

"Ensuring the well-being of dolphins and the marine environment"



Annual Financial Report For the Year Ended 30 June 2011

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Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD

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Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Directors' Statement

Introduction

Over the last year, the Dolphin Research Institute has continued to enhance its research and education programs through a period of change and growth to further serve the environment and community.

The directors of the Dolphin Research Institute are proud to present this report on the company (financial year ended 30 June 2011). Thank you to all our staff, volunteers and supporters who have contributed greatly.

The Dolphin Research Institute operates with a "living" strategic plan covering the three key areas of Research, Communication and Community Engagement. This focus achieves positive outcomes for the environment and the community as a whole. The strategic plan was reviewed in March 2011 to both review the past history and set directions for the future.

March 2011 also marked the 20th anniversary of the Institute's incorporation.

In line with our role as a community conservation organisation, this report covers our activity in the environmental and social domains, as well as our financial results.

Commentary of the year's environmental and social activities

During the period the Institute:

- Undertook a review of core research program to strengthen the long-term relevance and quality of the program. Support for this process was received from The Ian Potter Foundation. This resulted in the implementation of new research databases and changes to research methodologies. New relationships with other research centres in Universities around Australia have been formed and a new PhD project has been started with the student enrolled at Curtin University.
- Surveys in Port Phillip in early 2011 found dolphins with significant levels of skin lesions that had not previously been seen on dolphins in the bay. Based on what has been seen elsewhere and the otherwise good condition of infected animals, we remain optimistic for the population but will continue to closely monitor individuals. The structure of the research database has been adapted to facilitate monitoring the progression of skin lesions in individuals.
- Surveys in the Gippsland Lakes did not show dolphins with prominent skin lesions.
- Provided depositions on instances of dolphin harassment to DSE which resulted in court actions.
- Responded to a number of strandings of species including dolphins, seals, a blue whale and a live green sea turtle.
- Continued to build networks and relationships with other researchers through our involvement in outside research programs.
- Collated and consolidated our data ready for its inclusion in the National Marine Mammal database.
- Contributed to legislative policy reviews and relevant environmental management programs.
- Supported Department of Sustainability & Environment with the recording and reporting of whales in Port Phillip and Western Port.
- Maintained a leadership role with the Watson Creek Catchment Management Project and worked in partnership with the Warringine Coastal Reserve rangers (south of Hastings).

The Institute's community contribution occurs in a number of ways:

Education and Communication Activities

- More than 8,000 adults and children participated in our education programs at DRI's Centre, in schools and in coastal locations, with consistent growth from ;
- The "***i sea, i care***"[®] Ambassador Program which continued to develop with participating schools, community groups and businesses across the state. The third '***i sea, i care***' **Challenge** was a great success, travelling around Port Phillip and Western Port in January, surveying for dolphins on the water and stopping at over 13 locations to run education programs for more than 800 people and informally meet another 1,000. Additional '***i sea, i care***' Television segments were added to our website to further expand the communication reach of the program. We also extended the stakeholder involvement with '***i sea, i care***' to include Divers through Dive Log Magazine and the Visitor Magazine.
- The Institute was regularly featured in the media contributing on a range of marine environmental issues. Three national TV features on the Institute screened in the period.
- The Institute was a regular and sought after guest speaker at schools and community groups during the period. This was often on a volunteer basis and is a way that we can contribute to the community.

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Community Contribution and Engagement

- The Institute maintained collaboration with two PhD research projects with scientists from Monash University. A new PhD project with our own Research Director being enrolled as an external student with Curtin University, working on our common dolphins in Port Phillip was confirmed.
- The Institute's Community Dolphin Sighting Network involved over 50 people around Victoria.
- Volunteer opportunities in research, education and administration support were taken up by over 20 people during the year.
- Work placement opportunities were provided for tertiary and secondary students during the period.
- DRI also participated in a number of community festivals providing displays and programs for the community.
- DRI collaborated and supported projects or initiatives with: the Watson Creek Catchment Project, Warringine Reserve and People in Parks Foundation.
- The Institute was a member or representative of a number of other community organizations and initiatives; Environmental Science Teachers Network, AUSSIVic, Mornington Peninsula Tourism, the UNESCO Biosphere and Central Coastal Board.

Commentary on the year's financial results

The Institute continued to maintain sound financial management during the 2010/2011 financial year whilst making progress in our core areas and contribution to the community.

Overall revenue was up compared to the previous year, partially due to the support of the Ian Potter Foundation. Dame Elisabeth Murdoch was also a significant contributor during the period.

DRI received a \$1,500 grant under the GVEHO program.

Corporate support was ongoing with Melbourne Water and Club Marine (through Coastcare). Funds were also received from Dan Murphy's (through Coastcare) for funds that were raised during the previous year.

Expenses during the period were maintained within budget.

The results reflect a year of hard work to set the scene for future growth with a focus on developing and marketing education programs and strengthening relationships with supporters. There is room for optimism about the future prospects of the Institute and we look forward to a very positive 2011/2012 year.

Statement of in-kind support for the Institute during 2010/2011

The "in-kind" support from businesses has again been highly significant to the success of the Institute during this accounting period. In-kind contributions permit core savings to be made, and may significantly boost earning capacity. The value of this kind of support is hard to estimate accurately because of its intrinsic nature but is considerable and this year consists of:

Brian Holland Insurance, Ernst and Young, Peter Doolan Writing and Editing (support with web site), White Cleland Solicitors, Glass Plus Gallery, Avante Marine, Articus Graphic Design, Moonraker Dolphin Swims, Sea All Dolphin Swims, Melbourne Aquarium, Visitor Publications, Dive Log Magazine, Eastern District Computer Services, Kings Creek Hotel, Merricks Lodge, Mornington Seaglass and Yaringa Marina. A number of radio stations have also been very supportive, including ABC, 3 RRR and 3AW.

The direct contribution of time and expertise by volunteers, including members of our board, Research and other committees is highly significant and crucial to the Institute's operation. Over 3,000 person hours were contributed to the Institute during the past year.

The value of the foregoing contributions during the year is estimated to far exceed \$50,000.

Income from Government Grants

The Institute acknowledges the receipt of the following government grants for the year ended 30 June 2011:

- Department of Environment, Water, Heritage and the Arts for \$1,500 under the Grants to Voluntary Environment and Heritage Organisations (GVEHO) Program for 2010–2011.

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Directors' Statement

List of Directors and meeting attendance

The names of the directors in office at any time during the year (and meetings attended) are:

Denise Orchard	(Chair); Grad.Dip (Accounting); CPA; Director and owner Glass Plus Gallery.	(9)
Jeff Weir	(Executive Director, Secretary); B.Sc;M.Sc;Dip.Ed;MFIA; Member Central Coastal Board.	(9)
Roy Spencer	Dip.Arch; Fellow RMIT; Fellow RAlA; Principal Architect & Planner of Roy Spencer & Assoc.	(4)
Pamela Wyatt (1)	Senior Manager, Regional Hubbs Program, ANZ.	(2)
Wai Mun Chang	Director HuNet Pty.Ltd.; Graphic Designer.	(7)
Natalie Frazer	Senior Marketing Manager, Government Services, Ernst and Young	(5)
Miranda Thorpe	BSc(Hons); MBA; Executive Director, Chaudhri Consulting Pty. Ltd.	(5)
Ian Stevenson	B.Sc;M.Sc;Dip.Ed; Environment Consultant, Director Western Port Seagrass Partnership	(7)
Marnie Williams(2)	BSc(Hons);LLB, Solicitor and Barrister of the High Court of Australia.	(5)

(1) Retired 30 May 2011, (2) Joined 29 October 2010.

Operating Result

The operating result of the company for the financial year after providing for income tax amounted to:

Year ended	Year ended
30 June 2011	30 June 2010
\$	\$
(3,545)	(71,681)

Principal Activities

The principal activities of the company during the course of the year were Marine conservation, scientific research and education. No significant change in the nature of these activities occurred during the year.

Significant Changes in the State of Affairs

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

After Balance Date Events

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

Future Developments

The company expects to see growth in some areas flowing from ground work during the previous period. We are confident that revised fundraising initiatives will be successful. New opportunities for contract education programs several councils have either been confirmed or are in the process of being confirmed at the time of this report. Since 30 June 2011 an on-going partnership with Melbourne Water has been confirmed.

Environmental Issues

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

Dividends

The entity is a not for profit company limited by guarantee. Under its constitution it can not pay dividends to members.

Directors Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

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Indemnifying Officer or Auditor

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

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

A Company Limited by Guarantee

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2011, the total amount that members of the company are liable to contribute if the company is wound up is \$630 (2010: \$630).

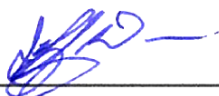
Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been included.

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



Denise Orchard, Director



Jeff Weir, Director

Dated: 31 August 2011

Financial Report for the Year Ended 30 June 2011

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF DOLPHIN RESEARCH INSTITUTE**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm Flinders Partners Group

Name of Partner Gregory J Waterland

Date 26/08/2011

Address Level 1, Suite 6, 405 Nepean Highway Frankston Vic 3199

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011	2010
		\$	\$
Revenue	2	289288	218071
Employee benefits expense		211627	188444
Depreciation and amortisation expense	3	6005	7208
Research costs		4705	10840
Repairs, maintenance and vehicle running expense		1707	1076
Fuel, light and power expense		1181	611
Rental expense		17608	17800
Training expense		1063	1701
Audit, legal and consultancy expense		2500	2555
Administration expense		31560	40954
Fundraising expense		7936	9570
Other expenses		6941	8993
Profit before income tax		(3545)	(71681)
Income tax expense		-	-
Profit for the year		(3545)	(71681)
Total comprehensive income attributable to members of the entity		(3545)	(71681)

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011	2010
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	41842	40753
Trade and other receivables	5	16481	5217
Inventories	6	1479	2479
Other assets	7	3691	3063
TOTAL CURRENT ASSETS		63493	51512
NON-CURRENT ASSETS			
Property, plant and equipment	8	31303	35760
TOTAL NON-CURRENT ASSETS		31303	35760
TOTAL ASSETS		94796	87272
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	21814	11534
Borrowings	10	642	599
Provisions	11	37040	36294
TOTAL CURRENT LIABILITIES		59496	48427
NON-CURRENT LIABILITIES			
Borrowings	10	-	-
Provisions	11	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		59496	48427
NET ASSETS		35300	38845
EQUITY			
Retained earnings		26620	30165
Reserves		8680	8680
TOTAL EQUITY		35300	38845

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Note	Retained Earnings \$	Financial Assets Reserve \$	Revaluati on Reserve \$	Total \$
Balance at 1 July 2009		101847	-	8680	110527
Total comprehensive income for the year					
Profit attributable to members		(71681)	-	-	(71681)
Balance at 30 June 2010		30165	-	8680	38845
Balance at 1 July 2010		30165	-	8680	38845
Total comprehensive income for the year					
Profit attributable to members		(3545)	-	-	(3545)
Balance at 30 June 2011		26620	-	8680	35300

STATEMENT of cash flows FOR THE YEAR ENDED 30 June 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt of grants and other income		276440	238131
Payments to suppliers and employees		(277429)	(293032)
Interest received		2035	1355
Net cash generated from operating activities		1046	(56546)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in Borrowings		43	599
Net cash used in financing activities		43	599
Net increase in cash held		1089	(55947)
Cash and cash equivalents at beginning of financial year		40753	96699
Cash and cash equivalents at end of financial year	4	41842	40753

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

The financial statements are for Dolphin Research Institute as an individual entity, incorporated and domiciled in Australia. Dolphin Research Institute is a company limited by guarantee.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Dolphin Research Institute has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a. Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Dolphin Research Institute may receive non-reciprocal contributions from various other parties for zero or a nominal value. These contributions are not recognised in the statement of financial position. Such items are acknowledged elsewhere in the accounts.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

b. Inventories

Inventories are measured at the lower of cost and current replacement cost. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

c. Property, Plant and Equipment

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

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Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a diminishing value basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10 – 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Each asset class's carrying amount is written down immediately to its recoverable amount if the class's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the entity, are classified as finance leases.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

e. Impairment of Assets

At the end of each reporting period, the entity 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 less costs to sell 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 statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of assets, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

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f. **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. 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 entity to an employee superannuation fund and are charged as expenses when incurred.

g. **Cash and Cash Equivalents**

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

h. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a net basis. Accordingly, investing and financing cash flows are presented in the statement of cash flows net of the GST that is recoverable from, or payable to, the ATO.

i. **Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

j. **Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. **Comparative Figures**

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

l. **Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

DOLPHIN RESEARCH INSTITUTE**ACN 097 317 112****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 2: REVENUE AND OTHER INCOME

	2011	2010
	\$	\$
Revenue		
Revenue from government grants and other grants:		
– state/federal government grants	1500	1500
– other organisations	121600	54296
	<u>123100</u>	<u>55796</u>
Other revenue:		
– Educational Programs	67078	81191
– Donations and Fundraising	99561	81084
	<u>166639</u>	<u>162275</u>
Total revenue	<u>289739</u>	<u>218071</u>
Other income		
– gain on disposal of property, plant and equipment	(451)	-
Total other income	<u>(451)</u>	<u>-</u>
Total revenue and other income	<u>289288</u>	<u>218071</u>

NOTE 3: PROFIT FOR THE YEAR

	2011	2010
	\$	\$
Expenses		
Employee Benefits Expense	211627	188444
– Contributions to superannuation funds	16840	14680
Depreciation and amortisation:		
– Research Equipment	2939	4156
– furniture and equipment	2957	2916
– software	109	136
Total depreciation and amortisation	<u>6005</u>	<u>7208</u>
Rental expense on operating leases	<u>17608</u>	<u>17800</u>

NOTE 4: CASH AND CASH EQUIVALENTS

	2011	2010
	\$	\$
CURRENT		
Cash at bank	45328	38052
Cash on hand	2111	2700
	<u>41842</u>	<u>40753</u>

DOLPHIN RESEARCH INSTITUTE**ACN 097 317 112****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 5: TRADE AND OTHER RECEIVABLES

	Note	2011	2010
		\$	\$
CURRENT			
Trade receivables		16481	5217
Provision for impairment		-	-
Total current trade and other receivables		<u>16481</u>	<u>5217</u>

NOTE 6: INVENTORIES

	2011	2010
	\$	\$
CURRENT		
At cost:		
Inventory	1479	2479
	<u>1479</u>	<u>2479</u>

NOTE 7: OTHER ASSETS

	2011	2010
	\$	\$
CURRENT		
Other debtor	1629	
Prepayments	2061	3063
	<u>3691</u>	<u>3063</u>

NOTE 8: PLANT AND EQUIPMENT

	2011	2010
	\$	\$
PLANT AND EQUIPMENT		
Office equipment:		
At cost	51207	52584
Less accumulated depreciation	(43363)	(41331)
	<u>7844</u>	<u>11252</u>
Research equipment:		
At cost	123459	121460
Less accumulated depreciation	(100435)	(97497)
	<u>23024</u>	<u>23963</u>

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Software:		
At cost	2078	2078
Less accumulated depreciation	(1642)	(1533)
	435	544
Total plant and equipment	31303	35760

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Software	Office Equipment	Research Equipment	Total
	\$	\$	\$	\$
2011				
Balance at the beginning of the year	544	11253	23963	35760
Additions at cost	-	-	1999	1999
Disposals	-	(451)	-	(451)
Depreciation expense	(109)	(2958)	(2938)	(6005)
Carrying amount at the end of the year	435	7844	23024	31303

Asset Revaluations

Research equipment was revalued by the directors at 30 June 2006. The valuation was based on the director's assessment of fair value at that time. No subsequent valuations have been made.

NOTE 9: TRADE AND OTHER PAYABLES

	Note	2011	2010
		\$	\$
CURRENT			
Trade payables		3599	793
GST liabilities		4500	(508)
Other current payables		13715	11249
Employee benefits			
		21814	11534

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 10: BORROWINGS

	Note	2011	2010
		\$	\$
CURRENT			
Loans from employees		642	599
NON-CURRENT			
Other Loans		-	-
Total borrowings		642	599

NOTE 11: PROVISIONS

	Long-term Employee Benefits	Total
	\$	\$
Opening balance at 1 July 2010	32694	36294
Additional provisions raised during year	16180	16180
Amounts used	(15434)	(15434)
Balance at 30 June 2011	37040	37040
	2011	2010
	\$	\$
Analysis of total provisions		
Current	37040	36294
Non-current	-	-
	37040	36294

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1.

NOTE 12: CAPITAL AND LEASING COMMITMENTS

	2011	2010
	\$	\$
b. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments:		
– not later than 12 months	21000	17260
– later than 12 months but not later than five years	21000	34520

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– greater than five years

	-	-
	42000	51780
	42000	51780

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements. Increase in lease commitments may occur in line with the Consumer Price Index (CPI).

NOTE 13: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2011	2010
	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable:	-	-

NOTE 14: EVENTS AFTER THE REPORTING PERIOD

There were no subsequent events would have a material effect on the financial statements at 30 June 2011.

NOTE 15: RELATED PARTY TRANSACTIONS

There were no related party transactions during the financial year.

NOTE 16: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2011	2010
		\$	\$
Financial assets			
Cash and cash equivalents	4	41842	40753
Loans and receivables	5	16481	5217
Total financial assets		58323	45970
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	9	21814	11534
– borrowings	10	643	599
Total financial liabilities		22456	12133

DOLPHIN RESEARCH INSTITUTE

ACN 097 317 112

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 17: RESERVES

a. **Revaluation Surplus**

The revaluation surplus records the revaluations of non-current assets.

NOTE 18: GIFT RECIPIENT

The Dolphin Research Institute Ltd Environment Fund is listed on the Register of Environmental Organisations under item 6.1.1 if subsection 30.55(1) of the Income Tax Assessment Act 1997. Donations of \$2.00 or more are tax deductible

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DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 1 to 13, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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



Denise Orchard, Director



Jeff Weir, Director

Dated: 31 August 2011

DOLPHIN RESEARCH INSTITUTE

ACN 097 317 112

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOLPHIN RESEARCH INSTITUTE

Report on the Financial Report

We have audited the accompanying financial report of Dolphin research institute (the company), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those 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 judgment, 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 *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Dolphin Research Institute on 26 August 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report of Dolphin Research Institute is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Name of firm: Flinders Partners Group

IS WATERLAND
Nepean Highway Frankston Vic 3199
Sept 2011

Name of partner: Gregory James Waterland

Address: Level 1, Suite 6, 405 Nepean Highway Frankston Vic 3199

Dated this 6th day of Sept 2011