

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



Annual Financial Report For the Year Ended 30 June 2010

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Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD

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 2010). 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.

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:

- Supported a substantial field research program dedicated to obtaining identification and gross health information about the resident dolphin populations in Port Phillip, Western Port and the Gippsland Lakes.
- Continued to monitor the recovery of the resident Gippsland Lakes dolphin population after severe fungal and bacterial infections which were first identified in 2007.
- 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 and our attendance at the international Biennial Conference for the Society of Marine Mammals
- Had four Monash/DRI students present posters of their recent findings at the prestigious Biennial Conference for the Society of Marine Mammals, held in Quebec, Canada.
- Received an international award for work completed by our PhD student, Kate Charlton-Robb who presented some of her PhD findings to colleagues at the Biennial Conference for the Society of Marine Mammals.
- 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 Programs

- More than 13,000 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 second *'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 20 locations to run education programs for more than 1,300 people and informally meet another 2,000. 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 angling peak body VR-Fish.
- The Institute was regularly featured in the media contributing on a range of marine environmental issues.
- 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

- The Institute maintained the support of two PhD research projects with young scientists from Monash University.
- The Institute's Community Dolphin Sighting Network involved over 100 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 Blue Whale Research Group.
- The Institute was a member or representative of a number of other community organizations and initiatives; Better Bays and Waterways, AUSSIVic, Mornington, Peninsula Tourism, the UNESCO Biosphere and Central Coastal Board.

Commentary on the year's financial results

The Institute has continued to maintain sound financial management during the 2009/2010 financial year, and at the same time achieving growth in the delivery of research and education programs.

The implementation of the Institute's business strategy continued to make progress during the year, maintaining a steady growth in revenue from education programs.

Overall revenue from fundraising was down compared to the previous year. Some areas including general donations showed slight growth or remained stable. The areas of grants and sponsorships were substantially less than the previous period.

Some of the grants from Philanthropic Trusts received in the previous period from the Ian Potter Foundation and Perpetual Trustees, were not completed until December 2009 which made it difficult to apply for more funding to the same trusts during the year. Dame Elisabeth Murdoch was also a significant contributor during the period. (Trust applications for projects totaling over \$200,000 were submitted to a number of trusts before June 2010. The outcomes were unknown at the time of writing this report).

The on-going development of our '*i sea, i care*' Programs, including the '*i sea, i care*' *Challenge* in January and sustained roll-out of the '*i sea, i care*' School Ambassador Program to schools across Victoria, continued to create interest and the potential for new partnerships and funding opportunities. This provides a very sound base for future growth under the '*i sea, i care*' umbrella.

DRI received a \$1,500 grant under the GVEHO program. We did not qualify for other government grants although we were able to sub-contract to other groups, through '*i sea, i care*', to deliver community engagement outcomes for their projects funded by grants. This revenue is shown under the category for "Education – Contract". Partners include the Blue Whale Research Group, Watson Creek Catchment Management Project and Warringine Reserve.

Corporate support was ongoing with Melbourne Water and Club Marine (through Coastcare). The outcomes from other partnerships did not meet expectations. Contributions were also received from Ritchies Supermarkets, Mitre 10, Holland Insurance and other regular supporters.

Expenses during the period were reduced compared with the previous year to balance the reduced revenue.

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 2010/2011 year.

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Statement of in-kind support for the Institute during 2009/2010

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:

A new partnership with the Herald Sun, Community Service Announcements on Gippsland TV, Brian Holland Insurance, 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, Cannon Australia, Mornington Mermaid Seaglass, Rosebud Irrigation, Smart Books Plus and Yaringa Marina. A number of radio stations have also been very supportive, including 104.3FM, ABC, 3 RRR and 3AW.

In addition the direct contribution of time and expertise of members of our board, Research and other committees, and other volunteers is highly significant. 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 exceed \$100,000.

Income from Government Grants

The Institute acknowledges the receipt of the following government grants for the year ended 30 June 2010:

- Department of Environment, Water, Heritage and the Arts for \$1,500 under the Grants to Voluntary Environment and Heritage Organisations (GVEHO) Program for 2009–2010.

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.	(7)
Jeff Weir	(Executive Director, Secretary); B.Sc;M.Sc;Dip.Ed;MFIA; Member Central Coastal Board.	(7)
Jeremy Fraser (1)	Director of Direct Air Charter, operator and pilot.	(2)
Roy Spencer	Dip.Arch; Fellow RMIT; Fellow RAI; Principal Architect & Planner of Roy Spencer & Assoc. (# Leave of absence during the period)	(1#)
Pamela Wyatt	Senior Manager, Regional Hubbs Program, ANZ.	(4)
Wai Mun Chang	Director HuNet Pty.Ltd.; Graphic Designer.	(4)
Natalie Frazer	Senior Marketing Manager, Government Services, Ernst and Young	(5)
Miranda Thorpe	BSc(Hons); MBA; Executive Director, Chaudhri Consulting Pty. Ltd.	(5)
Rick Howe (2)	General Manager ANZ Insurance Pty. Ltd.	(1)
Ian Stevenson (3)	B.Sc;M.Sc;Dip.Ed; Environment Consultant, Director Western Port Seagrass Partnership	(6)

(1) Retired 17 March 2010, (2) Retired 2 February 2010, (3) Joined 15 September 2009.

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 2010	30 June 2009
\$	\$
(71,681)	41,986

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.

Dolphin Research Institute
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Directors' Statement

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 maintain the present status and level of operations and hence there are no likely developments in the operations in the neat future. Since 30 June 2010 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.

Share Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

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.

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.

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: 30 August 2010

**Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Auditor's Independence Declaration**

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there has 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

G J Waterland
Gregory J Waterland, Chartered Accountant
Level 1, 405 Nepean Highway Frankston Vic 3199



Date: 9/9/2010 .
Frankston

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Detailed Profit and Loss Statement
For the year ended 30 June 2010

	2010	2009
	\$	\$
<hr/>		
Income		
Gift Receipts		
Adopts - New	6,424	5,258
Adopts - Renewals	12,873	13,677
General Donations	39,159	38,678
ISIC - Donations	-	555
ISIC - Ambassador	1,325	4,455
ISIC - Community Pledge	9,209	8,795
Special Appeal	3,090	1,430
Other Income	770	574
	72,850	73,421
Memberships	1,954	2,341
Sponsorships & Grants	55,796	209,294
Merchandise Sales	4,924	1,849
Education Programs	81,191	53,364
Interest received	1,355	2,022
Total income	218,071	342,291

The accompanying notes form part of these financial statements.

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Detailed Profit and Loss Statement
For the year ended 30 June 2010

	2010	2009
	\$	\$
<hr/>		
Expenses		
Audit fees	2,555	2,200
Bad Debts	-	1,267
Bank Fees And Charges	3,147	2,050
Bookkeeping	16,840	-
Computer Expenses	1,867	2,860
Consultants fees	-	4,825
Depreciation - plant	7,208	9,137
Education Program Costs	724	3,869
Entertainment	-	93
General Organisation Expenses	4,389	3,835
Holiday pay	1,229	10,709
Insurance	4,776	3,750
Light & power	611	198
Long service leave	1,008	3,770
Marketing	3,271	6,810
Merchandise Cost of Sales	5,576	1,790
Postage	4,060	2,755
Printing & stationery	10,138	7,332
Rent on land & buildings	17,800	17,615
Repairs & maintenance	1,076	128
Research Costs	10,840	18,665
Salaries - ordinary	171,527	173,584
Staff amenities	401	1,058
Staff training	1,701	1,553
Subscriptions	1,385	1,234
Superannuation	14,680	15,188
Telephone	2,944	4,029
Total expenses	<u>289,752</u>	<u>300,304</u>
Profit (Loss) from Ordinary Activities before income tax	<u>(71,681)</u>	<u>41,986</u>

The accompanying notes form part of these financial statements.

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Profit and Loss Statement
For the year ended 30 June 2010

	2010	2009
	\$	\$
Operating profit before income tax	(71,681)	41,987
Income tax (credit) attributable to operating profit (loss)	-	-
Operating profit after income tax	(71,681)	41,987
Member Funds at the beginning of the financial year	101,847	59,860
Total available for appropriation	30,165	101,847
Member Funds at the end of the financial year	30,165	101,847

The accompanying notes form part of these financial statements.

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Balance Sheet As At 30 June 2010

	Note	2010 \$	2009 \$
Current Assets			
Cash assets	4	40,753	96,699
Receivables	5	5,217	26,633
Inventories	6	2,479	1,185
Current tax assets	7	508	-5,937
Other	8	3,063	1,446
Total Current Assets		52,020	120,026
Non-Current Assets			
Property, plant and equipment	9	35,760	42,968
Total Non-Current Assets		35,760	42,968
Total Assets		87,780	162,994
Current Liabilities			
Payables	10	12,042	18,411
Current tax liabilities	11	599	-
Provisions	12	36,294	34,056
Total Current Liabilities		48,935	52,467
Total Liabilities		48,935	52,467
Net Assets		38,845	110,527
Equity			
Reserves	3	8,680	8,680
Member Funds		30,165	101,847
Total Equity		38,845	110,527

The accompanying notes form part of these financial statements.

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Notes to the Financial Statements
For the year ended 30 June 2010

Note 1: Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001. The directors have determined that the company is not a reporting entity.

Dolphin Research Institute is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The report has been prepared in accordance with the requirements of the Corporations Act 2001 and the following applicable Accounting Standards:

AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110:	Events after the Balance Sheet Date
AASB 117:	Leases
AASB 1031:	Materiality
AASB 1048:	Interpretation and Application Standards

No other Australian Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historic costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the company in the presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. Refer to Note: 'changes in accounting policies' for comparison to the previous financial year:

Accounting Policies

(a) Income Tax

The Institute is exempt from income tax as an exempt charity under Section 50-145 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

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

Property

The Institute holds no real property assets.

Plant and Equipment

Plant and equipment are measured on the cost basis.

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.

Increases in the carrying amount arising on revaluations are credited to the revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

The accompanying notes form part of these financial statements.

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Notes to the Financial Statements
For the year ended 30 June 2010

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

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. All inventory is purchased in a completed state for resale or promotional purposes.

(d) Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually to ensure it is not in excess of recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations.

(e) Financial Assets

Recognition

Financial assets are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Fair Value

The Institutes financial assets consist solely of cash at bank which is used to fund the operation of the Institute.

(f) Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefit will result and that the outflow can be measured reliably.

(h) Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

(i) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

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).

(j) Goods and Service 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

The accompanying notes form part of these financial statements.

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Notes to the Financial Statements
For the year ended 30 June 2010

2010
\$

2009
\$

(k) Comparative Figures

Comparative figures have been adjusted to conform with changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report 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 group.

Note 2: Revenue

Operating Activities:

Other sales revenue	216,716	340,269
Interest revenue*	1,355	2,022
	218,071	342,291
*Interest from:		
National Australia Bank	1,355	2,022
	1,355	2,022

Note 3: Reserves

Balance at the beginning of the reporting period

Assets revaluation reserve	8,680	8,680
	8,680	8,680

Increase (decrease) in reserves during the reporting period:

	-	-
	-	-

Balance at the reporting date

Assets revaluation reserve	8,680	8,680
	8,680	8,680

Nature and purpose of each class of reserve:

- Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets. There have been no changes in reserves in the current year. The reserves are based on Director's estimates of value of the assets concerned.

The accompanying notes form part of these financial statements.

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Notes to the Financial Statements
For the year ended 30 June 2010

	2010	2009
	\$	\$
Note 4: Cash assets		
Bank accounts:		
DRI Research GFE	3	72
DRI Investment Account	20,717	84,822
DRI Main NAB Account	15,569	7,739
DRI Envir Account	1,763	3,549
Other cash items:		
Cash on hand	2,700	518
	<u>40,753</u>	<u>96,699</u>
Reconciliation of Cash:		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash	<u>2,700</u>	<u>518</u>
	<u>40,753</u>	<u>96,699</u>
Note 5: Receivables		
Current		
Trade debtors	<u>5,217</u>	<u>26,633</u>
	<u>5,217</u>	<u>26,633</u>
Note 6: Inventories		
Current		
Raw materials and stores at net realisable value	<u>2,479</u>	<u>1,185</u>
	<u>2,479</u>	<u>1,185</u>
Note 7: Tax Assets		
Current		
GST payable control account	(1,015)	(7,788)
Input tax credit control account	1,549	1,828
GST clearing	(27)	23
	<u>508</u>	<u>(5,937)</u>
Note 8: Other Assets		
Current		
Prepayments	<u>3,063</u>	<u>1,446</u>
	<u>3,063</u>	<u>1,446</u>

The accompanying notes form part of these financial statements.

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Notes to the Financial Statements
For the year ended 30 June 2010

	2010	2009
	\$	\$
Note 9: Property, Plant and Equipment		
Leasehold improvements:		
- At cost	2,078	2,078
- Less: Accumulated depreciation	<u>(1,533)</u>	<u>(1,397)</u>
	<u>544</u>	<u>680</u>
Plant and equipment:		
- At cost	52,584	52,584
- Less: Accumulated amortisation	<u>(41,331)</u>	<u>(37,175)</u>
	<u>11,252</u>	<u>15,408</u>
Research and Education Assets		
- At cost	121,460	121,460
- Less: Accumulated depreciation	<u>(97,497)</u>	<u>(94,581)</u>
	<u>23,963</u>	<u>26,879</u>
	<u>35,760</u>	<u>42,968</u>

Note 10: Payables

- Trade creditors	793	1,479
- Other creditors	<u>11,249</u>	<u>16,932</u>
	<u>12,042</u>	<u>18,411</u>
	<u>12,042</u>	<u>18,411</u>

Note 11: Borrowings

Current

Unsecured:		-
-Other loans	599	-
	<u>599</u>	<u>-</u>
	<u>599</u>	<u>-</u>

Note 12: Provisions

Current

Employee entitlements*	36,294	34,056
	<u>36,294</u>	<u>34,056</u>

* Aggregate employee entitlements liability 36,294 34,056

There were 5 employees at the end of the year

The accompanying notes form part of these financial statements.

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Notes to the Financial Statements
For the year ended 30 June 2010

2010
\$

2009
\$

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value and future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note: Statement of significant account policies.

Note 13: Auditors' Remuneration

Remuneration of the auditor of the company for:

Auditing or reviewing the financial report	2,555	2,200
Other services	-	-
	2,555	2,200

Note 14: Contingent Liabilities

Estimates of material amounts of contingent liabilities, not provided for in the accounts, arising from a contested claim.

	4,000	
	4,000	-

Note 15: Events Subsequent to Reporting Date

No significant events have arisen since the end of the financial year that would materially affect the financial affairs or other operations of the Institute. The Directors understand that funds (in the order of \$20,000) that were raised by a corporate partner during the year but not accounted in the financial report, will be paid in the next period.

Note 16: Endorsement as a Deductible Gift Recipient

REGISTERED ENVIRONMENTAL ORGANISATION

The Dolphin Research Institute Ltd. Environmental Fund is listed on the Register of Environmental Organisations under item 6.1.1 of subsection 30-55 (1) of the Income Tax Assessment Act 1997 ("ITAA"). Donations of \$2.00 or more are tax deductible.

The accompanying notes form part of these financial statements.

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Statement of Cash Flows
For the year ended 30 June 2010

	2010	2009
	\$	\$
<hr/>		
Cash Flow From Operating Activities		
Receipts from customers and Donors	238,131	293,335
Payments to Suppliers and employees	(296,032)	(259,038)
Interest received	1,355	2,022
	<hr/>	<hr/>
Net cash provided by (used in) operating activities (note 2)	(56,546)	36,319
	<hr/>	<hr/>
Cash Flow From Investing Activities		
Purchase of fixed assets	-	(13,313)
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	-	(13,313)
	<hr/>	<hr/>
Cash Flow From Financing Activities		
Proceeds of Borrowings	599	-
	<hr/>	<hr/>
Net cash flow provided by (used in) financing activities	599	-
	<hr/>	<hr/>
Net increase (decrease) in cash held	(55,947)	23,006
Cash at the beginning of the year	96,699	73,693
	<hr/>	<hr/>
Cash at the end of the year	40,753	96,699
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Notes to the Financial Statements
For the year ended 30 June 2010

2010
\$

2009
\$

Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

DRI Research GFE	3	72
DRI Investment Account	20,717	84,822
DRI Main NAB Account	15,569	7,739
DRI Envir Account	1,763	3,549
Cash on hand	2,700	518
	<u>40,753</u>	<u>96,699</u>

Reconciliation Of Net Cash (Provided By/Used In Operating Activities) To Net Profit

Operating profit (loss) after tax	(71,681)	41,987
Depreciation	7,208	9,137
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	21,416	(21,933)
(Increase) decrease in finished goods	(1,294)	(370)
(Increase) decrease in prepayments	(1,618)	(147)
Increase (decrease) in other payables	(12,814)	(6,832)
Increase (decrease) in employee entitlements	2,237	14,479
Net cash provided by (used in) operating activities	<u>(56,546)</u>	<u>36,320</u>

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Statement of Change of Equity
For the year ended 30 June 2010

	Note	Retained Earnings / (Accumulated losses) \$	Asset Revaluation Reserve \$	Total \$
Balance at 30 June 2008		59,860	8,680	68,540
Profit attributable to Members		41,987		41,987
Balance at 30 June 2009		101,847	8,680	110,527
Deficiency attributable to Members		(71,681)		(71,681)
Balance at 30 June 2010		30,165	8,680	38,845

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001:
 - a. comply with Accounting Standards described in Note 1 to the financial statements and the Corporations Regulations; and
 - b. give a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. in the directors' opinion, there are reasonable grounds to believe that the company 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: 30 August 2010

Dolphin Research Institute
DOLPHIN RESEARCH INSTITUTE LTD
ACN 097 317 112
Independent Auditor Report

Scope

We have audited the attached financial report, being a special purpose financial report comprising the Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, and Notes to the Financial Statements, for the year ended 30 June 2010 of Dolphin Research Institute. The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements to the extent described in Note 1.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration has not changed as at the date of providing our audit opinion.

Audit opinion

In our opinion, the financial report of Dolphin Research Institute is in accordance with:

1. the Corporations Act 2001, including:
 - a. giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
 - b. complying with Accounting Standards, comprising AASB 1025: Application of the Reporting Entity Concept and Other Amendments and other Accounting Standards to the extent described in Note 1 and the Corporations Regulations; and
2. other mandatory professional requirements to the extent described in Note 1.

Signed on : 9/9/2010



Gregory J Waterland, Chartered Accountant
Flinders Partners Group
Level 1, 405 Nepean Highway Frankston Vic 3199