net Assets

2008/2009	\$2,270,139
2007/2008	\$2,916,276

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.



Balance Sheet

As at 30 June 2009

	Notes	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	1,027,166	1,352,308
Trade and Other Receivables	5	25,090	55,086
Financial Assets	6	690,758	0
Inventories	7	4,075	33,885
Total Current Assets		1,747,089	1,441,279
NON-CURRENT ASSETS			
Financial Assets	6	565,237	1,535,694
Property, Plant and Equipment	8	302,353	364,072
Intangible Assets	9	23,293	5,139
Total Non-Current Assets		890,883	1,904,905
TOTAL ASSETS		2,637,972	3,346,184
CURRENT LIABILITIES			
Deferred Revenue	10	314,621	312,599
Trade & Other Payables	11	28,125	58,445
Interest – Special Projects	12	4,190	26,724
Provisions	13	20,897	30,589
TOTAL CURRENT LIABILITIES		367,833	428,357
NON-CURRENT LIABILITIES			
Provisions	13	0	1,551
TOTAL NON-CURRENT LIABILITIES		0	1,551
TOTAL LIABILITIES		367,833	429,908
NET ASSETS		2,270,139	2,916,276
MEMBERS FUNDS			
Reserves		833,630	725,079
Retained Surplus		1,436,509	2,191,197
TOTAL MEMBERS FUNDS		2,270,139	2,916,276

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



Income Statement

For the Year Ended 30 June 2009

	Notes	2009 \$	2008 \$
Revenues	2	1,985,599	2,227,498
Expenses			
Salaries & Employees Benefits Expense		(572,687)	(591,744)
Depreciation Expense	3	(49,707)	(43,567)
Meeting Expenses		(642,770)	(235,150)
Finance Expenses		(27,165)	(17,366)
Membership Expenses		(136,120)	(150,526)
Administration Expenses		(366,228)	(225,477)
Project Expenses		(270,507)	(183,886)
Scholarships, Prizes and Donations		(95,917)	(86,508)
Chemistry In Australia Publication Expenses		(274,366)	(316,962)
Other Expense	3	(285,824)	(174,470)
Total Expenses		(2,721,291)	(2,025,656)
Operating Surplus		(735,692)	201,842

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



Statement of Changes in Equity

As at 30 June 2009

	Reserves \$	Asset Revaluation Reserve \$	Accumulated Losses \$	Total \$
As at 30/6/2007	810,435	441,516	2,001,514	3,253,465
Profit/(Loss) for Year	-	-	201,842	201,842
Gains/(Losses) on revaluation of non-current assets	-	(539,031)	-	(539,031)
Transfer to/from Reserves	12,159	-	(12,159)	0
As at 30/6/2008	822,594	(97,515)	2,191,197	2,916,276
Profit/(Loss) for Year			(735,692)	(735,692)
Gains/ (Losses) on revaluation of non-current assets		(15,938)		(15,938)
Impairment Losses transferred to Income Statement		62,968		62,968
Transfer to/from Reserves	61,521		(18,996)	42,525
As at 30/6/2009	884,115	(50,485)	1,436,509	2,270,139



Cash Flow Statement

For the Year Ended 30 June 2009

	Notes	2009 \$	2008 \$
Cash Flows from Operating activities			
Receipts from Member's subscriptions		749,914	707,075
Receipts from Advertisers		135,471	180,920
Receipts from Other Activities		796,123	701,208
Interest Received		106,217	139,412
Dividends Received		53,294	60,934
Receipts from Australian National Chemistry Quiz		174,417	217,943
Payment to Suppliers and employees		(2,237,009)	(1,873,555)
GST Paid		(26,989)	(53,839)
Net cash inflow (outflow) from operating activities	15	(248,562)	80,098
Cash flows from Investing Activities			
Payment for Property, Plant and Equipment		6,144	(44,438)
Proceeds from the sale of Investments		608,034	(327,820)
Payments for Investments		0	308,922
Net (payments for)/proceeds for Bank Bills		(690,758)	(674,949)
Net Cash Inflow/(Outflow) from Investing Activities		(76,580)	(738,285)
Net increase/(decrease) in cash held		(325,142)	(658,187)
Cash at the beginning of Financial year		1,352,308	2,010,495
Cash at the end of the financial year	4	1,027,166	1,352,308



Notes to the Financial Statements

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 financial report for the year ended 30 June 2009 was authorised for issue by the Board Members of The Royal Australian Chemical Institute Incorporated on the date shown on the Declaration by the Board Members attached to the Financial Statements.

1. Statement of Significant Accounting Policies

a) Basis of Preparation

This financial report is a general purpose financial report prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Associations Incorporations Act 1981.

The financial report has been prepared on an accrual basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. 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 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.

At each reporting date, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether the impairment has arisen. Impairment losses are recognised in the income statement.

c) Principles of Consolidation

The Royal Australian Chemical Institute Incorporated financial statements comprise the overall results and financial position of all RACI business units (Branches, Groups, Sections and Divisions).

d) Revenue Recognition

I. Membership Fees and Subscriptions

The subscription year for the 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 recognised 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.

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.



Notes to the Financial Statements (Cont.)

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

At each reporting date, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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 at 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

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 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 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.



Notes to the Financial Statements (Cont.)

l) Payables

Trade and other payables 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. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

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

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

The group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The association has not held any financial assets at fair value through profit or loss in the current or comparative financial year.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.



Notes to the Financial Statements (Cont.)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

The association has not held any held-to-maturity investments in the current or comparative financial year.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At each reporting date, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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 AASB has issued new, revised and amended Standards and interpretations that have mandatory application dates for future reporting periods and which the association has decided not to early adopt. A discussion of those future requirements and their impact on the Royal Australian Chemical Institute Inc is as follows:

AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefine the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the association. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.



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 and impairment losses.

I. Plant and Equipment

Plant and equipment is measured on the cost basis less accumulated depreciation and impairment losses.

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. 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 2009 are as follows:

GST Paid	\$169,566
GST Collected	\$196,555

This resulted in a Net payment to the Taxation Department of \$26,989.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 components of investing and financing activities, which are disclosed as operating cash flows.



Notes to the Financial Statements (Cont.)

2. Revenues

	2009 \$	2008 \$
Revenue from Operating Activities		
Revenue from Members	741,073	748,771
Chemistry in Australia Publication	135,471	180,921
Meeting, Seminar and Conference Receipts	996,188	444,905
Commissions	21,040	3,003
Australian National Chemistry Quiz	174,417	217,942
Merchandise	6,975	10,035
Grants and Funding	55,630	163,721
Other Income		
Interest Received	106,217	139,412
Dividends Received	53,294	60,934
Realised Gains/(Losses) on sale of Investments	(349,181)	105,755
Other Revenue	44,475	152,099
Total Revenue	1,985,599	2,227,498

3. Items included in Surplus / (Deficit)

Depreciation		
Buildings and Chattels	5,696	5,696
Furniture and Equipment	44,011	37,871
Total Depreciation on Non-Current Assets	49,707	43,567
Impairment		
Impairment of Investments	62,968	0

4. Cash and Cash Equivalents

Current		
Cash at Bank	157,166	113,521
Cash Management Account	650,000	0
Deposits at Call	220,000	1,238,787
Total Cash Available	1,027,166	1,352,308

The effective interest rate on short term bank deposits was 3.1% (2008: 3.1%)

Reconciliation of Cash

Cash at end of the financial year as shown in the cash flow statement is reconciled to items in the balance as follows

Cash and Cash Equivalents	1,027,166	1,352,308
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5. Trade and Other Receivables

Current		
Trade Debtors	7,962	21,649
Sundry Debtors	17,128	33,437
Total Current Debtors	25,090	55,086

The Association has no significant credit risk with respect to any single receivable or group of receivable.



Notes to the Financial Statements (Cont.)

6. Financial Assets

	2009 \$	2008 \$
Current		
Available for Sale Financial Assets		
Managed Investments at Fair Value	690,758	0
Investments at Net Market Value	690,758	0
Non-Current		
Available for Sale Financial Assets		
Shares in Listed Companies at Fair Value	565,237	1,535,694
Investments at Net Market Value	565,237	1,535,694

7. Inventories

RACI merchandise – at cost	4,075	33,885
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8. Property, Plant and Equipment

Land and Building		
Cost	327,831	327,831
Accumulated Depreciation	(74,299)	(72,867)
Total Land and Building	253,532	254,964
Plant and Equipment		
Furniture and Fittings at Cost	9,744	113,716
Accumulated Depreciation	(3,144)	(89,549)
	6,600	24,167
Computer Equipment Cost	174,549	260,449
Accumulated Depreciation	(132,328)	(175,508)
	42,221	84,941
Total Plant and Equipment	48,821	109,108
Total Property, Plant and Equipment	302,353	364,072

Reconciliations

Land and Building		
Opening written down value	254,964	260,660
Additions	4,264	0
Disposals	0	0
Depreciation Expense	(5,696)	(5,696)
Closing written down value	253,532	254,964

Plant and Equipment		
<i>Furniture and Fittings</i>		
Opening written down value	24,167	15,320
Additions	590	10,270
Disposals	(16,208)	0
Depreciation Expense	(1,949)	(1,423)
Closing written down value	6,600	24,167

Computer Equipment		
Opening written down value	84,941	83,794
Additions	0	34,168
Disposals	(2,712)	0
Depreciation Expense	(40,008)	(33,021)
Closing written down value	42,221	84,941

Total Property, Plant and Equipment	302,353	364,072
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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.



Notes to the Financial Statements (Cont.)

	2009 \$	2008 \$
9. Intangible Assets		
Software		
At Cost	64,980	44,770
Accumulated Depreciation	(41,687)	(39,631)
Total Software	23,293	5,139
Reconciliations		
Software		
Opening written down value	5,139	8,566
Additions	20,210	0
Disposals	0	0
Depreciation Expense	(2,056)	(3,427)
Closing written down value	23,293	5,139
10. Deferred Revenue		
Members' Fees received in advance	314,621	305,781
Advertising received in advance	0	6,818
	314,621	312,599
11. Trade and Other Payables		
Unsecured		
Sundry Creditors	28,125	58,445
12. Interest - Special Projects		
Interest Owing	4,190	26,724
13. Provisions		
Current		
Employee Entitlements	20,897	30,589
Non-Current		
Employee Entitlements	0	1,551
	20,897	32,140



14. Equity

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 contributed 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 made 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	Award for distinguished research in the field of electrochemistry carried out mainly in Australasia.



Notes to the Financial Statements (Cont.)

i. Movement in Reserves

	2009	Opening Balance	Transfers to Reserve	Payment from Reserve	Closing Balance	2008	Opening Balance	Transfers to Reserve	Payment from Reserve	Closing Balance
		\$	\$	\$	\$		\$	\$	\$	\$
RACI Funds										
Breyer Memorial		6,213	265	0	6,478		5,897	316	0	6,213
C.S Piper		278,329	11,497	10,694	279,132		264,164	14,165	0	278,329
Cornforth Medal		1,187	43	199	1,031		1,200	62	75	1,187
H.G. Smith Memorial		2,838	121	0	2,959		2,776	146	84	2,838
Board Initiatives Fund		3,537	38,044	0	41,581		41,994	12,433	50,890	3,537
Special Projects		54,791	35,220	6,488	83,523		52,003	2,788	0	54,791
Masson Memorial Scholarship		1,154	49	0	1,203		1,178	60	84	1,154
Wolskel		9,669	412	0	10,081		8,727	942	0	9,669
National Wards Solomon		365	9	173	201		346	19	0	365
Foundation		72,856	3,100	0	75,956		69,148	3,708	0	72,856
Centenary of Federation		34,480	1,431	1,000	34,911		34,641	1,839	2,000	34,480
J O'Donnell Travel Award		4,968	5,164	8,000	2,132		8,968	1,000	5,000	4,968
Federation of Asian Chemical Societies		52,115	2,193	2,006	52,302		58,541	2,719	9,145	52,115
ACGC Funds		14,896	634	0	15,530		14,138	758	0	14,896
Leighton Memorial Medal		(3,148)	5,026	29	1,849		(2,745)	85	488	(3,148)
Future of Chemistry Fund		0	0	0	0		(110)	110	0	0
Royal Society Travel Fund		87	4,015	2,000	2,102		1,032	55	1,000	87
Organometallic Futures Fund		46,413	1,991	0	48,404		15,740	37,773	7,100	46,413
Total RACI Funds		580,750	109,214	30,589	659,375		577,638	78,978	75,866	580,750

ii. Movement in Reserves (cont.)

	2009	Opening Balance	Transfers to Reserve	Payment from Reserve	Closing Balance	2008	Opening Balance	Transfers to Reserve	Payment from Reserve	Closing Balance
		\$	\$	\$	\$		\$	\$	\$	\$
Business Unit Funds										
NSW Nyholm Memorial		14,249	502	4,896	9,855		15,723	840	2,314	14,249
NSW Ollé Bequest		15,126	643	0	15,769		14,356	770	0	15,126
South Australian Exposition		15,686	667	0	16,353		14,888	798	0	15,686
Stokes Medal-Electro Div Organometallic Chemistry Award		2,163	92	0	2,255		2,053	110	0	2,163
NSW Powerhouse		27,667	1,177	0	28,844		26,259	1,408	0	27,667
NT Branch Prize		1,640	70	0	1,710		1,557	83	0	1,640
Alan Walsh Bursary- Analytical Division		14,955	636	0	15,591		14,194	761	0	14,955
WA David Koch Travel Grant		26,169	1,113	0	27,282		24,837	1,332	0	26,169
NSW Chem Ed Group M- M Prize		8,927	380	0	9,307		8,473	454	0	8,927
Healy-Hunter Award- Colloid Division		2,671	113	0	2,784		2,535	136	0	2,671
NSW ICG Scholarship		21,565	918	0	22,483		20,468	1,097	0	21,565
Geelong Section Annual Chemistry Award		69,676	2,831	0	72,507		66,104	3,572	0	69,676
		21,350	0	21,350	0		21,350	0	0	21,350
Total Business Unit Funds		241,844	9,142	26,246	224,740		232,797	11,361	2,314	241,844
Total Consolidated Funds		822,594	118,356	56,835	884,115		808,435	90,339	78,180	822,594



Notes to the Financial Statements (Cont.)

15. Note to the Cash Flow Statement

	2009 \$	2008 \$
Reconciliation of net cash outflow from operating activities to operating surplus		
Operating Surplus for the year	(735,692)	201,842
Adjustment for non-cash items		
Depreciation	49,707	43,567
(Gains)/Losses on Sale of Investments	349,181	(105,755)
Impairment	62,968	0
Other	31,981	67,880
Changes in operating assets and liabilities		
(Increase)/decrease in trade & other payables	25,558	(25,508)
(Increase)/decrease in inventories	29,810	372
Increase/(decrease) in deferred revenue	2,022	(41,696)
Increase/(decrease) in sundry creditors	(30,320)	15,108
Increase/(decrease) in special projects interest	(22,534)	(51,431)
Increase/ (decrease) in provisions	(11,243)	(24,281)
Net cash flow from operating activities	(248,562)	80,098

16. 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.

17. 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.

The RACI is governed by a Board of Management. The principal officers of the RACI are the President, President-Elect, Honorary General Secretary

Transactions with Related Parties are on terms no more favourable than those offered to the General Public

18. 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.

	2009 \$	2008 \$
Short Term employee benefits	109,759	16,154
Post-employment benefits	7,192	1,454
Termination Benefits	-	-
	<u>116,951</u>	<u>17,608</u>

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



Notes to the Financial Statements (Cont.)

19. Board Members

Board Members – Office Holders

Robert Watts	President
David Wood	President-Elect
Janis Hosking	Honorary General Secretary
Frances Separovic	Honorary General Treasurer
Roger Read	National Representative
Joseph Shapter	Western Representative
Vicki-Anne Gardiner	South Eastern Representative
Alan French	South Eastern Representative (Incoming November 2009)
Peter Lye	North Eastern Representative
Curt Wentrup	North Eastern Representative (Incoming November 2009)

Assembly Members

Mal McLeod	Australian Capital Territory Branch
Adam Cawley	New South Wales Branch
Michelle Iles	Northern Territory Branch
Graham King	Queensland Branch
David Lewis	South Australian Branch
Emily Hilder	Tasmanian Branch
Phillip Marriott	Victorian Branch
Paul van der Beeke	Western Australian Branch
Neil Barnett	Analytical Division
Wim Meutermans	Biomolecular Division
Bronwyn Elliott	Cereal Chemistry Division
Siegbert Schmid	Chemical Education Division
Paul Mulvaney	Colloid and Surface Science Division
Justin Gooding	Electrochemistry Division
Gary Bowman	Industrial Chemistry Division
Paul Bernhardt	Inorganic Chemistry Division
Christopher Ling	Materials Division
Paul Savage	Organic Chemistry Division
Mark Buntine	Physical Chemistry Division
Martina Stenzel	Polymer Division

20. Auditors Remuneration

	2009 \$	2008 \$
Auditor's remuneration		
Auditing Services	11,375	24,518

21. Events Subsequent to Reporting Date

There are no material events subsequent to reporting date.



Notes to the Financial Statements (Cont.)

22. Financial Instruments

Financial risk management objectives and policies

The Royal Australian Chemical Institute's 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 foreign currency 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 on financial assets and liabilities are summarised as follows:

	Non Interest Bearing \$	Interest Bearing \$	Interest Rate Sensitivity \$	Interest Rate Sensitivity \$	Equity Price Sensitivity \$	Equity Price Sensitivity \$
2009						
<i>Financial Assets</i>			+2%	-2%	+20%	-20%
Cash and Cash Equivalents		1,027,166	20,543	(20,543)		
Trade and other Receivables	25,090					
Other Investments		690,758	13,815	(13,815)		
Shares	565,237				113,047	(113,047)
<i>Financial Liabilities</i>						
Trade and other payables	(28,125)					
Interest – Special Projects	(4,190)					
Net financial Assets	558,012	1,717,924				

	Non Interest Bearing \$	Interest Bearing \$	Interest Rate Sensitivity \$	Interest Rate Sensitivity \$	Equity Price Sensitivity \$	Equity Price Sensitivity \$
2008						
<i>Financial Assets</i>			+2%	-2%	+20%	-20%
Cash and Cash Equivalents		1,352,308	27,046	(27,046)		
Trade and other Receivables	55,086					
Shares	1,535,694				307,139	(307,139)
<i>Financial Liabilities</i>						
Trade and other payables	(58,445)					
Interest – Special Projects	(26,724)					
Net financial Assets	1,505,611	1,352,308				



d) Financial Liability and Financial Assets Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
<i>Financial liabilities due for payment</i>								
Trade and other payables (exc est. annual leave and grants receivable in advance)	28,125	58,445	-	-	-	-	28,125	58,445
Total Contractual Outflows	28,125	58,445	-	-	-	-	28,125	58,445
Total Expected Outflows	28,125	58,445	-	-	-	-	28,125	58,445
<i>Financial assets – cash flows realisable</i>								
Cash and cash equivalents	1,027,166	1,352,308	-	-	-	-	1,027,166	1,352,308
Trade and other receivables	25,090	55,086	-	-	-	-	25,090	55,086
Available for sale investments	1,255,995	1,535,694	-	-	-	-	1,255,995	1,535,694
Total anticipated inflows	2,309,251	2,943,088	-	-	-	-	2,309,251	2,943,088
Net (outflow)/inflow on financial instruments	2,280,126	2,884,643	-	-	-	-	2,280,126	2,884,643



Statement by Members of the Board

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

- (a) Presents a true and fair view of the financial position of the Royal Australian Chemical Institute as at 30 June 2009, and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
- (b) At the date of this statement, there are reasonable grounds to believe that the Royal Australian Chemical Institute will be able to pay its debts as and when they fall due

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Robert Watts

President

Frances Separovic

Treasurer

20 November 2009



THE ROYAL AUSTRALIAN CHEMICAL INSTITUTE INCORPORATED

Independent Audit Report to the Members