

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



Annual Financial Report For the Year Ended 30 June 2014

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i sea, i care.®

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD

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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 2014). 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, Education and Community Engagement. This focus achieves positive outcomes for the environment and the community as a whole.

The direction set in 2011 to strengthen strategic alliances for research, education and '*i sea, i care*' has continued to develop, helping to build the Institute's scope and capacity. This is particularly relevant to our education and community engagement programs through alliances with five councils and the Department of Environment and Primary Industries (DEPI).

The Institute was a recipient of the 2013 Victorian Coastal Award of Excellence in the Category of Community Action and Partnerships. This focused on our partnerships with our '*i sea, i care*' Ambassador Program.

March 2014 marked the 23rd anniversary of the Institute's incorporation.

In line with our role as a community-based 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:

- Continued to develop our core research program to strengthen its long-term relevance and quality. Relationships with other research centres in universities around Australia and internationally have been consolidated;
- Continued to build networks and relationships with other researchers through our involvement in outside research programs;
- Progressed the major project to understand the ecology and management needs of the unique community of common dolphins in the Mornington region. This is part of our core research and also a PhD project for DRI's Research Director, enrolled at Curtin University;
- Developed a pilot dolphin health monitoring study which will run over the next three years, using Port Phillip as a model to develop the methods for later national replication. This flows from our earlier work on dolphin skin lesions;
- Presented a poster paper on the common dolphin study to the International Society of Marine Mammalogy's 2013 conference in New Zealand. Two of DRI's team attended;
- Provided depositions on instances of dolphin harassment to DEPI which resulted in formal investigations;
- Responded to a number of strandings of a variety of marine species. DRI provides advice and support to DEPI and collects data and samples where required;
- Provided work-placement opportunities for undergraduate scientists;
- Completed a social research project on the community perceptions regarding beach and stormwater pollution. This was funded under the Cleaner Yarra and Bay Action Plan;
- Contributed to legislative policy reviews and relevant environmental management programs. DRI took a strong leadership role in the development of the Victorian Coastal Strategy and Regional Coastal Plan for the Central Region;
- Supported DEPI with the reporting of whales in Port Phillip and Western Port;
- Maintained leadership roles with: the Central Coastal Board, Yarra-Bay Ministerial Taskforce, Western Port Catchment Committee, Marine Round Table, Port of Hastings Environmental Reference Panel, VEAC Marine Parks Review, Western Port Biosphere and worked in partnership with the Warrigine 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;
- The "Virtual Centre" concept, where the Institute works to strengthen our capacity through partnerships and outreach programs across the region, grew stronger. This was achieved through partnerships with the City of Kingston, Bayside Council, Mornington Peninsula Shire, the City of Casey and Manningham Council

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to implement versions of our '*i sea, i care*' program with their communities. Discussions were well underway to develop project partnerships with other organizations by the end of the period;

- We launched an educational video and curriculum resource for schools in the City of Casey;
- The tally of young environmental leaders benefitting from being part of the '*i sea, i care*' Ambassador Program exceeded 2,400 during the year;
- The sixth '*i sea, i care*' **Challenge** was a great success during January, running education programs for more than 600 children and adults at beach locations around Port Phillip and Western Port;
- Additional '*i sea, i care*' television segments were added to our website to further expand the communication reach of the program. We also continued the stakeholder involvement to include divers through Dive Log Magazine and the broader community through Visitor Magazine;
- The Institute was regularly featured in the media contributing on a range of marine environmental issues. An ongoing partnership with the Mornington Peninsula News Group has significantly increased our capacity for regional exposure. DRI appeared in more than 12 local print stories, over 5 radio interviews and 2 TV interviews during the period;
- DRI's Facebook page exceeded 1,100 "likers" at the end of the period and achieved a peak "reach" of 4,500. DRI's web site exceeded 677,000 hits for the period. DRI has begun a LinkedIn page and has nearly 120 followers.
- 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.

Community Contribution and Engagement

- The Institute maintained support of a PhD project with our own Research Director being enrolled as an external student with Curtin University, studying the conservation needs of our common dolphins in Port Phillip;
- The Institute's Community Dolphin Sighting Network involved over 50 people around Victoria;
- A new Community Dolphin Monitoring Program was trialed in late 2013 was so successful that it has become a monthly event. Up to 20 people now meet on the second Sunday of each month to develop a "snapshot" of the movement of dolphins, other wildlife and vessels at a number of land-based sites on eastern Port Phillip. This is building into a month by month, season by season, picture of the region.
- Volunteer opportunities in research, education and administration support were taken up by over nearly four dozen people during the year;
- Work placement and project 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 Catchment Management Authority;
- The Institute was a member or representative on 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

For the 2013/2014 financial year revenue from continuing operations totaled \$306,981.

Expenses continued to be very tightly controlled and well within budget. DRI's income earning activities help to cover fundraising and operational costs, meaning that donated funds are spent on core research, education and conservation activities.

DRI recorded an operating surplus of \$23,632 for the period.

The Institute wishes to thank the many organisations and individuals who have provided financial support. In particular Melbourne Water as a foundation and on-going partner of the '*i sea, i care*' Program. This is in addition to the City of Kingston, City of Casey, Mornington Peninsula Shire and Bayside Council.

We thank Trigger Brothers Surfboards, Dolphin Products and Esso Australia Resources Pty Ltd and BHP Billiton Petroleum Pty Ltd, the Gippsland Basin Joint Venture companies for their generous support during the year.

We acknowledge the Department of Environment and Primary Industries for a grant of \$20,000 to deliver a social marketing project to improve community behavior around dolphins on the water. (Although this was confirmed before 30 June, it has been treated as a prepayment and rolled forward to the 2015 year.)

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Contrasting the 2013/2014 results to the previous period shows a shift towards more sustainable revenue streams such as Education Contracts (*'i sea, i care'* partnerships), Collection Tins and Special Events. These areas balanced the previous year's less predictable income from Philanthropic Trusts.

We are confident that ongoing improvements in fundraising programs and strengthening relationships with supporters and partners will continue to build a more sustainable revenue base.

In addition, the federal government has committed funding to the Institute of \$250,000 for an innovative "dolphin health study" over the 2015-2017 period. This has the support of the federal Minister for Environment, the Hon. Greg Hunt and is being developed in conjunction with senior departmental staff from Canberra and leading scientists in the field across Australia and other countries.

There is room for great optimism about the future prospects of the Institute and we look forward to a very positive and productive 2014/2015 financial year.

Statement of in-kind support for the Institute during 2012/2013

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:

Midland Insurance, Peter Doolan Writing and Editing (support with web site), White Cleland Solicitors, Avante Marine, Moonraker Dolphin Swims, Visitor Publications,	Dive Log Magazine, Eastern District Computer Services, Western Port Marina Bistro, Merricks Lodge, Mornington Seaglass and Yaringa Marina.	A number of radio stations have also been very supportive. The Mornington Peninsula News Group has also adopted DRI as a partner through their five local papers.
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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 \$30,000.

Income from Government Grants

The Institute received the following government grants for the year ended 30 June 2014:

- The Department of Environment and Primary Industries, Wildlife Carers Grants Program: \$4,300.

List of Directors and meeting attendance (Attended/Possible)

The names of the directors in office at any time during the year (and meetings attended) are:		
Ian Stevenson	(Chair); B.Sc; M.Sc; Dip.Ed; Environment Consultant, Director Western Port Seagrass Partnership, Convenor Western Port Catchment Committee.	(6/6)
Denise Orchard (i)	Grad.Dip (Accounting); CPA; Director and owner Glass Plus Gallery.	(1/1)
Jeff Weir	(Executive Director, Secretary); B.Sc; M.Sc; Dip.Ed; MFIA; Member Central Coastal Board.	(6/6)
Patrick Nolan	BA, BBus(Bnkg&Fin); Head of Diversified Financial Institutions, Global Institutional Banking, NAB.	(6/6)
Leigh Berrell	BAppSc(Comp)(Hons), MBA, GAICD; Chief Information Officer, Yarra Valley Water	(5/6)
Marnie Williams(ii)	BSc(Hons); LLB, Solicitor and Barrister of the High Court of Australia.	(0/0)
Nina Bonadonna	MBA; Operational Risk Manager, ANZ America.	(2/6)
Rod Evenden (iii)	BSc, LL.B, LL.M, Director, White Cleland Lawyers.	(4/4)
Warren Cecil (iv)	Grants and Sponsorships Facilitator, Manningham City Council.	(1/1)

(i) Retired 24/9/13, (ii) Extended leave given, (iii) Joined 16/10/13, (iv) Joined 17/4/14

Operating Result

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

Year ended 30 June 2014	Year ended 30 June 2013
\$	\$
23,632	37,970

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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 that 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

At the time of writing, the company is finalising contracts with the federal government for a \$250,000 grant over the next three years to investigate and develop a methodology to monitor dolphin health. It will bring \$60,000, \$100,000 and \$90,000 in the 2015, 2016 and 2017 years respectively.

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. Jeff Weir is an employee of the entity in the capacity of Executive Director.

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 2014, the total amount that members of the company are liable to contribute if the company is wound up is \$660 (2013: \$680).

Auditor's 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:



Ian Stevenson, Chair



Jeff Weir, Executive Director

Dated: this 8th day of OCTOBER 2014

Financial Report for the Year Ended 30 June 2014

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 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.

Flinders Partners Group

Gregory J Waterland Chartered Accountant

Date 1/10/14

Level 1, 405 Nepean Highway Frankston Vic 3199



A handwritten signature in cursive script, appearing to read 'G. Waterland', is written over a horizontal dotted line. Below the dotted line is a solid horizontal line.

DOLPHIN RESEARCH INSTITUTE

ACN 097 317 112

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$	\$
Revenue	2	306981	302525
Employee benefits expense		181417	179940
Depreciation and amortisation expense	3	3500	4647
Research Costs		2873	6376
Fuel, light and power expense		1837	1480
Rental expense		29597	27300
Training expense		141	0
Audit, legal and consultancy expense		3200	3000
Administration expense		25925	27889
Education Costs		24132	8097
Fundraising expense		10727	5826
Profit before income tax		23632	37970
Income tax expense		-	-
Profit for the year		23632	37970
Profit attributable to members of the entity		23632	37970

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014	2013
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	88643	74119
Trade and other receivables	5	36752	18655
Inventories	6	2823	3339
Other assets	7	2075	2206
TOTAL CURRENT ASSETS		130293	98319
NON-CURRENT ASSETS			
Property, plant and equipment	8	21275	23997
TOTAL NON-CURRENT ASSETS		21275	23997
TOTAL ASSETS		151568	122316
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	19707	18891
Borrowings	10	2644	3000
Provisions	11	45129	41689
Other	12	20000	16000
TOTAL CURRENT LIABILITIES		87480	79580
NON-CURRENT LIABILITIES			
Borrowings	10	-	-
Provisions	11	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		-	-
NET ASSETS		64088	42736
EQUITY			
Retained earnings		57688	34056
Reserves	18	6400	8680
TOTAL EQUITY		64088	42736

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

Note	Retained Earnings	Financial Assets Reserve	Revaluation Surplus	Total
	\$	\$	\$	\$
Balance at 1 July 2012	(3914)		8680	4766
Total comprehensive income for the year				
Profit attributable to members	37970			37970
Balance at 30 June 2013	34056		8680	42736
Balance at 1 July 2013	34056		8680	42736
Total comprehensive income for the year				
Profit attributable to members	23632		(2280)	21352
Balance at 30 June 2014	57688		6400	64088

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

Note	2014	2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members and supporters	285997	291001
Payments to suppliers and employees	(270853)	(238362)
Interest received	1264	1530
Interest paid	(91)	(92)
Net cash generated from operating activities	16317	54078
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(1618)	-
Proceeds from sale of vehicle	181	-
Net cash generated by/(used in) investing activities	(1437)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in borrowings	(356)	(2129)
Net cash generated by/(used in) financing activities	(356)	(2129)
Net increase in cash held	14524	51950
Cash and cash equivalents at beginning of financial year	74119	22169
Cash and cash equivalents at end of financial year	4 88643	74119

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$	\$
The accompanying notes form part of these financial statements.			
Reconciliation of Net Cash provided by / used in operating Activities			
Operating surplus (loss)		23632	37970
Depreciation		3500	4647
Loss (profit) on disposal of equipment		(1623)	78
Changes in assets and liabilities			
(Increase) decrease in trade and other debtors		(17966)	(8276)
(increase)decrease in stock		516	(1313)
Increase(decrease) in trade creditors and accruals		(441)	(2312)
Increase(decrease) in other creditors		7561	17096
Increase(decrease) in employee entitlements		3441	2975
Increase(decrease) in sundry provisions		(2303)	3214
Net Cash provided by (used in) operating activities		16317	54079

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Dolphin Research Institute (DRI) is a company limited by Guarantee, incorporated and domiciled in Australia.

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*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

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 DRI is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. Where the grant relates only to the ongoing programs of the Institute the grant is recognised as income on receipt.

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 Limited may receive non-reciprocal contributions of services from various parties for zero or a nominal value. These contributions are not recognised in the statement of financial position. Such items are acknowledged if applicable in the notes to the accounts.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest 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.

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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 any impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

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 straight line 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
Research and Office equipment	10 –40%

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

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. Dolphin Research institute currently has no finance leases.

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

e. Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

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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, and bank overdrafts.

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).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a net basis. The GST components of cash flows arising from all activities which are recoverable from, or payable to, the ATO are presented as an increase or decrease in trade or other creditors.

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.

l. Trade and Other Payables

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

m. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

n. Economic Dependence

Dolphin Research Institute is not dependent on any one source for the majority of revenue used to operate the business. Revenue is received from various philanthropic sources and the Institute's own fund raising activities and programs. At the date of this report the Board of Directors has no reason to believe that this situation will not continue.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2: REVENUE AND OTHER INCOME

	2014	2013
	\$	\$
Revenue		
Revenue from (non-reciprocal) government grants and other grants:		
– federal government grants	-	-
– state government grants	4300	-
– other organisations	46207	90896
	50507	90896
Other revenue:		
– Educational Programs	134340	89561
– Donations and Fundraising	120511	122068
	254851	211629
Total revenue	305358	302525
Other income		
– gain on disposal of property, plant and equipment	1623	-
Total other income	1623	-
Total revenue and other income	306981	302525

NOTE 3: PROFIT FOR THE YEAR

	2014	2013
	\$	\$
Expenses		
Employee benefits expense:		
- Salaries	166942	165896
– contributions to defined contribution superannuation funds	14475	14044
Depreciation and amortisation:		
– Research Equipment	1848	2297
– Furniture and equipment	1596	2281
– Software	56	69
Total depreciation and amortisation	3500	4647
Bad and doubtful debts:		
– trade and other receivables	-	-
Rental expense on operating leases	29597	27300

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NOTE 5: TRADE AND OTHER RECEIVABLES

	Note	2014 \$	2013 \$
CURRENT			
Trade receivables		36752	18655
Provision for impairment	5a	-	-
Total current trade and other receivables		36752	18655

a. **Provision for Impairment of Receivables**

Movement in the provision for impairment of receivables is as follows:

	\$
Provision for impairment as at 30 June 2012	
– Charge for year	-
– Written off	-
Provision for impairment as at 30 June 2013	-
– Charge for year	-
– Written off	-
Provision for impairment as at 30 June 2014	-

NOTE 6: INVENTORIES

	2014 \$	2013 \$
CURRENT		
At cost:		
Merchandise	2823	3339
	2823	3339

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 7: OTHER ASSETS

	2014 \$	2013 \$
CURRENT		
Other Debtor	-	102
Prepayments	2075	2104
	2075	2206

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NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2014	2013
	\$	\$
PLANT AND EQUIPMENT		
Office equipment and Furniture:		
At cost	30845	30845
Less accumulated depreciation	(26827)	(25230)
	4018	5615
Research Equipment:		
At Directors Valuation	55912	59225
Accumulated depreciation	(38878)	(41122)
	17034	18103
Software:		
At Cost	2059	2059
Accumulated depreciation	(1836)	(1780)
	223	279
Total property, plant and equipment	21275	23997

Movements in Carrying Amounts

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

	Office Equipment	Research Equipment	Software	Total
	\$	\$	\$	\$
2014				
Balance at the beginning of the year	5616	18103	279	23997
Additions at cost	-	1618	-	1618
Additions at fair value	-	-	-	-
Disposals		(839)	-	(839)
Depreciation expense	(1596)	(1848)	(56)	(3500)
Carrying amount at the end of the year	4018	17034	223	21275

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.

Dolphin Research Institute
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Directors' Statement

NOTE 9: TRADE AND OTHER PAYABLES

	Note	2014	2013
		\$	\$
CURRENT			
Trade payables		2696	3137
GST liabilities		3695	5998
Other current payables		13316	9756
	17	19707	18891

NOTE 10: BORROWINGS

	Note	2014	2013
		\$	\$
CURRENT			
Employee Loans		2644	3000
NON-CURRENT			
Lease liabilities		-	-
Total borrowings	17	2644	3000

Leased liabilities are secured by the underlying leased assets.

NOTE 11: PROVISIONS

	Employee Benefits	Total
	\$	\$
Opening balance at 1 July 2013	41688	38714
Additional provisions raised during year	17048	13680
Amounts used	(13607)	(10705)
Balance at 30 June 2014	45129	41689
	2014	2013
	\$	\$
Analysis of total provisions		
Current	45129	41689
Non-current	-	-
	45129	41689

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 to these financial statements.

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NOTE 12: OTHER LIABILITIES

	2014	2013
	\$	\$
Income in Advance:	20000	16000
	20000	16000
	20000	16000

Income in advance

Represents education contract income received for which the service has not been provided at financial year end. The income will be recognised as the service is provided in accordance with the accounting policy as set out in Note 1(a).

NOTE 13: CAPITAL AND LEASING COMMITMENTS

	2014	2013
	\$	\$
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments:		
– not later than 12 months	30493	29058
– later than 12 months but not later than five years	34333	61579
– later than five years		
	64826	90637
	64826	90637

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a three-year term. Increase in lease commitments may occur in line with the consumer price index (CPI).

NOTE 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2014	2013
	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Claims:	-	-

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NOTE 15: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

NOTE 16: OTHER RELATED PARTY TRANSACTIONS

During the year the executive director advanced various amounts to the company to meet expenses. These amounts are disclosed as borrowings and reimbursed as cash flow allows.

NOTE 17: FINANCIAL RISK MANAGEMENT

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

The carrying amounts 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	2014	2013
		\$	\$
Financial assets			
Cash and cash equivalents	4	88643	74119
Loans and receivables	5	36752	18655
Total financial assets		125395	92774
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	9	19707	18891
– Borrowings	10	2644	3000
Total financial liabilities		22351	22891

NOTE 18: RESERVES

Revaluation Surplus

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

NOTE 19: 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

Dolphin Research Institute
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Directors' Statement

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Dolphin Research Institute, the directors of the entity declare that:

1. The financial statements and notes, as set out on pages 8 to 20 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 2013 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.



Ian Stevenson, Chair



Jeff Weir, Executive Director

Dated: this 8th day of October 2014

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 2013, 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements 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 company's preparation of the financial report that gives a true and fair view 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*, which has been given to the directors of Dolphin Research Institute, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

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

- (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Auditor's signature:

Address:

Dated this

9 day of

2014