

# 2015 Annual Report



i sea, i care.®

*Protecting OUR  
marine treasures  
since 1991*



***Port Phillip's dolphins share their home with 4.5 million people***

**Dolphin Research Institute Ltd  
2015 Annual Report and Audited Accounts**

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## Research

For conservation



## Education

The next generation



## Leadership

'i sea, i care'

### Directors Statement

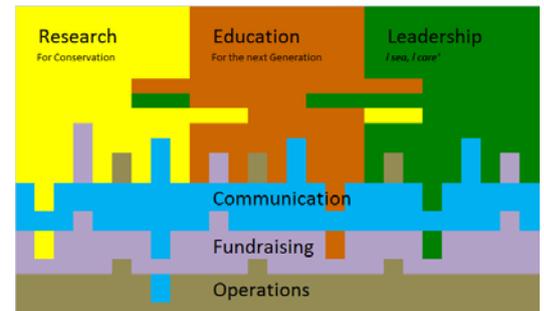
By Ian Stevenson, Chairman

The Directors of the Dolphin Research Institute are proud to present this Annual Report on company operations for the 2014/15 financial year.

We thank the DRI team of staff, volunteers and supporters whose passion and shared vision have driven the Institute's achievements for a quarter of a century.



The Institute's role of "helping Victorians to protect our marine treasures" is achieved through the three strategic themes of our Living Strategy; "Research", "Education" and "Leadership". The themes work together and are integrated with and underpinned by communication, fundraising and operational programs.



I would like to highlight some key achievements;

- The three-year Dolphin Health Project, funded by the federal government, brings researchers and citizen scientists together with a common goal to develop a tool for the long-term monitoring of dolphin health around Australia and beyond;
- Our 'i sea, i care' ambassador program has grown to have 94 active schools with 430 ambassadors growing as environmental leaders;
- Our 2015 Walk for Western Port helped children and families from 24 schools, along with the wider community, to gain a greater sense of stewardship for our bay;
- Our marine education programs engaged over 8,000 children and adults;
- We significantly influenced the development of the Regional Coastal Plan and were actively involved in panels and submissions relevant to coastal planning and development.

The common thread is our work with people and the long-term relationships we build with researchers, environmental managers, federal, state and local governments, schools, businesses and of course our loyal supporters, some who have been with us for nearly 25 years.

We will celebrate the Institute's twenty-fifth anniversary in March 2016 and whilst we are proud of our achievements, the pressures from population growth and climate change mean that our work is needed more than ever.

The Institute is planning for the future by reviewing all our programs, especially communications, so that we can achieve the most with the funds and faith our supporters invest in us.

A strong net surplus outcome for the year provides the foundation to build a strong future for the Dolphin Research Institute and most importantly, to empower us to address the needs of our marine mammals and other marine treasures in the decades to come.



**The Research theme** reinforces the importance of science and solid evidence in achieving the Institute’s strategy. The work is deliberately applied in nature to achieve conservation outcomes. It encompasses “Citizen Science” and “Social Research”, in addition to the more formal field research.

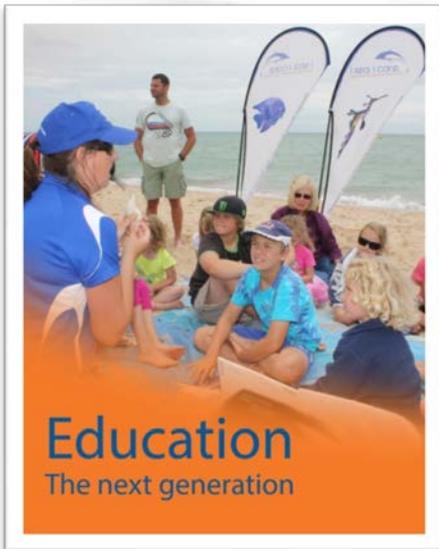
“Core Research” includes the long-term monitoring of dolphin populations in Victoria which now spans twenty five years. It provides the best available evidence and support to assist environmental managers with their work and decision making.

“Collaborative Research” includes projects with a funding or research partner to answer specific questions. Examples include the support of post-graduate research projects and the federally-funded Dolphin Health Study. Projects are chosen to support the core program.

During the year we:

- Strengthened the long-term relevance and quality of the core research program;
- Consolidated relationships with other research centres and scientists around Australia and internationally;
- Progressed a major project on 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;
- Started the three-year Dolphin Health Project funded under the federal government’s National Whale and Dolphin Protection Plan. This flows from our earlier work on dolphin skin lesions as an indicator for dolphin health. It will develop the methods for later national replication. This has five key elements:
  1. Historical analysis of 23 years of photo-data to establish the “normal” range and monitoring methods for skin health. 30,000 film images were scanned and along with another 24,000 digital images, documented into a database;
  2. Successful trialling of new transect methods for long-term surveys in Port Phillip and Western Port;
  3. Successful trialling of a new citizen science project for the collection of photo-data of dolphin skin health with commercial charter operators in Port Phillip;
  4. Establishment of the framework for a national dolphin health network of experts;
  5. Development of a social marketing program focusing on dolphin watching regulations;
- Consolidated 18 months of the monthly, shore-based Community Dolphin Monitoring Program at eastern Port Phillip locations;
- Supported the Department of Environment, Land, Water and Planning by reporting cases of dolphin harassment, responding to strandings, and reporting sightings of whales in the bays;
- Provided work-placement for undergraduate scientists;
- Social research projects on community attitudes and understanding about “stormwater pollution” and “dolphin regulations”;
- Support for the development of the “Two Bays Project” to involve the community in logging the sightings of whales.



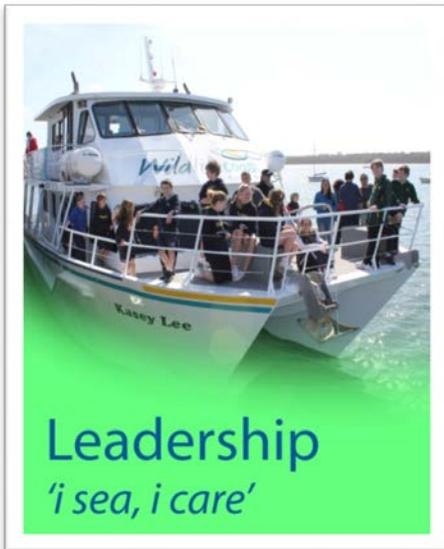


**The Education theme** encompasses the school and community education programs, many parts of our *'i sea, i care'* Ambassador and general communication programs. These programs deliver curriculum outcomes for teachers and also help to achieve our goal of shifting community values and appreciation for marine mammals and southern marine environments.

During the year we:

- Conducted formal marine education programs for over 8,000 children and adults;
- Conducted community education programs as part of the *'i sea, i care'* Challenge Summer beach program, Careers Day at the Sea Life Aquarium and other community events;
- Developed the *'i sea, i care'* School Ambassador program with:
  - strong partnerships with the City of Kingston, Bayside City Council, Mornington Peninsula Shire, the City of Casey and Catholic Education;
  - 94 participating schools (up by 20) (see green stars on map) and 420 ambassadors. This takes the tally for ambassadors in the program to nearly 3500.
  - Implemented an on-line forum for ambassadors to share ideas and experiences and use as a communication hub;
  - Began the trial of an *'i sea, i care'* model for secondary schools;
- Conducted professional development programs for teachers and tourism officers.;
- Worked on our broad communications program:
  - Undertaking a whole organisation communications review;
  - Maintaining regular features in the Visitor Magazine, DiveLog Magazine (up to December), local and main media ;
  - Increased our Facebook followers by 400 to over 1,500 and a peak reach of over 3,500;
  - Increased our LinkedIn followers to 161;
  - DRI's web site received over 709,000 hits during the year;
  - Additional videos were uploaded to DRI's YouTube site;
- Were a regular and sought-after guest speaker at schools and community groups. This was often on a volunteer basis and is a way that we can contribute to the community.





**The Leadership theme** recognises that the “best” research and education programs in the world are useless unless they inspire changes in community perceptions, values, understanding and behaviours, and also in policy and management decisions.

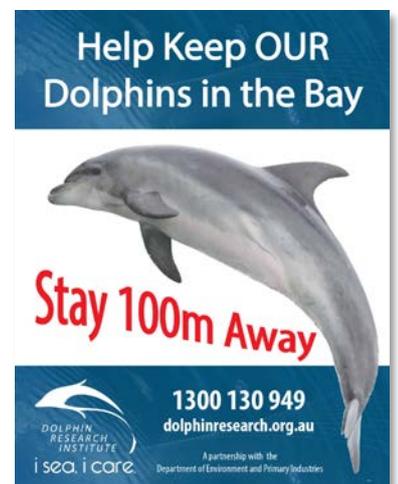
The Institute integrates leadership through our research and education themes by:

- Focusing research questions to find solutions to environmental management issues;
- Integrating key environmental messages through education programs;
- Supporting the development of the next generation of scientists through undergraduate and post-graduate projects;
- Developing young environmental leaders through the *‘i sea, i care’* Ambassador Program, with training as peer educators and public speakers. (After 15 years, we are now hearing of past ambassadors becoming the next generation of environmental managers);
- Involving ambassadors, families and schools in the annual Walk for Western Port (24 schools in 2015. See top image);
- Having three ambassadors open the 2015 Australian Coastal Councils National Conference (middle image);
- Involving councilors in ambassador workshops (lower image, with Mayor of the Mornington Peninsula Shire);
- Conducting social research with the help of *‘i sea, i care’* ambassadors and schools;
- Involving volunteers and the broad community in citizen science programs.



The Institute takes an active leadership role both as an organisation and through our key staff by:

- Being a member or representative on a number of other community organisations and initiatives; Environmental Science Teachers Network, AUSSIVic, Mornington Peninsula Tourism, the UNESCO Biosphere and Environment Victoria;
- 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);
- 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;
- Developing a social marketing campaign about the dolphin watching regulations, including distributing over 8,000 stickers.



## Commentary on the year's Operational and Financial results

The significant achievements in the Institute's key areas were underpinned by a solid base provided by excellent work in the areas of fundraising, communication, management and governance.

The Dolphin Research Institute achieves a great deal with a small but dedicated and talented team of staff and volunteers. During the period we had 4.3 full-time equivalent and 8 casual education staff, to cover our core research, education, fundraising, communication, administration and management functions. In addition we have a volunteer board with 7 members, the equivalent of a full-time volunteer to assist with fundraising and many other volunteers who help with events, communication and research.

For the 2014/2015 financial year revenue from continuing operations totaled \$462,267. 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 activities. DRI recorded an operating surplus of \$96,580 for the period. This successful outcome has been used to seed a "Development Fund" as an investment in the Dolphin Research Institute's future.

During the year we continued to develop revenue streams such as Education Contracts (*'i sea, i care'* partnerships), Collection Tins and Special Events to provide a diverse and sustainable mix. The combined revenue from major gifts, events (2015 Walk for Western Port and 2014 Dinner) and collection tins grew by \$68,000 compared to the previous year.



We would like to acknowledge the generosity of Simon Kennedy, Jean Weir and the estate of the late Eurgenia Gairdner, for their significant gifts during the year.

Special mention too, needs to go to loyal donors who are currently renewing their support for up to the 23<sup>rd</sup> year!

A grant of \$60,000 received from the federal government in the first year of The Dolphin Health Project, supported two research project officers to work on the project during the first half of 2015.

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'* ambassador program. This is in addition to the City of Kingston, City of Casey, Mornington Peninsula Shire, Bayside City Council and Catholic Education.

We thank the following for their generous support during the year:

Bullfrog's Bali,  
Dolphin Products,  
Esso Australia Resources Pty Ltd and BHP Billiton Petroleum Pty Ltd, the Gippsland Basin Joint Venture companies,  
Westernport Holden,  
Lelleys Coffee House,

Community Real Estate,  
White Cleland Lawyers,  
TJ Sparks Real Estate, and  
the Ranelagh Club.

Effective communication is critical to the success of all aspects of our work. As part of preparing for the decades ahead, after nearly 25 years, we are working with Gravity Design to refine our branding and electronic and on-line communications. This will benefit every aspect of our operation and ability to build new and lasting relationships with donors.

We are confident that with our wonderful team of staff, volunteers and donors, alongside the ongoing improvements in all our programs, there is room for great optimism about the future prospects of the Institute and we look forward to a very positive and productive 2015/2016 financial year.

## Income from Government Grants

The Institute received the following government grants for the year ended 30 June 2015:

- The Australian Government Department of the Environment under the National Landcare Programme – National Heritage Trust – Whale and Dolphin Protection Plan – Dolphin Conservation Plan; for The Development of an on-going Dolphin Health Monitoring Program. \$60,000 in 2015, \$90,000 in 2016 and \$100,000 in 2017.
- The Victorian Department of Environment, Land, Water and Planning: Wildlife Carers Grants Program: \$2,500 and a Grant of \$20,000 to deliver a social marketing program to improve community behaviour around dolphins on the water.

## Statement of in-kind support for the Institute during 2014/2015

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:

Bullfrog’s Bali, Midland Insurance, Peter Doolan Writing and Editing, White Cleland Lawyers,	Avante Marine, Moonraker Dolphin Swims, Visitor Publications, Dive Log Magazine,	Eastern District Computer Services, Western Port Marina Bistro, Merricks Lodge, and Mornington Seaglass.
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The Mornington Peninsula News Group has also adopted DRI as a partner through their five local papers. 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.

## Operating Result

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

Year ended 30 June 2015	Year ended 30 June 2014
\$96,580	\$23,632

## 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. Employees loan (refer to Note 10) were repaid in July 2015.

## Future Developments

The on-going federally-funded Dolphin Health Project will receive \$90,000 in the 2016 year and \$100,000 in the 2017 year.

## 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 2015, the total amount that members of the company are liable to contribute if the company is wound up is \$660 (2014: \$660).

### 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.

### 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:		
<b>Ian Stevenson</b>	(Chair)B.Sc;MSc;DipEd; Environment Consultant, Director Western Port Seagrass Partnership, Convenor Western Port Catchment Committee.	(7/7)
<b>Jeff Weir</b>	(Executive Director, Secretary); BSc;MSc;DipEd;MFIA; Member Central Coastal Board.	(7/7)
<b>Patrick Nolan</b>	BA; BBus(Bnkg&Fin); Head of Diversified Financial Institutions, Global Institutional Banking, NAB.	(6/7)
<b>Leigh Berrell (i)</b>	BAppSc(Comp)(Hons); MBA; GAICD; Chief Information Officer, Yarra Valley Water	(2/2)
<b>Marnie Williams (ii)</b>	BSc(Hons);LLB; Solicitor and Barrister of the High Court of Australia.	(0/0)
<b>Nina Bonadonna(iii)</b>	MBA; Operational Risk Manager, ANZ America.	(0/4)
<b>Rod Evenden</b>	BSc;LLB; LLM; Director, White Cleland Lawyers.	(6/7)
<b>Warren Cecil</b>	Grants and Sponsorships Facilitator, Manningham City Council.	(7/7)
<b>Paul Curtin (iv)</b>	BBus; GradDip; Applied Finance and Investments, Chartered Accountant. CFO, Telstra Superannuation.	(6/6)

(i) returned from extended leave 28/3/15, (ii)(iii) retired 23/3/15, (iv) appointed 13/8/14.

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



Ian Stevenson, Chair



Patrick Nolan, Director

Dated: this 24th day of August 2015

DOLPHIN RESEARCH INSTITUTE  
ACN 097 317 112

**Financial Report for the Year Ended 30 June 2015**

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 2015 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 26/8/15.

Level 1, 405 Nepean Highway Frankston Vic 3199

**DOLPHIN RESEARCH INSTITUTE**  
**ACN 097 317 112**

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**Financial Report for the Year Ended 30 June 2015**

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2015**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
Revenue	2	462267	306981
Employee benefits expense		247751	181417
Depreciation and amortisation expense	3	6428	3500
Research Costs		5146	2873
Fuel, light and power expense		1164	1837
Rental expense		30397	29597
Training expense		4093	141
Audit, legal and consultancy expense		3200	3200
Administration expense		26522	25925
Education Costs		22565	24132
Fundraising expense		19321	10727
<b>Profit before income tax</b>		96580	23632
Income tax expense		-	-
<b>Profit for the year</b>		96580	23632
Profit attributable to members of the entity		96580	23632

The accompanying notes form part of these financial statements.

**DOLPHIN RESEARCH INSTITUTE**  
**ACN 097 317 112**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	153486	88643
Trade and other receivables	5	31966	36752
Inventories	6	2121	2823
Other assets	7	2166	2075
TOTAL CURRENT ASSETS		189739	130293
NON-CURRENT ASSETS			
Property, plant and equipment	8	39398	21275
TOTAL NON-CURRENT ASSETS		39398	21275
TOTAL ASSETS		229137	151568
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	21081	19707
Borrowings	10	6122	2644
Provisions	11	42166	45129
Other	12	-	20000
TOTAL CURRENT LIABILITIES		69369	87480
NON-CURRENT LIABILITIES			
Borrowings	10	-	-
Provisions	11	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		-	-
NET ASSETS		159768	64088
<b>EQUITY</b>			
Retained earnings		153368	57688
Reserves	18	6400	6400
TOTAL EQUITY		159768	64088

The accompanying notes form part of these financial statements.

**DOLPHIN RESEARCH INSTITUTE**  
**ACN 097 317 112**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

Note	Retained Earnings	Financial Assets Reserve	Revaluation Surplus	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2013</b>	34056		8680	42736
<b>Total comprehensive income for the year</b>				
Profit attributable to members	23632		(2280)	21352
<b>Balance at 30 June 2013</b>	57688		6400	64088
<b>Balance at 1 July 2014</b>	57688		6400	64088
<b>Total comprehensive income for the year</b>				
Profit attributable to members	95680		-	95680
<b>Balance at 30 June 2015</b>	153368		6400	159768

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

Note	2015	2014
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from members and supporters	464795	285997
Payments to suppliers and employees	(381072)	(270853)
Interest received	2258	1264
Interest paid	(65)	(91)
Net cash generated from operating activities	85916	16317
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(24550)	(1618)
Proceeds from sale of vehicle	-	181
Net cash generated by/(used in) investing activities	(24550)	(1437)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in borrowings	3477	(356)
Net cash generated by/(used in) financing activities	3477	(356)
Net increase in cash held	64843	14524
Cash and cash equivalents at beginning of financial year	88643	74119
Cash and cash equivalents at end of financial year	4 153486	88643

**DOLPHIN RESEARCH INSTITUTE**  
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		\$	\$
The accompanying notes form part of these financial statements.			
Reconciliation of Net Cash provided by / used in operating Activities			
Operating surplus (loss)		95680	23632
Depreciation		6428	3500
Loss (profit) on disposal of equipment		-	(1623)
Changes in assets and liabilities			
(Increase) decrease in trade and other debtors		4695	(17966)
(increase)decrease in stock		701	516
Increase(decrease) in trade creditors and accruals		(1491)	(441)
Increase(decrease) in other creditors		(17143)	7561
Increase(decrease) in employee entitlements		(2963)	3441
Increase(decrease) in sundry provisions		9	(2303)
Net Cash provided by (used in) operating activities		85916	16317

The accompanying notes form part of these financial statements.

**DOLPHIN RESEARCH INSTITUTE**  
**ACN 097 317 112**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**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.

# DOLPHIN RESEARCH INSTITUTE

ACN 097 317 112

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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
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 (e.g. 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.

## DOLPHIN RESEARCH INSTITUTE

ACN 097 317 112

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 to 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 2015

NOTE 2: REVENUE AND OTHER INCOME

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>Revenue</b>		
Revenue from (non-reciprocal) government grants and other Gifts:		
– federal government grants	60000	-
– state government grants	22500	4300
– other organisations	148839	108765
	231339	113065
Other revenue:		
– Educational Programs	139807	134340
– Fundraising	88863	56689
	228670	191029
<b>Other income</b>		
– gain on disposal of property, plant and equipment	-	1623
<b>Interest received</b>		
Unrelated Parties	2258	1264
	462267	306981
<b>Total Revenue</b>	<b>462267</b>	<b>306981</b>

NOTE 3: EXPENSE ITEMS

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>Expenses</b>		
Employee benefits expense:		
- Salaries	223896	166942
– contributions to defined contribution superannuation funds	20855	14475
Depreciation and amortisation:		
– Research Equipment	5268	1848
– Furniture and equipment	1115	1596
– Software	45	56
Total depreciation and amortisation	6428	3500
Bad and doubtful debts:		
– trade and other receivables	-	-
Rental expense on operating leases	30397	29597

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4: CASH AND CASH EQUIVALENTS

	2015	2014
	\$	\$
CURRENT		
Cash at bank	152341	86852
Cash on hand	1145	1791
	153486	88643
	153486	88643

NOTE 5: TRADE AND OTHER RECEIVABLES

	Note	2015	2014
		\$	\$
CURRENT			
Trade receivables		31966	36752
Provision for impairment	5a	-	-
Total current trade and other receivables		31966	36752
		31966	36752

a. **Provision for Impairment of Receivables**

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

	\$
Provision for impairment as at 30 June 2013	
– Charge for year	-
– Written off	-
Provision for impairment as at 30 June 2014	-
– Charge for year	-
– Written off	-
Provision for impairment as at 30 June 2015	-

NOTE 6: INVENTORIES

	2015	2014
	\$	\$
CURRENT		
At cost:		
Merchandise	2121	2823
	2121	2823
	2121	2823

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 7: OTHER ASSETS

	<b>2015</b>	<b>2014</b>
	\$	\$
CURRENT		
Other Debtor	-	-
Prepayments	2166	2075
	2166	2075
	2166	2075

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>PLANT AND EQUIPMENT</b>		
Office equipment and Furniture:		
At cost	32954	30845
Less accumulated depreciation	(27942)	(26827)
	5012	4018
Research Equipment:		
At Directors Valuation	78353	55912
Accumulated depreciation	(44146)	(38878)
	34207	17034
Software:		
At Cost	2059	2059
Accumulated depreciation	(1881)	(1836)
	178	223
Total property, plant and equipment	39397	21275

**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
	\$	\$	\$	\$
<b>2015</b>				
Balance at the beginning of the year	4018	17034	223	21275
Additions at cost	2110	22440	-	24550
Additions at fair value	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(1116)	(5267)	(45)	(6428)
Carrying amount at the end of the year	5012	34207	178	39397

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

**Asset Revaluations**

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

NOTE 9: TRADE AND OTHER PAYABLES

	Note	2015	2014
		\$	\$
CURRENT			
Trade payables		1205	2696
GST liabilities		3704	3695
Other current payables		16172	13316
	17	<u>21081</u>	<u>19707</u>

NOTE 10: BORROWINGS

	Note	2015	2014
		\$	\$
CURRENT			
Employee Loans		<u>6122</u>	<u>2644</u>
NON-CURRENT			
Lease liabilities		-	-
Total borrowings	17	<u>6122</u>	<u>2644</u>

Leased liabilities are secured by the underlying leased assets.

NOTE 11: PROVISIONS

	Employee Benefits	Total
	\$	\$
Opening balance at 1 July 2014	45129	41688
Additional provisions raised during year	15059	17048
Amounts used	(18022)	(13607)
Balance at 30 June 2015	<u>42166</u>	<u>45129</u>
	<b>2015</b>	<b>2014</b>
	\$	\$
<b>Analysis of total provisions</b>		
Current	42166	45129
Non-current	-	-
	<u>42166</u>	<u>45129</u>

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NOTE 11: PROVISIONS

	<b>Employee Benefits</b>	<b>Total</b>
	\$	\$

**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.

NOTE 12: OTHER LIABILITIES

	<b>2015</b>	<b>2014</b>
	\$	\$
Income in Advance:	-	20000
	-	20000

**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

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments:		
– not later than 12 months	25023	30493
– later than 12 months but not later than five years	9310	34333
– later than five years	-	-
	34333	64826

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a three-year term, ending in March 2016. Increase in lease commitments may occur in line with the consumer price index (CPI).

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NOTE 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	<b>2015</b>	<b>2014</b>
	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Claims:	-	-

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:

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		\$	\$
<b>Financial assets</b>			
Cash and cash equivalents	4	153486	88643
Loans and receivables	5	31930	36752
<b>Total financial assets</b>		185416	125395
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
- trade and other payables	9	21081	19707
- Borrowings	10	6121	2644
<b>Total financial liabilities</b>		27202	22351

NOTE 18: RESERVES

**Revaluation Surplus**

The revaluation surplus records the revaluations of non-current assets. (No revaluation in 2015).

**DOLPHIN RESEARCH INSTITUTE**  
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**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 11 to 24, 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 2015 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.

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



Ian Stevenson, Chair



Patrick Nolan, Director

Dated: this 24th day of August 2015

**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 2015, 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 2015 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: Level 1, 405 Nepean Highway Frankston Vic 3199

Dated this 26 day of August 2015