



our freedom, your freedom™

sydney gay & lesbian mardi gras 2005
annual report



New Mardi Gras

our freedom, your freedom™



photography courtesy of New Mardi Gras®

official photographer for 2005:

Ann-Marie Calihanna



New Mardi Gras

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from the co-chairs



This year New Mardi Gras (NMG) embraced our new positioning statement and cried freedom. In doing so NMG continued to take small steps forward as we continue to establish the company.

This year we report a \$304,842 operating loss, before income tax. As already mentioned in the press and the Treasurer's Report that result reflects less revenue than budgeted for all events produced by NMG. It also reflects increased costs in some areas and expenditure in others not covered by budgets.

We can assure you that throughout the year budget development, as well as budget and cashflow management continued to consume a large amount of the board's time, particularly during Season. Some important organisational financial management lessons have been learnt this year and as a result more day to day responsibility has now been delegated to the General Manager. Amongst other things, a small finance sub-committee has also been established by the board to assist the Treasurer, General Manager and Chair of the Finance Working Group oversee budget development and cashflow management.

The very nature of the work of NMG, staging six signature events each year as well as an umbrella festival, continues to be a significant challenge for the organisation. Whilst we look to develop other revenue streams it is important that NMG also review the way in which we deliver the events we stage. Community expectations about the number of events and their quality continues to

be exacting and the organisation must constantly assess what is possible given the resources we have.

The financial results for 2004-05 are disappointing and detract somewhat from an otherwise very successful Season. We continued to build the reputation of the events we stage, increased their production values and established them once more as benchmarks for others. Word has started to travel overseas that the Sydney Gay & Lesbian Mardi Gras is alive and growing year by year. Without having hard data we believe there to have been an increase in international visitors this year.

A major focus this year has been a focus on an international strategy. We have established separate formal twinning relationships with Pride London, Heritage of Pride New York and Chicago Gay Games Inc, host of Gay Games VII. The mutual support provided by such relationships will assist each organisation to access GLTBO community networks in the other parts of the World in order to promote our organisations and events.

As an organisation we have continued to develop our organisational systems. We also employed a General Manager, Anna McInerney just prior to Season. Anna's professionalism, skills and passion for NMG have already impacted positively on the organisation.

The 2005 season saw NMG establish a new event to highlight the importance of our heritage, a history exhibition, *57 Questions*, for those who remember and for those who were not able to be there. In all of the things we have achieved to date we believe our community's history is something we have not cherished and celebrated enough. We hope to continue and further develop this exhibition each year.

This year we have also concentrated on our sponsorship efforts and are pleased to report that we are now in full swing with multi-year partnerships being our major objective. We have been engaged in positive discussions about such prospects with a growing list of potential business partners and we hope to add to that list over the next twelve months. The support of our business partners is essential as we move forward – their commitment over a number of years makes the job of successive boards that little bit easier. It is important to acknowledge the support of our partners and we thank them for what they help us do each year.

A major initiative this year has been the engagement of Euro RSCG Worldwide Australia, a major international advertising agency, as NMG's Creative and Strategic Partner. Our new positioning statement, 'our freedom, your freedom', the 2005 season imagery and the new Parade Viewing Room were the result of the creativity, passion and many hours of volunteer effort of Glen Fraser, the CEO of Euro, and his talented staff. We are indebted to Glen and his agency for their commitment to NMG throughout the season and hope to build on that very successful relationship going forward.



As usual the last twelve months would not be possible without the wonderful people who come along to volunteer many hours of their time and contribute their professional skills and commitment to making Mardi Gras happen. We thank over 1,500 volunteers for their continuing help, no matter what their role or how long they were able to volunteer for. We look forward to developing our reward and recognition strategy and knowledge management and skill development opportunities for volunteers over the next twelve months.

This year we also undertook NMG's first economic and social impact study with the voluntary assistance of Professor Ian Marsh and Dr Shaun Wilson. This is the first study since the Sydney Gay & Lesbian Mardi Gras Ltd published an economic impact report in 1998. This year's study not only looks at the direct economic impact of Sydney Gay and Lesbian Mardi Gras Season on the local, State and National economies but also on the indirect benefits and social impacts of the Season. Whilst we are required to undertake such a study at regular intervals to substantiate the Exemption from User Charges provided by the NSW government, the study also provides us with important information about the people who visit Sydney throughout the Season, their intentions about the future, and what the important issues are for them. We are aiming to have results available at the Annual General Meeting.

Leaving the 2005 Season behind we must look forward to a future characterised by NMG and other community organisations working more closely in partnership. We have established Memoranda of Understanding with ACON and the Gay and Lesbian Rights Lobby and had discussions about establishing one with PRIDE. These are a first step to a more comprehensive discussion about where we as a community are heading, the challenges we face and the united response we must provide. NMG looks forward to participating actively in those discussions. Indeed those discussions and the development of New Mardi Gras's business opportunities form the basis of the Strategic Plan which the board has developed for 2005-2008.

The challenge now is for the board to be able to continue visioning the future, to

develop how NMG responds to the challenges that may lie around the corner. Much more emphasis on corporate governance at the board level is essential and the important separation between that role and operational management led by the General Manager and the co-chairs of our working groups, drawn from amongst NMG's members, must be continually emphasised.

We can never forget that the fight for equality continues. Should we do so, the many equalities we have fought for and have achieved are at risk. NMG provides a very visible, annual expression of our demand for equal treatment, for a seat at the table. That is a 365 day a year task. NMG must therefore be seen as a 365 day a year organisation, not one simply there to produce a Season of events each February. That calls for a rethinking about how NMG engages with the community, its business partners, its members and volunteers.



Mark Orr Steph Sands

Mark Orr and Steph Sands
Co-chairs, on behalf of the Board.



Board image: starshots



from the general manager



What a phenomenal experience it is to work with this organisation. I have never met so many passionate, dedicated and hard working, selfless individuals...anywhere. It is both a pleasure and challenge to work with so many talented people, and I am absolutely certain that my decision to join New Mardi Gras just over three months ago was the right one.

We have had an incredibly successful season if you gauge that by comments in newspapers, both GLTBQ and otherwise, online chat rooms, our international partners' newsletters and web sites and just by chatting to your friends, people you meet and what they have experienced or heard. All of our events this past season had a great turn out of people showing their support and in each of the events we strived to provide world class production values and deliver upon our community's high expectations of an event from New Mardi Gras.

It takes enormous effort and planning to put the Mardi Gras season on, which is why it is so challenging operationally and why, moving forward, we will be focusing tightly on our budgeting and financial controls and processes, working more strategically with our major suppliers across events and ensuring the induction and training of volunteers and contractors is stringent. We will also be looking more closely at diversifying our income, new business opportunities and instituting a knowledge management strategy to ensure our best known methods, volunteer skills and talents are adequately documented, managed and shared across the organisation.

The year ahead will be a challenge, with the goals of more accurate forecasting and budgeting, new

expenditure controls, delivering an increase in our sponsorship revenue and working with the government and other organisations to increase their support. I have no doubt however, that with the dedication of NMG's Board, volunteers, suppliers and contractors and with the ongoing support from our business partners/sponsors, that we will produce yet another very successful season. The organisation however, continues to need *your* support to be successful, help by attending more events, volunteering to help out during season and encouraging others to do the same. Encourage your friends to join and become a member as well!

staffing and volunteers

Mardi Gras has two full time staff members, the General Manager and Office Manager and a part-time Book Keeper. During the season we employed 15 contractors to manage and coordinate our events, manage our sponsorship program, as well produce props, sets and floats in the Workshop. We also engaged MSF Event Management to assist us to produce Sleaze and the Mardi Gras Party.

Our volunteers who give up so much of their time are NMG's most valuable asset and are critical to the success of our business. It is only through their dedication, experience and commitment that we are able to present a series of events throughout the season. In the past year we re-structured and streamlined the reporting lines of our 14 Working Groups so that they are empowered to effectively and efficiently manage each area of the business. We are now focusing our attention on some additional teams to help cross pollinate ideas and ensure efficiencies are achieved across the organisation such as strategic supply. We have developed a robust Orientation Kit including working group objectives and role descriptions and responsibilities, as well as internal processes and policies for our thousands of volunteers who join the organization. We will also be further developing manuals for our events so that we ensure continuity from season to season and volunteer to volunteer.

office and workshop

The office and workshop at Petersham is quite an experience to work in. It can be quite a challenge at times hearing people with planes flying overhead, trains across the road and soaring temperatures during summer and plummeting temperatures during winter. However, it's home to us and we have renewed our lease for a further twelve months. We still need some work done such as an internal staircase to the attic and some repairs here and there, but other than that we love it.

We are currently investigating a few options and ideas with how to better utilise the workshop out of season when we are not using it to build props etc for our parties and floats for the Parade.



membership

We currently have approximately 1,800 members which represent a decline of 10% on last year's membership numbers. NMG recently conducted focus groups with both members and non-members to better understand what members wanted, how to attract new members and generally how to improve our membership program. We will implement many of those findings in the year ahead.

During Season the board highlighted in an open letter to the community that if everyone who attended Launch became a member of NMG our budgeting and cashflow challenges would probably disappear. Working out what attracts people to become members and what makes them renew is therefore an important task for us. Membership of the organisation is a way through which individuals can positively and directly contribute to the future of the organisation. Our goal is to increase memberships by 20% in the next twelve months.

economic and social impact study

As part of our Use Pays Exemption granted by the State Government, NMG is required to undertake an economic impact study at regular intervals. This study aims to highlight the benefits Mardi Gras Season brings to the local, state and national economy. We have been delighted to have Professor Ian Marsh return to assist us with the study this year. Ian has been the author of previous studies for Sydney Gay & Lesbian Mardi Gras. This year Ian has been joined by Dr Shaun Wilson who is working with NMG to undertake some social research to identify amongst other things, key issues of concern to GLTBQ people here and overseas.

Anna McInerney
General Manager



members at a glance

Australian Membership

NSW	80%	SA	< 2%
VIC	6%	WA	< 2%
QLD	3%	TAS	< 2%
ACT	2%	NT	< 2%

International Membership

USA	41%	France	1%
UK	28%	Ireland	1%
New Zealand	4%	Switzerland	1%
The Netherlands	4%	Taiwan ROC	1%
Germany	3%	New Caledonia	1%
Hong Kong	3%	Singapore	1%
Japan	2%	Denmark	1%
Canada	1%	Indonesia	1%
China	1%	South Africa	1%
Finland	1%	Austria	1%
		Other	2%



Top 10 Suburbs

Surry Hills	12%	Redfern	3%
Darlinghurst	10%	Marrickville	2%
Newtown	5%	Erskineville	2%
Potts Point	3%	Camperdown	2%
Alexandria	3%	Paddington	1%

Age Band

< 25	4%	56 - 65	7%
26 - 35	24%	> 65	1%
36 - 45	40%	Unknown	4%
46 - 55	20%		

Foundation Members

83% of our members are Foundation Members.

donated party tickets

To help the fundraising and other efforts of community groups, we donated Sleaze or Mardi Gras tickets to the following organisations:

- Adelaide Feast Festival
- AIDS Council of NSW (ACON)
- Dikes on Mikes
- Gay and Lesbian Rights Lobby
- Luncheon Club
- Pride March Victoria



marketing & communications



A deeper level of sophistication was added to New Mardi Gras' marketing this year with the advertising agency Euro RSCG Worldwide Australia coming on board as our Creative and Strategic Partner. Euro is one of the largest global network of agencies in the world, and New Mardi Gras was delighted to become a client for the 2005 Sydney Gay & Lesbian Mardi Gras Season.

Euro was charged with assisting in the development of a strategic direction for the organisation and creative design for the season. This was to continue upon the great work done in the 2004 Sydney Gay & Lesbian Mardi Gras Season in positioning Mardi Gras as the greatest celebration of Gay, Lesbian, Bisexual, Transgender and Queer culture in the world.

Specifically, the New Mardi Gras Marketing and Communications Working Group needed to work towards the successful achievement of the following objectives:

- To retain and acquire attendees to Sleaze and all Mardi Gras Season events by creating 'buzz and excitement'
- To raise the profile of the Season and its events locally, nationally and internationally.
- To provide a platform for political and celebratory discussions.
- To cement the New Mardi Gras organisation as a successful, community based organisation dedicated to the specific needs of the GLBTQ community.
- To provide interactivity between the community, New Mardi Gras and the 2005 season
- To achieve positive media coverage, particularly extending outside the Sydney region

The Communications Working Group focussed on achieving media coverage within the community and mainstream press, as well as ensuring consistent and timely information to members and supporters.

Special thanks must go to our media partners - Sydney Star Observer, MCV (Melbourne), Out in Perth, DNA, LOTL, Blaze Adelaide, FBI Radio, Queer TV and Gay Travel Guides Australia for their support throughout the season promoting the 2005 events.

Several articles also appeared this year in the Sydney Morning Herald, The Australian and Adnews, with specific reference to the partnership between New Mardi Gras and Euro, the overall management of the organisation and our corporate partnerships.

Publicity generated relating to Season events was outstanding. Every Australian gay and lesbian publication covered the events, as did a large number of publications based in the United Kingdom, United States, New Zealand, Ireland, France and Canada.

Television networks also covering events included Channel 7, Channel 9, Channel 10, Arena TV, TV1, Music Max, SBS and MTV Japan.

Meanwhile the Marketing Working Group focussed on the execution of 2005 season imagery as developed by Euro. The tagline 'our freedom, your freedom' was developed not only for the season, but as the new positioning statement for the entire organisation. The 'our freedom, your freedom' statement is best summarised by Bram Williams and Jo Watson from Euro.

'Mardi Gras means any number of things to any number of people - but what everyone shares is an incredible sense of freedom and self-expression



that becomes a true force through unity. And in these politically challenging times that's more inspiring than ever'

The 'Swirling Hearts' design was developed as the 2005 Season Imagery. The design was represented in four forms, each representing an event within the season. The movement of the hearts represented the freedom we hoped to focus on throughout the season. Both the tagline 'our freedom, your freedom' and the imagery was used with great effectiveness across the organisation's events. Most noticeable was the lead Parade float focussing on the Freedoms of Gay, Lesbian, Bisexual, Transgender and Queer people across the world.

Sleaze 2004 adopted the learnings from the previous year and time was spent once again focus group testing a number of theme options - PORN being the final choice. Propeller Graphics developed the creative design, with photography by Fiora Sacco and hair, makeup and set design by Hillary Daniels. Thank you also to all the models involved, James, Luke, James, Raphael and Sarah.

Our website has become a key marketing tool, attracting attention nationally and internationally. During the season, New Mardi Gras members were referring to the website two or more times a week to reference information on Festival events and to seek general information. The use of email has also been identified as the preferred way of communicating with our members, both during the Festival and outside of Season.

This year we also took advantage of the newly introduced Live Sites at the Launch, Fair Day and during the Parade. These screens displayed imagery of the parade, stages and performers, sponsors logos, safety messages, and quotes from community members. We hope to utilise these screens in future seasons.

2005 also saw the beginning of the New Mardi Gras SPREAD program. This program was designed to work towards closing the loop between New Mardi Gras and the community it operates within, in particular the retail outlets, cafes, restaurant, bars, pubs and clubs. This program really focused on ensuring that this audience knew what events were happening where and when, and were provided with marketing material of their own if they required it. Although this program focussed mainly on the inner city Sydney areas, there is scope for this program to expand into the areas of greater Sydney.

Overall, the thanks really needs to go to the Marketing and Communications volunteers who were relentless in their efforts to ensure that the Season was well attended and enjoyed by all.

Suzanne Duffy and Scott McLellan
Co-chairs - Marketing

Scott Gillespie and Gillian Stokie
Co-chairs - Communications

Steph Sands
Board Sponsor - Marketing and Communications



partnerships

New Mardi Gras is pleased to report we have appointed a sponsorship manager, Stevie Rose, who is responsible for reviewing and creating a strategic direction for sustainability with sponsors. This appointment occurred late in November 2004 when the planning for the 2005 season was already well underway and was lacking a major financial commitment from sponsors.

Commitments from potential sponsors needed to have begun early in 2004 for the 2005 season, to ensure companies and organisations were presented with the opportunity for sponsorship, and had included Mardi Gras in their budget forecasts. With this understanding and a history of one-off sponsorship, a new and strategic direction was formulated.

To create a foundation of sponsors, who:

- are involved in a long-term partnership
- are willing to offer additional infrastructure support to Mardi Gras to grow events, and
- together create exciting innovative benefits for both organisations.

The time to turn around such sponsorship relationships for 2005 with a view to long-term partnerships did have surprisingly a number of early successes.

This included:

- securing a well known and respected household name **Tupperware** (2005 & 2006 seasons)
- increasing the level of support offered by **Valcorp (Lavazza Coffee)** to include **Dilmah Tea**.
- Sponsorship with **Kim Crawford & Pansy Wines** (2005 & 2006) to capitalise on their existing advertising campaign to the GLBTQ communities.
- **GAL Home Loans** was promoting their brand heavily to the community and committed to a three year Principal Partnership (2005, 2006 & 2007).
- **Advance (Masterfood Petcare)** a premium company, became Presenting Partner for Doggywood (Fair Day) for 2005 and have recently signed for 2006.
- **Pure Blonde (Carlton & United Beverages)** signed as Official Beer for 2005 & 2006 and helped support the bar with additional equipment.
- **Novartis** re-signed for 2005 & 2006, demonstrating their on-going support to our community.
- **Gay.Com** and **Gaymatchmaker.com** directly targeting and supporting their key market.
- **Thrifty** re-signed for 2005 & 2006.
- **Colormaker** supported the Artspace (Fair Day) with prizes and provided much needed industrial and specialised paint for our workshop team.

- 2005 saw **TV1** enter into a major partnership, which included a fantastic presence in the Parade to promote their TV marathon of "The Nanny".
- **DaimlerChrysler** and **Jetstar** signed for 2005 with great coverage on Parade night.

Our most recent partnership is with **Coca-Cola Amatil** for 2006 & 2007. In 2005 CCA quenched the thirst for many volunteers and in 2006 will step forward and offer additional support with marquees and portable vans in our outdoor events for the many thousands that attend.

We now have in place sound Guiding Principles and the beginning of partnerships that will actively and supportively be there to ensure each season is a benchmark for the next.

Stevie Rose
Sponsorship Manager

Steph Sands
Board Sponsor - Sponsorship

government relations

One positive aspect of the 2005 season was the increase in government sponsorship and joint projects with government agencies.

The City of Sydney increased their in kind assistance for NMG's public outdoor events Launch, Fair Day and Parade - and is one of our Major Partners. The City gave us enormous support and assistance, facilitating multi-agency meetings to sort out issues that arose during season. NMG is currently discussing a 3-year partnership agreement with the City of Sydney.

The NSW Government has continued its support with user-pays exemptions for services provided during Parade. NMG is finalising a new study of the Economic Impact on the Mardi Gras season on the economy of the state.

NMG also began working with Tourism NSW, on strategies to attract domestic and overseas tourists to Sydney during the Season. ShowBiz International worked with us to package tickets to NMG events and the Bobby Goldsmith Foundation stands. Planning is underway for an expansion of our partnership with Tourism NSW to include marketing of events outside the season.

A new government supporter this year was Marrickville Council who gave us in kind support for Fair Day. An NMG representative sits on the Council's Gay and Lesbian Liaison @ Marrickville Committee, working with other community organisations in the area.

Diane Minnis
Board Sponsor - Government Relations



our partners

season partners



principal partner



strategic and creative partner



major partner



official media partner



official beer



official wine



major partner



doggywood presenting partner



official coffee partner



official tea partner



official car rental

media partners



national lesbian magazine



national gay magazine



radio partner



radio partner



victoria partner



south australia partner



west australia partner



season supporters



government supporters



seesydney.com.au





sleaze 2004

entertainment and provided a show starring 14 real life porn stars. These guys gyrated their buffed, sweaty bodies around each other and pole dancer poles in the Hordern Pavilion.

Earlier in the evening the same platform had been filled with scantily clad babes in lingerie and boots showing how you can groove away, become airborne and hang up side down with only the aide of gravity! An amazing sight to behold.

The cast of *We Will Rock You*, the musical based on the rock group Queen, provided a specially choreographed knock your socks off show in the RHI to the tune, 'Another one bites the dust'.

To try something new, a women's space was added inside the RHI and themed in the style of a cabaret club. Beautiful large flowing drapes and artwork added to the feel of this space. The music was the same as the rest of the RHI but despite the odds the women's space still managed to have its own show!

As an added extra on the night, party goers were provided with dog tags on entry, stamped with the theme PORN to take away as a memento. It was amazing to see the dog tags still gracing people necks many hours after Sleaze had concluded. A porn name generator was added to NMG's website in the lead up to Sleaze to encourage people to get into the groove and 2010 Youth Services provided a service on the night where you could get your porn name written on the back of the dog tag.

Sleaze 2004 sold better than Sleaze Ball 2003, though numbers were still well short of the capacity of the site at 11,000 people. Lower numbers attending this event leads to less money being made and provides significant challenges to New Mardi Gras in maintaining production standards across the party site. We can never forget that Sleaze was originally established to fund the Parade in the following year. Whilst the result in 2004 was much improved on 2003, due to better planning and budgeting, this event still remains a challenge and New Mardi Gras can not simply rely on it to provide the funds required during Season.

Once more sound was an issue in the RHI with some raising concerns about the 'quietness' of the music. Interestingly, there were others who appreciated things a little quieter so that they went away without the traditional ringing ears. Following Sleaze New Mardi Gras met with Playbill Venue Management, the venue owners, and commenced a process to review the audio characteristics of the RHI and how we could address what many reported to be a 'volume' issue, without causing an increase in complaints from neighbours. That will continue to be a major challenge moving forward.

Mark Orr
Board Sponsor - Sleaze

This year Sleaze looked to its theme, PORN, to take it back to its darker roots. Porn! provided an opportunity for everyone to come dressed as their favourite porn star or in their best fetish costume. Just over 9,500 people partied together to the wee hours filling the Royal Hall of Industries (RHI) and Hordern Pavilion until 8am on Sunday.

Due to the success of the Retro Space at Mardi Gras Party 2004 a similar space was included on the party footprint, beneath a clear marquee on the forecourt between both large halls. It was disappointing to not be able to repeat the atmosphere of Stage 11 for this style of music. However, due to its smaller size Sleaze 2004 did not see that venue on the party footprint.

We were once more blessed with an abundance of local DJ talent across the party site. Mike Kelly, Sveta and Mandy Rollins rocked in the Hordern Pavilion while Shigeki, Ryan Murphy, and Neal Crawford packed them into the RHI. The ever reliable Stephen Blomfield and Jimmy Dee played to an adoring crowd in the forecourt marquee.

NMG continued the early bird ticketing policy that had been so successfully used for Mardi Gras Party 2004. This policy once more led to a significant number of people buying tickets three weeks prior to the event. Such a result assists greatly in planning. Tickets were once more kept below \$100 for the early bird price at \$85 for New Mardi Gras members, \$95 for non-members and \$60 for concession card holders.

To help with the porn feel New Mardi Gras teamed up with Pistol Media, of Sydney and rentboy.com from the USA. Both companies specialise in adult



history exhibition 2005



The History Exhibition Working Group was formed only in November 2004 and worked extremely well together to mount a challenging and engaging exhibition entitled **57 Questions...**

The Working Group Co-chairs, Daniel Lutton and Anne Harry, who were also the Co-curators of the exhibition, are to be particularly congratulated for their creative and practical leadership of the group.

57 Questions... was the first in a proposed annual series of exhibitions that will serve to permanently record the cultural and political history of the Sydney Gay and Lesbian Mardi Gras. Over 500 people attended the exhibition, which was opened by Councillor Phillip Black, representing the Lord Mayor of Sydney, Councillor Clover Moore.

The Pine Street gallery hosted the exhibition and their staff were at all times helpful, friendly and genuinely interested in the success and promotion of the exhibition.

This year's exhibition focused on the parade and party. These tremendous events, were or have been significant personal markers within the lives of numerous people, and since 1978 have greatly influenced the cultural development of gay and lesbian Sydney.

The exhibits did not follow a chronological format nor did they set out to explain the development of the parade and party comprehensively. They were representations of how people have experienced these events. The exhibits were also selected to reveal the enormous depth of energy, time, emotion, money and creativity from a multitude of individuals who contribute toward a night of celebration and remembrance.

These events do not magically appear from thin air but they do become fairytale moments in the lives of thousands.

The focus on personal experience is interwoven with reflections upon the milestones and challenges that have defined Mardi Gras. The violence of 1978, the response to AIDS, the 'golden glory days' of the 1990s, the financial collapse in 2002 and the formation of New Mardi Gras were referenced in a way to show how big picture history influences the parade and party.

All of the exhibits were supported with a diverse range of primary resources collated into scrapbooks titled *Parade*, *Party* and *Place*. The scrapbooks provided facts about exhibits, additional imagery, personal testimonies, newspaper articles and recent community debates that deliberately juxtaposed the past with the present.

Community opinion and debate was also presented through a selection of 'Letters to the Editor' from *The Sydney Star Observer* and commentary from www.pinkboard.com.au.

The title of the exhibition, **57 Questions...** referred directly to the first Mardi Gras in 1978. In the days following the riot and arrests, members of the Gay Solidarity Group issued a list of 57 questions in an open letter to the Premier of NSW, Neville Wran, regarding the violent actions of the police at the first Mardi Gras. The 57 questions were intelligent, inspiring and provocative. This exhibition aimed to continue the tradition of confrontational and challenging questioning and was equally a nostalgic look back, as it was a critical evaluation of current issues shaping the future direction of Mardi Gras.

Daniel Lutton and Anne Harry
Co-chairs - History Exhibition Working Group

Diane Minnis
Board Sponsor - History Exhibition





festival 2005

It's about the organisations that support our community – ACON's Great Debate and OzShowbiz Cares/Equity Fights AIDS' 'Hats Off' gala, and the thousands of dollars raised for organisations including Pride, GLRL and GLCS.

It's about forums on preventing homophobia in schools and marriage equality, and the 30 free events that meant no one was excluded from the festival for economic reasons.

It's about shows presented by major companies, such as the Sydney Theatre Company and Musica Viva, amateur productions, shows where people got together to write, produce and stage their own events, and events that sold out and extended their seasons.

It's about painting, sculpture, photography and an increasing number of new media and online exhibitions.

It's about sport: hockey, squash, netball, surfing, softball, running, tennis, martial arts and even ten pin bowling.

And Festival is about the volunteers without whom the Mardi Gras season could not happen. The countless hours that the Festival Working Group has put into planning the festival, and the hard work of Netti Vieusseux, the Festival Co-ordinator, and Chris Murray and Anne Cooper, Co-chairs of the Festival Working Group for making it all happen.

But mostly Festival is about us: the diverse groups that make up our community coming together to celebrate who we are, where we come from and what we want to be.

Chris Murray and Anne Cooper
Co-chairs - Festival Working Group

Diane Minnis
Board Sponsor - Festival

Celebrating Gay, Lesbian, Transgender, Bisexual and Queer Culture. That's a big and ambitious statement, but it's the brief given to the Festival working group. And what was delivered was just that: 107 events at 70 venues over four weeks.

As a non-curated umbrella festival, it is a testament to the creativity and commitment of the artists, producers, promoters and organisations in our community that we could present a festival of such depth and breadth, with events stretching from Chatswood to Katoomba and Wollongong – a total of over 30 suburbs and towns, including Cronulla, Milsons Point, Rydalmere, Sutherland, and even Rooty Hill.

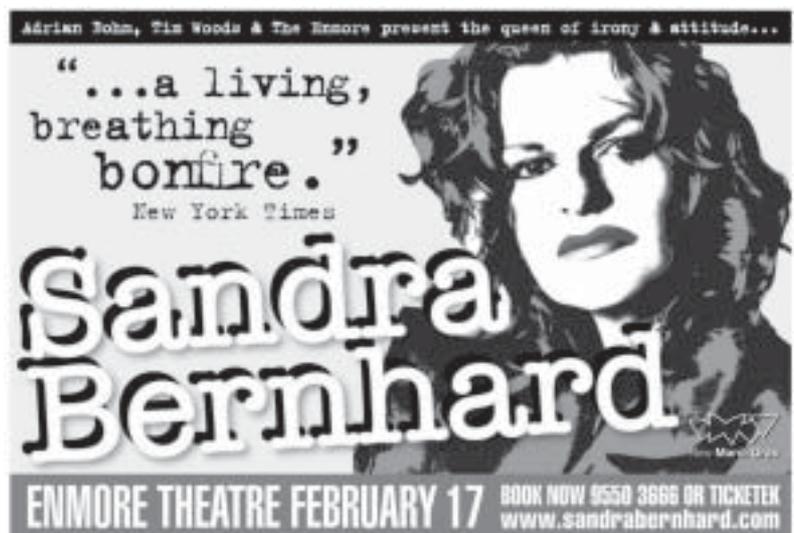
The international acts alone demonstrate the diversity of the festival:

Sandra Bernhard; the Kronos Quartet; Drag cabaret with Dolly from the UK and Varla Jean Merman from the US; performance art legend Penny Arcade; theatre, with All the Things I Would NEVER Tell You In 8 Songs & 12 Pictures, and Curious: A Double Bill; and photographer Henning von Berg.

These are not artists we funded: they came because there's no better place in the world to be than in Sydney for Mardi Gras.

But this festival was about much more than international performers: it's about local artists and performers expressing what it means to be gay, lesbian, bisexual, transgender and queer in Australia today, fostered in part by the inaugural Mardi Gras Queer Arts Forum, held at the Seymour Centre in October.

It's about our history: the inaugural Mardi Gras History exhibition and a workshop on collecting oral history, and our future, with the Young Emerging Artists program, designed to encourage young artists to provide new and innovative GLBTQ voices.



launch 2005



The 2005 Launch of the 27th Mardi Gras Festival once again proved to be a fantastic night.

From Sexy Galaxy to an ensemble rendition of Happy Birthday for Bob Downe, the night was full of exciting entertainment and moving speeches. 'our freedom, your freedom' was the theme and statement for 2005, highlighting that public acts of affection, such as a simple kiss, between same sex couples are illegal in over 80 countries and in some cases subject to capital punishment.

On a brighter note, the extended hours format that we introduced last year continued to work well. Alas we have outgrown Hyde Park, and the 10,000 plus patrons inside and outside the enclosure were just a little too tightly packed for our liking. Room for improvement next year.

We were privileged to have Bob Downe make a triumphant return as our Master of Ceremonies. Sylvia Scott kindly gave us an Indigenous Welcome and Her Excellency, Professor Marie Bashir, Governor of New South Wales, received a warm reception for her welcoming address.

A big thank you to Julie McCrossin for stepping in at short notice as our key note speaker as Judi Connelli fell ill. As always Julie gave us a witty and memorable speech and we all shared her comments of appreciation towards Sylvia Scott and Her Excellency, The Governor, who both stayed and enjoyed the whole night's celebration.

The use of the live screen proved to be an astounding success, which we used at our other major festival events throughout the season and I am sure will make a return next year.

A big thank you to all our performers, who once again generously gave their time to entertain us all. Acts from our Season Festival, Cher Tribute with Candi Stratton and renowned cabaret star Enda Markey were just two of many quality sets during the night. Courtney Act, Claire de Lune and her dancers, the finalists from Lesbian Idol all gave their best.

Thanks goes to our sponsors, suppliers, performers, staff and volunteers who put so much effort into making the night happen. A special mention to Trish Reid and Peter Riley (Co-chairs) and the whole Working Group who volunteered months of their lives and also to Rebecca Harding our Event Coordinator who, with blood, sweat and no tears, got us through the night.

In closing, a big warm thank you to all of you who attended and made the night the success it was.

Peter Riley and Trish Reid
Co-chairs - Launch Working Group

Julian Narborough
Board Sponsor - Launch 2005



fair day 2005



Well what can I say? After many years of 'maybe', 'nearly', and 'phew, we were lucky', the skies finally opened up and soaked us to the skin - not only at the beginning of the day but also late afternoon, so alas the day was cut short and Fair Day 2005 brought to a premature close.

In between our soakings, we were humbled by a staggering crowd of over 50,000 people who braved the weather and the boggy ground to enjoy one of our best ever Fair Days. Not a record crowd but a fantastic show of support from our members and from all parts of our community and friends. Once again we had a great array of attractions with over 200 stalls from the community and commercial world, as well as a stunning selection of food and beverages.

The day was opened by the Lord Mayor of Sydney, Councillor Clover Moore, and the entertainment as always was varied and a hoot.

Congratulations to the production team with many of the wrinkles in production quality from previous years ironed out. The Frocks were there as was Denise Hanlon, Claire De Lune, Pop Princess 2, Outrageously Devine, Dolly Downunder, Madison McKoy and Safari. A big thank you to the bluehouse for doing an unplugged set as the rain came down and for 100% Kylie for showing up but not being able to perform.

Doggywood, presented by Advance, was spectacular and as popular as ever, as was Kidzone, always a hit with kids and their carers. Unfortunately due to tightening insurance requirements, we couldn't provide the rides for the bigger kids amongst us but hopefully next year. Fair Day's Most Fabulous made a triumphant return for the second year in a row and was won by a blushing bride Tora Hymen and runner up Kirsten Damned, judged by the Fab 5 from the Aussie version of Queer Eye.

This year we brought you Artzone, also opened by Lord Mayor, Councillor Clover Moore, where

artists could display and be judged with Petros Hovaghimian winning the inaugural award. The Tupperware pavilion with cooking demonstrations by food economist Jo Richardson and Miss Dolly Wood proved to be a hit and looked fantastic, as did the Beat FM and PRIDE Centre stands.

The Lounge Tent was initially hosted by Lesbians on Air, with a great line-up of performers early in the day, which was followed by some great DJ's pumping out the music until we were forced to pull the plug when the rain started and wouldn't stop.

A big thank you to everyone involved, especially our main volunteers, the performers who gave their time generously, all those who attended or sent messages of support, our sponsors, suppliers and partners.

I would like to especially thank Trish Reid, Peter Riley and the Working Group for all their energy, enthusiasm and time and Rebecca Harding, our event coordinator for backing up after Launch to put on one of our smoothest produced, if shortest Fair Days on record.

Peter Riley and Trish Reid
Co-chairs - Fair Day Working Group

Julian Narborough
Board Sponsor - Fair Day 2005



party 2005



The Mardi Gras Party was a fitting close to the 2005 festival season, with a capacity of 19,000 party goers.

The Party was organised by the Party Working Group and sub groups and demonstrated our commitment to innovation and community inclusion in a fun and celebratory environment.

New Mardi Gras contracted MSF Event Management to manage the production of Sleaze 2004 as well as Party 2005.

The party staged both indoor as well as outdoor dance spaces, along with chill out spaces and live entertainment, a costume pageant, local and international DJs along with performances by international talent Nicki French, Tina Arena and Darren Hayes throughout the night.

The Royal Hall of Industries (RHI) saw the largest multi-level stage structure ever created for a New Mardi Gras Party, featuring custom built dance spaces complete with an air bridge and Podium bringing performers down into the party goers on the dance floor of the RHI. New Mardi Gras worked closely with Audio suppliers, Playbill Venue Management and with sound engineers to work on sound quality within the Royal Hall, it must be said that addressing the sound quality is a process of evolution – something New Mardi Gras is committed to.

The Hordern Pavilion became the home of Trance, featuring a world first 10 hour marathon set from International DJ 4 Strings along with 21 lasers, and local dancers to provide a truly international trance experience.

Stage 11 housed dark tribal music, which proved to be very popular. Stage 11 also housed 'Wench' the Women's space, a space dedicated to the women of the community and their male friends, which also proved to be very popular and will return next year.

The Dome was a funky house space featuring scenic elements created by the dedicated volunteers and staff in the New Mardi Gras Workshop.

I would like to personally thank all of the volunteers who worked many long hours to deliver such an amazing night. Many hours and lots of dedication is given by the working groups to make sure that the people who come to our parties have a great experience.

We would also like to thank ACON, Paul Dillon from the National Drug and Alcohol Research Centre, our DJs, and many others within our community who offered support and assistance to make Party 2005 come to life.

Terri Duarte and Tim Graham
Co-chairs - Party Working Group

Craig Abberfield
Board Sponsor – Party 2005



parade 2005



garden of freedom, complete with a giant John Howard as the head of the serpent.

In all, over 120 fabulous entries with 6,000 participants were staged by the lesbian and gay community, with a 30% increase in the proportion of stunning floats with light and sound, adding to the visual and musical spectacle. Crowd favourites included:

- Gay & Lesbian Rights Lobby 'Family First' float
- ACON's passionate 20th anniversary float
- Miss Wagga Wagga
- Charles & Camilla's marriage
- NSW Police Band
- Camp Xray,
- A show-stopping finale production of Believe by the Cher impersonator Candi Stratton

Last year even the forces of mother nature couldn't stop the parade. In 2005, we harnessed the forces of human nature to deliver New Mardi Gras' best parade ever, and arguably one of the top parades of the last decade.

Our core objective this year was to lift the production standards of the event, with a focus on improved entries, crowd experience and special effects. Over 450,000 spectators voted with their feet to turn out to THE pink family gathering of the year, as we invited Sydney, and the world to celebrate freedom alongside us.

Vicki Harding and her partner, Jackie Braw, proved to be our ideal choices as Chiefs-of-Parade, who both shot to fame as the lesbian mothers of Brenna, featured on Playschool taking Brenna on a day out to Australia's Wonderland. A range of politicians bought into the debate and the ensuing controversy ran in almost every newspaper in the country.

Crowd experience was significantly enhanced with the re-location of BGF's new Glam-stand to the heart of the parade on Flinders St.

For the first time we placed three massive video screens along the parade route projecting all the action, partnering



Graeme Browning (aka Mitzi Macintosh) was appointed Creative Director and immediately set out to reinvigorate and shape this year's parade around 4 fabulous themes - **Freedom. Family. Passion and Joy**; what Mardi Gras is all about.

The freedom section kicked off with the New Mardi Gras's lead float conceived by Mark Barraket and designed by Stefan Elliot and Garry Bradley. Extending the concept of 'our freedom, your freedom' to a global scale, we made it their freedom too, acknowledged that our brothers and sisters in over 80 countries suffer greater injustices where homosexuality remains illegal and in many cases punishable by death.

The same talented team created our official marching group entry, who instead of an outdated garden of eden, marched to a contemporary



with the talented crew from Screen Media Works and Screen Corp. Affectionately nick-named as Kylie, Britney and Madonna, expect these as a regular feature in years to come, together with spectacular fireworks and special effects.

Members enjoyed prime viewing access at Taylor Square again this year with a members only viewing area with easy and uncrowded access to food and drinks at the Taylor Square hotel.

A number of other initiatives were introduced including:

- Introduction of Parade Grants to support eligible community entries
- Revitalisation of the Parade Awards
- Production of a free 12 page Parade Program supplement in the Sydney Star Observer
- Facilitating creative workshops with past and current entrants

In 2006, there are opportunities to extend this year's success by:

- Continuing to work with entrants to realise even greater creative and production standards
- Extending the video screens into true live-sites with the sale of food and beverages, offering new revenue raising opportunities to fund the parade

- Expanding the quality of member's experiences and services
- Extending the availability of the community workshop from earlier in the season

I would like to thank the efforts and support we enjoy from the NSW Government, City of Sydney, NSW Police, state and local agencies, and our suppliers.

My thanks also to our Co-chairs Anthony Hillis, Todd Packer and Somali Cerese for their leadership and tenacity, the efforts of our talented Parade Working Groups and Production staff including our Events manager Anthony Russell; Production manager Natasha Hill and Production Assistant David Koumans. Many, many nights and weekends over many months were given up to create, plan and execute this world-class event.

The Sydney Gay & Lesbian Mardi Gras parade is a true community event. It is staged by over 1,200 joyful and passionate volunteers, who remain the backbone and driving force behind this world famous and world class event.

Thank you all and Happy Mardi Gras!

Anthony Hillis, Todd Packer and Somali Cerese
Co-chairs - Parade Working Group

Michael Rolik
Board Sponsor – Parade 2005.



volunteers



Sleaze 2004 Working group

This year NMG established a Volunteer Working Group to better co-ordinate the use of volunteers across events throughout the Season. One of the biggest challenges for NMG is to attract and retain volunteers year on year. That said we have an amazing number of new people volunteer each year who supplement the fantastic volunteers who have been with us, and Sydney Gay and Lesbian Mardi Gras for years. To each of the people who gave of themselves this year NMG must record a very BIG thankyou. Without you we would be and could do nothing.

NMG truly is a volunteer based organisation. The majority of the work we undertake is done by people who give their time, their skill, their knowledge to do everything from answering phones, set up and maintain the IT network, develop creative ideas for events, dance in shows, perform on and behind stage, turn up to numerous meetings throughout the year.

A major initiative this year has been to commence centralising key information about volunteers. By doing so we can better track who is doing what, the t-shirt requirements across Sleaze and the Season, and start to target some volunteer training. That is not a small feat

with over 1,500 volunteers coming together each year to help us stage Sleaze and the Season.

People volunteer for lots of different reasons. Some because it is something they have done for many years, for others because of friends, some want to 'give something back' to the community, develop skills, or just meet new people. Whatever the reason NMG must develop ways of recognising their contribution and engage people with NMG year round.

Our goal is to develop a learning and development program for volunteers to help them develop skills which will be of use in their roles at NMG and hopefully in their personal and work lives. In that way we hope to give something back to the people who are truly the bedrock on which we build our events each year.

Mark Orr
Board Sponsor - Volunteers



audit & risk

Gerard Gooden, Karen James, Michelle Casci, Khai The

business development

Glen Quill

communications

Scott Gillespie (Co-chair), Gillian Stokie (Co-chair), Andrew Faith, David Skapinker, Ryan McMahon, Jon Robinson

fair day & launch

Trish Reid (Co-chair), Peter Riley (Co-chair), Wayne Percival, Ryan McMahon, Annette Parry, David Clarkson, Bronwyn Winter, Genevieve Lindeman, Fiona Doherty, Justine Todd, Stuart Crawford, Andrew Hasler, Pauline King

festival

Chris Murray (Co-chair), Anne Cooper (Co-chair), Anthony Bendall, Bronwyn Winter, David Skapinker, John Wade, Kate Park, Lisa Roberston, Robert Thompson

finance

William Pauwwe (Co-chair), Mojave Kannangara, Aaron Pang

fundraising & member services

Lynne Clarke

history

Daniel Lutton (Co-chair), Anne Harry (Co-chair), John Warwick, Chris Murray, Robert Thompson, Sam Ryan, Megan Casey

information technology

Kelley Drury-Green (Co-chair), Grant Drury-Green, Marcus Ebenhoeh, Chris Hughes Gage, Mark Cassone, Matthew Stanton-Rutherford, Lynette Miller, Tony Maytom

marketing

Suzanne Duffy (Co-chair), Scott McLennan (Co-chair), Jeff Lim, Gillian Stokie, Robert Thompson, Sophia Habib, Terry Stuart, Linda Roumanos

medical

Jem Masters, Chris Hughes-Gage

parade

Todd Packer (Co-chair), Somali Cerise (Co-chair), Graeme Browning (Creative Director), Anthony Hillis, Malcolm Miller, John Rae, Steve Dow, David Mullaly, Jenny Morser, Kirk Muddle, Russell Khan, Wayne Tynan, Evelyn Symonds, Justin Davies, Drew Lambert, Mark Ashdown, Andrew Hasler, Mark Barraket, Mat Howard, Kate Wright, Martine L'Eville, Gina Monaco, Anne Cooper, Lisa Robertson, Scott Carn

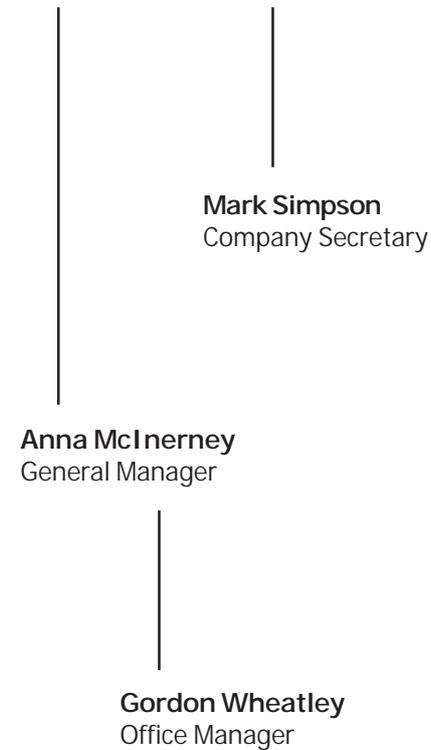
party

Terri Duarte (Co-chair), Tim Graham (Co-chair), Derek Hodgkins, Di Cameron, Glen Upton, Larry Singer, Scott Gillespie, Donna Anthes, Andrew Hasler, Kerry Swift



new mardi gras organisational chart

Board of Directors



Steph Sands (Co-Chair)
Marketing & Communications
Sponsorship
Medical
Youth

Mark Orr (Co-Chair)
Sleaze 2004
Volunteers
Information Technology
Audit and Risk

Craig Abberfield (Treasurer)
Party
International

Marcus Bourget
Legal
Broadcast
Marketing & Communications (Sleaze)

Enzo Camporeale
Festival
Youth

Denise Hanlon
People and H.R.
Organisational Structure

Diane Minnis
Festival
History
Government Relations
Organisational Structure

Julian Narborough
Launch
Fair Day

Michael Rolik
Parade
Membership
Organisational Structure



new mardi gras staff

full time staff

name	position	appointed	resignation
Anna McInerney	General Manager	17 Jan 05	-
Christine Watt	Administration Officer	02 Oct 03	26 Aug 04
Shauna McKenna	Executive Officer	09 Sep 03	24 Aug 04

contractors

name	responsibility	term of contract from	to
Gordon Wheatley	Office Manager	24 Aug 04	31 Mar 05
Netti Vieuxseux	Festival Coordinator	14 Sept 04	04 Mar 05
Anthony Russell	Event Manager	01 Dec 04	31 Mar 05
Rebecca Harding	Event Coordinator	06 Jan 05	15 Mar 05
Natasha Hill	Parade Production Manager	26 Nov 04	15 Mar 05
David Koumans	Parade Production Assistant	10 Jan 05	11 Mar 05
Simone Curry	Workshop Manager	01 Feb 05	24 Mar 05
Richard Stansfield	Workshop Assistant	19 Feb 05	24 Mar 05
Loske Thomspson	Workshop Artist	01 Feb 05	05 Mar 05
Bernadette Butson	Workshop Artist	01 Feb 05	05 Mar 05
Elizabeth Gillett	Workshop Artist	07 Feb 05	01 Apr 05
Linda Roumanos	Marketing Assistant	07 Jan 05	31 Apr 05
Terry Stuart	Publicist	16 Aug 04	11 Mar 05
Stevie Rose	Sponsorship Manager	24 Nov 05	-
Danielle Harvey	Sponsorship Assistant	07 Feb 05	07 Mar 05
Paul Prior	Bookkeeper	13 Dec 04	-



office holders

name	responsibility	appointed	resignation
Mark Simpson	Company Secretary	22 Nov 04	
Julie Eason	Company Secretary	18 Aug 04	29 Sept 04
Jock McKeon	Company Secretary	7 July 04	18 Aug 04
Craig Abberfield	Company Secretary	16 Mar 04	7 July 04



corporate governance

In March 2003, the Australian Stock Exchange (ASX) released its publication, *Principles of Good Corporate Governance and Best Practice Recommendations*. The ASX's Good Governance Council which developed this publication consisted of representatives from bodies such as Australian Institute of Company Directors, CPA Australia, Institute of Chartered Accountants in Australia, Institute of Internal Auditors Australia, Law Council of Australia and the National Institute of Accountants.

To date, the Board of New Mardi Gras (NMG) has undertaken various activities in relation to good governance. Its responses have been summarised against each of the ASX recommendations.

	Achievements 2004-05	Plan 2005-06
<p><i>1. Lay solid foundations for management and oversight</i></p> <p>Recognise and publish the respective roles and responsibilities of board and management</p>	<ul style="list-style-type: none"> • Clarification of delegated and non-delegated decision making areas • Developed a board induction manual, including role statements for Co-chairs and board directors 	<ul style="list-style-type: none"> • Agreed a work plan and KPIs for General Manager • Run induction program for new board shortly after election
<p><i>2. Structure the board to add value</i></p> <p>Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties</p>	<ul style="list-style-type: none"> • Proposal to reduce the Board to 8 approved by AGM 	<ul style="list-style-type: none"> • Focus board on governance issues and empower Working Group Co-chairs and General Manager to manage operational issues • Finalise Strategic Plan 2005-2008
<p><i>3. Promote ethical and responsible decision-making</i></p> <p>Actively promote ethical and responsible decision-making</p>	<ul style="list-style-type: none"> • Developed an organisational code of conduct 	<ul style="list-style-type: none"> • Run training sessions on organisational code of conduct for staff, volunteers and contractors • Developed role statements for working group co-chairs and key volunteer positions
<p><i>4. Safeguard integrity in financial reporting</i></p> <p>Have a structure to independently verify and safeguard the integrity of the company's financial reporting</p>	<ul style="list-style-type: none"> • Employed a part time bookkeeper and part time accountant • Maintained active engagement of Audit Committee and sought specific advice from them. 	<ul style="list-style-type: none"> • Develop multi-year cashflow projections • Engage General Manager in financial reporting cycle in conjunction with Treasurer and Chair, Finance Working Group
<p><i>5. Make timely and balanced disclosure</i></p> <p>Promote timely and balanced disclosure of all material matters concerning the company</p>	<ul style="list-style-type: none"> • Provided more regular emails to members 	<ul style="list-style-type: none"> • Develop content requirements of Annual Report to better reflect operations of company
<p><i>6. Respect the rights of shareholders</i></p> <p>Respect the rights of shareholders and facilitate the effective exercise of those rights</p>	<ul style="list-style-type: none"> • AGM held on 7 July 2004 	<ul style="list-style-type: none"> • Hold AGM in June, 2005 • Ensure comprehensive reporting of operations of company in Annual Report



	Achievements 2004-05	Plan 2005-06
<p><i>7. Recognise and manage risk</i></p> <p>Establish a sound system of risk oversight and management and internal control</p>	<ul style="list-style-type: none"> • Organisational risk register reviewed • Maintained active engagement of Audit Committee and sought specific advice from them. • Adopted knowledge management plan for 2005-2008 • Implemented records management policy • Documented event related processes and timelines 	<ul style="list-style-type: none"> • Ensure risk registers and management plans for all events are reviewed and updated. • Train all staff, volunteers and contractors in NMG's risk management policy and procedures
<p><i>8. Encourage enhanced performance</i></p> <p>Fairly review and actively encourage enhanced board and management effectiveness</p>	<ul style="list-style-type: none"> • Debrief of operations undertaken with the Board prior to the AGM on 7 July 2004 • Introduced performance evaluations for the Board, Board Directors and co-chairs of working groups • Developed an induction program for the new Board • Reviewed training needs of Board Directors and staff • Developed criteria for appointments to casual Board vacancies • Complaints, Grievances and Dispute Resolution for Directors policy adopted 	<ul style="list-style-type: none"> • Undertake board performance assessment
<p><i>9. Remunerate fairly and responsibly</i></p> <p>Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined</p>	<ul style="list-style-type: none"> • Review equivalence of remuneration and relative status of each position • Develop an organisational performance review policy and process based on outcomes achieved 	<ul style="list-style-type: none"> • Review remuneration of contractors to better reflect industry standards
<p><i>10. Recognise the legitimate interests of stakeholders</i></p> <p>Recognise legal and other obligations to all legitimate stakeholders</p>	<ul style="list-style-type: none"> • Developed memoranda of understanding with key stakeholders around exchange of services and support • Provided more regular newsletters to members 	<ul style="list-style-type: none"> • Finalise establishment of Intellectual Property Trust, involving founding organisations



financial report for the period
1 april 2004 to 31 march 2005



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for the year ended 31 march 2005	



treasurer's report

The enclosed financial statements cover the period from 1 April 2004 to 31 March, 2005.

The year that was...

This year New Mardi Gras Ltd (NMG) reports an operating loss, before income tax, of \$304,842 for the year. In reporting this loss the board is being conservative in its approach and continuing application of current Australian accounting standards. In that respect I bring to your attention Note 11 which discusses a future income tax benefit which may be able to be recognised as an asset at some time in the future. I also highlight that comparison figures in the financial statements are the audited figures contained in the first Annual Report in 2004. Those figures were for the period October 2002 to March 2004 – a period of more than 12 months. The current accounts report only a twelve month period.

The operating loss is a disappointing result, and one which clearly emphasises that New Mardi Gras (NMG) is very much still in its infancy as an organisation. As suggested by Nick Parker, NMG's then Treasurer in the 2004 Annual Report "NMG has much work to do to achieve financial stability and sustainability".

There is no doubt that NMG produces very large events. Three of the four major events are outdoor events and as we saw both this year and last year the weather is not always our friend. Realistically NMG relies primarily on strong community support and good weather to achieve its budgeted revenue. Bad weather creates a major challenge for us. Added to that much of the organisation's expense is incurred in the production of events and large sums are committed prior to the actual event date. After certain dates many expenses are fixed and cannot be stepped away from. These realities create a challenging operating environment for the organisation year on year.

This year we saw less revenue than expected from Sleaze, Launch, Fair Day and Party - the major revenue streams for the organisation. At the same time, we have continued to build our brand by increasing the production values of our events and seeking cash and in kind sponsorship from our business partners. Wherever possible, in the face of less than expected revenue we have looked to reduce expenses. However, those opportunities are fewer the closer we get to the event. Close management of cash flow has continued to be a major activity throughout the lead up to Sleaze and throughout Season.

This year the board sought to establish a cash reserve in a separate bank account in an attempt to commence building a reserve to address any unforeseen expenses. Whilst committed to that goal all money remained in the operating account to assist with cash flow throughout Season. It is

essential moving forward that a separate cash reserve is established and supplemented at the conclusion of each Season, if the organisation is to be able to meet any unforeseen demands on cash.

Business Partnerships

This year saw NMG engage a new sponsorship manager, Stevie Rose. Stevie comes with a wealth of experience in the corporate sponsorship arena and has already been able to secure a number of multi-year business partnerships for NMG. Our business partners are an important aspect of NMG's business and future. Without them we could not produce our events or run our office and workshop. This area remains an important focus of our efforts.

Our business partners are not just those that provide us with cash or in kind support. We must acknowledge the partnerships we have with our major suppliers. They have supported us in very practical ways since NMG's beginnings providing substantial discounts and very favourable payment terms. We rely on the support of our suppliers to produce such amazing events with the money we have available. Producing our Season truly is a partnership!

Tax

Taxation remains an issue for the company with the Board seeking independent professional advice this year. The advice we have received to date is that NMG is a taxable entity. Whilst that is not the final word on the matter, if required to pay tax NMG will negotiate a payment plan for this liability. Such a payment plan has been factored into our cash flows for 2005-06. If NMG is required to pay tax we must look at the various methods available to reduce tax moving forward. This may require considering constitutional changes or linking the purchase of party tickets to membership, both of which may impact directly on our taxable status and/or revenue.

Audit and Risk

This year saw NMG's Audit Committee's responsibilities increased to assist the board in looking at business risks. Two accountants, a solicitor and risk manager and one of the Co-chairs of the Board have made up the Audit and Risk Committee. The committee has met three times this year.

The committee met with the Company Auditors to discuss issues arising from the last audit, provided advice to the board on supplier selection and recommended a tender for company audit services be undertaken. Given the



importance of these functions of the committee its membership needs to be increased to ensure the board receives impartial advice about operational risks and mitigation strategies and to ensure any recommendations of the annual audit are addressed in the following twelve months.

Getting the work done

During the year, it became apparent that, the volume of work required to process the financial transactions of the organisation far exceeded the volunteer time available. We have once more been assisted greatly by a small band of highly committed finance professionals who have volunteered many hours to processing transactions and data entry. To assist us keep on top of things this year the board appointed a part time book keeper and, later, a part time accountant. Their assistance ensured all financial transactions were processed in a timely manner and preparations for the company audit occurred according to the agreed schedule. This was part of the board's governance plan for 2004-05.

Next steps

The results for 2004-05 mean that NMG needs to be very careful about its budgeting, expenditure and cash flow. NMG is very much still in its start-up phase and continues to need the support of members and the community if it is to achieve financial stability and sustainability.

Specifically, over the next twelve months we will:

- review all internal finance processes and finance policy;
- commence discussions with our major suppliers to establish whole of organisation multi-year supply agreements, to ensure the best price and most favourable payments terms possible;
- comprehensively induct and train staff, contractors and members of the working groups in NMG's Finance Policies and Procedures;
- review the board's risk register in conjunction with the Audit and Risk Committee;
- develop NMG's membership benefits program and more actively promote membership as a direct way of ensuring NMG's future;

- review the number and structure of our current events;
 - look to develop other revenue generating opportunities, including new event development,
- and
- foster more significant and long term partnerships with business partners/sponsors.

Aside from that an important goal must remain to reduce the organisation's reliance on revenue from Sleaze and Party to fund NMG's operations.

Whilst the results of the last year cannot be down played, it is important to also focus on what 2004-05 achieved. NMG produced a much talked about Season of events. The company further developed the strength of the brand and increased the visibility of the organisation to the wider community both at home and overseas. These are important achievements and will help ensure our events will be better attended in 2005-06. As they say in the event business, you are only as good as your last gig.

In ending we must pay tribute to the many long hours provided on a voluntary basis by the Finance Working Group – Co-chair William Paauwe, Mojave Kannangara and Aaron Phang - in assisting NMG develop appropriate procedures and systems. They have been well resourced by Anna McInerney, Gordon Wheatley, Paul Prior and Julie Hayes. Without the efforts of all of these people we would not be able to run such a significant business with two full time staff! We owe them all a big thank you!

Mark Orr¹
Co-chair & Treasurer

¹ Craig Abberfield was NMG's Treasurer for the period under report but is currently on a leave of absence at the time of writing.



directors report

Your directors present their report on the company for the financial year ended 31 March 2005.

Directors

The names and particulars of the directors in office at any time during or since the end of the year are:

Director	Date Appointed	Date Resigned*	Qualifications / Experience
Craig Abberfield	3 July 2004		Craig is employed by one of Australia's largest telecommunication providers specialising in commercial negotiations, dispute resolution, business unit profitability as well as ensuring that regulatory and business requirements are met.
Marcus Bourget	3 July 2004		Marcus Bourget first volunteered for Mardi Gras in 2003 in the marketing and festival groups. Marcus became a director in the following year. Marcus' background is in law, and is currently employed as a contracts manager as a large telecommunications company.
Enzo Camporeale	3 July 2004	9 March 2005	Enzo graduated with an Arts/Law degree from Sydney University. Since then he has focussed his attention working for the community and not for profit arts organisations including New Mardi Gras, the Sydney Festival and the Sydney Film Festival.
Scott Carn B.Des.St., B.A. (Hons) Adel.	10 May 2003	3 July 2004	Scott is the Executive Officer of the UNSW Student Guild, and has degrees in Design and History from the University of Adelaide. Scott is a former member of the University Council of the Flinders University of South Australia.
Liz Dods	2 Dec 2002	3 July 2004	Liz is an arts administrator with a background in marketing. Sydney Gay and Lesbian Mardi Gras parade volunteer for the past decade.
Denise Hanlon	3 July 2004		Denise is currently the Director of the Organisational Division of ACON. She manages the Human Resources, Information Technology, Finance, Quality and Planning/Evaluation teams. Denise's recent background is in Human Resources and Finance and she graduated last year with an MBA.
Lisa Kaine	3 July 2004	1 Sept 2004	Lisa is a freelance graphic designer and media consultant. She has been running her own business for over 10 years.
Johan Khoury	16 Feb 2005	15 March 2005	Amongst many other talents Johan has experience in event management running dance parties and managing night clubs. He has a Bachelor of Business with marketing and finance majors and Diploma of Management.



Director	Date Appointed	Date Resigned*	Qualifications / Experience
Diane Minnis	10 May 2003		Diane conducts her own training and on-line learning business, has postgraduate qualifications in management, and is a 78'er and long time gay and lesbian rights campaigner.
Jock McKeon	9 Oct 2002	3 July 2004	Jock is an actuarial analyst, former board member of the Australian Red Cross and chair of the Red Cross Youth and Education Services Advisory Committee.
Julian Narborough	3 July 2004		Julian has over 20 years experience in the Financial and IT industries, with over 15 years in management and senior management roles. His formal qualifications include an MBA and a Post Graduate Diploma in Banking Management. Julian also has extensive experience in the Hospitality and Fitness industries.
Mark Orr BSc, BSc (Hons), Grad Dip Spec Ed, MHSM.	10 May 2003		Mark is an executive manager in the state public service. He was the 2003 community co-chair of the Party Working Group, which organised the 2003 Mardi Gras Party. Previously volunteered as a Sydney Gay and Lesbian Mardi Gras parade official.
Nick Parker	13 Jan 2003	3 July 2004	Nick is an Operational Risk Manager (IT) with a background in project management and methodology development.
Wayne Percival	10 May 2003	3 July 2004	Currently employed as flight attendant with Qantas. Wayne has a long involvement in organising Fair Day.
Amelia Powys	10 May 2003	3 July 2004	Amelia has extensive experience as an IT, business and technology management consultant.
Michael Rolik	3 July 2004		Michael brings strong project, business and leadership skills from 15 years in the professional services sector, the last seven in senior management roles. He holds a Bachelors degree in Business and a Masters in Commerce.
Steph Sands	13 Jan 2003		Steph has over ten years experience in marketing and communications and works in a leading Sydney advertising agency as a minority marketing consultant.
Michael Woodhouse	9 Oct 2002	3 July 2004	Michael is a director of Population Health in south-western Sydney. He holds degrees in economics and law and has a history of working in community organisations.



* where there is no resignation date indicated, the director is still in office at the date of this report.



Principal Activities

The principal activities of the company in the course of the financial year were the organisation and co-ordination of events of celebration, commemoration, protest, and engage in other activities as part of the gay, lesbian, transgender, bisexual and queer community. There was no change in principal activity during, or since the end of, the financial year.

Operating Results

The profit/(loss) of the company for the financial period after providing for income tax amounted to (\$312,381); prior year result 9 October, 2002 to 31 March, 2004 was \$579,272.

Dividends

The company's constitution prohibits the distribution of profits to members. Accordingly, no dividends have been paid or declared during the financial year and the directors do not recommend the payment of any dividends.

Change in state of affairs

During the financial year there was no change in the state of affairs of the company.

Review of operations

A review of operations for the financial year is contained in the Treasurer's Report.

Events subsequent to balance date

There has not been any matter or circumstance, than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has 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 future financial years.

Future developments

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

Directors' Emoluments

Disclosure relating to directors' emoluments is included in note 4 of the financial report.

Environmental regulations

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

Indemnification of officers or auditors

During or since the end of the year, the company has paid premiums in respect of a contract insuring the directors of the company (as named above) and officers against a liability incurred as such a director or officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

Directors' meetings

During the financial period, 37 meetings of the directors were held.

The following table sets out the number of directors' meetings held during the financial period and the number of meetings attended by each director.



Directors' meetings

Director	Meetings attended	Meetings held during director's term
Craig Abberfield	25	26
Marcus Bourget	24	26
Enzo Camporeale	17	25
Scott Carn	7	11
Liz Dods	10	11
Denise Hanlon	14	26
Lisa Kaine	1	7
Johan Khoury	1	1
Diane Minnis	37	37
Jock McKeon	9	11
Julian Narborough	19	26
Mark Orr	37	37
Nick Parker	5	11
Wayne Percival	5	11
Amelia Powys	0	11
Michael Rolik	19	26
Steph Sands	33	37
Michael Woodhouse	9	11



Options

No options over any interests of 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.

Proceedings on Behalf of Company

In October 2004, the Phonographic Performance Company of Australia (PPCA) issued a reference in the Copyright Tribunal (CT2 of 2004) seeking an order under sec 154(4) of the Copyright Act 1968 to vary the Dance Use Licence Scheme under which, inter alia, New Mardi Gras Ltd pays licence fees in respect of the music played at its dance parties.

In summary, the PPCA seeks to re-categorise the tariff in which dance parties are categorised and update the licence fee structure to an amount as the Tribunal feels is reasonable. As an interested party, New Mardi Gras Ltd successfully applied to join these proceedings, which are currently proceeding before the Copyright Tribunal.

It is possible that the licence fees that New Mardi Gras Ltd pays to PPCA will be increased if the Tribunal finds that an increase is justified, although at this stage it is not possible to quantify what the increase (if any) may be.

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

On behalf of the Directors

Steph Sands
Co-chair

Mark Orr
Co-chair

SYDNEY, 22 May 2005





Partners
Gary C Peroy
James D Peroy
George Vourantonis
Thomas Bombotas

**Independent Audit Report
to the Members of New Mardi Gras Limited**

Scope

The financial report and Directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the Directors' declaration as set out on pages 35 to 50 for New Mardi Gras Limited ("the Company") for the year ended 31 March 2005.

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We have conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Australian Accounting Standards and other mandatory financial reporting requirements in Australia, 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 cash flows.

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We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Directors.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit report on the full financial report is not subject to any qualification, but includes a statement in respect of an "**emphasis of matter**" relating to the cash proceeds of fundraising and subscriptions, and an "**inherent uncertainty**" paragraph in relation to the continuation of the Company as a Going Concern.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

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

Audit Opinion

In our opinion the financial report of New Mardi Gras Limited 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 31 March 2005 and of the performance for the financial year ended on that date; and
 - (b) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
2. other mandatory professional reporting requirements in Australia.





Description of Emphasis of Matter

Without qualification to the opinion expressed above, attention is drawn to the fact that as is common for organizations of this type, New Mardi Gras Limited derives a portion of its cash income from functions, subscriptions, and fundraising and it is not practicable for New Mardi Gras Limited to maintain an effective system of internal control over such transactions until their initial entry in the accounting records and bank accounts. Accordingly, our audit in relation to those activities was limited to amounts recorded and we have been unable to independently verify whether the amounts received from these sources have been properly accounted for.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matters. As a result of the matters described in Note 1, Statement of Significant Accounting Policies, Going Concern note to the Financial Statements for the year ended 31 March 2005, subject to a deferral and extension of time and payment arrangement being organised with the Australian Taxation Office and/or a finance facility arranged by the Company, there is significant uncertainty whether the Company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Peroy's Audit and Assurance

George Vourantonis
Partner

22nd May 2005



directors' declaration

In accordance with a resolution of the directors of New Mardi Gras Ltd, the directors declare that:

1. the financial statements and notes thereto as set out on pages 36 to 50 are in accordance with the Corporations Act 2001;
 - a. comply with Accounting Standards in Australia and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 31 March 2005 and of the performance as represented by the results of its operations and its cash flows for the year ended on that date of the company.
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 as referred to in the Going Concern note in Note 1, Significant Accounting Policies, to the financial statements.

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



Steph Sands
Co-chair



Mark Orr
Co-chair

SYDNEY, 22 May, 2005



statement of financial performance

For the year ended 31 March 2005

	Note	12 Mths to 31 March 05 \$	Oct 02 to 31 March 04 \$
Revenues from ordinary activities-	2	2,886,320	4,391,667
Occupancy costs		(10,761)	(29,643)
Interest expense		(1,185)	(4,246)
Employee benefits expense		(144,757)	(88,375)
Insurance		(245,170)	(301,221)
Venue Hire		(370,391)	(431,792)
Amounts paid to contractors		(188,921)	(254,899)
Amortisation of goodwill		(54,452)	(78,619)
Depreciation expense		(17,406)	(20,967)
Operating lease rental expenses		(48,789)	(44,519)
Marketing & Communications		(188,932)	(158,740)
Security		(253,234)	(242,954)
Entertainment		(200,984)	(216,606)
Cost of goods sold		(106,912)	(145,177)
Party Staging		(85,027)	(160,332)
Equipment Hire		(862,395)	(996,426)
Licence Fees		(42,378)	(64,693)
Professional Fees		(65,213)	(116,139)
Other expenses from ordinary activities		(304,255)	(222,583)
Profit/(Loss) from ordinary activities before income tax		(304,842)	813,736
Income tax expense relating to ordinary activities	3	7,539	234,464
Net Profit/(Loss) from ordinary activities after income tax		(312,381)	579,272
Total changes in equity other than those resulting from transactions with members		(312,381)	579,272



statement of financial position

For the year ended 31 March 2005

	Note	12 Mths to 31 March 05 ----- \$	Oct 02 to 31 March 04 ----- \$
Current Assets			
Cash assets	23(a)	346,590	563,059
Receivables	7	83,855	58,175
Other	8	<u>164,376</u>	<u>203,593</u>
Total Current Assets		<u>594,821</u>	<u>824,827</u>
Non-Current Assets			
Property, Plant & Equipment	9	52,335	65,389
Intangibles	10	153,970	208,422
Deferred Tax Assets	11	<u>0</u>	<u>7,539</u>
Total Non-Current Assets		<u>206,305</u>	<u>281,350</u>
Total Assets		<u>801,126</u>	<u>1,106,177</u>
Current Liabilities			
Payables	12	215,711	211,406
Other	13	41,929	37,281
Loans	14	30,522	31,307
Tax Liabilities	15	240,249	240,249
Provisions	16	<u>2,497</u>	<u>6,662</u>
Total Current Liabilities		<u>530,908</u>	<u>526,905</u>
Total Liabilities		<u>530,908</u>	<u>526,905</u>
Net Assets		<u>270,218</u>	<u>579,272</u>
Equity			
Contributed equity	17	-	-
Retained profits	18	<u>270,218</u>	<u>579,272</u>
Total equity		<u>270,218</u>	<u>579,272</u>



statement of cash flows

For the year ended 31 March 2005

	Note	12 Mths to 31 March 05 \$	Oct 02 to 31 March 04 \$
Cash flow from operating activities			
Receipts from customers		3,072,638	4,574,425
Payments to suppliers and contractors		(3,297,391)	(3,617,759)
Interest received		14,255	12,291
Interest paid		(1,184)	(4,246)
Income tax withholding on interest received		-	(1,754)
Net cash provided by operating activities	23(c)	<u>(211,682)</u>	<u>962,957</u>
Cash flow from investing activities			
Payments for assets of Sydney Gay & Lesbian Mardi Gras Limited (Administrators Appointed) ("SGLMG")		-	(349,000)
Acquisition of property, plant & equipment		(4,787)	(36,115)
Payment in relation to costs for acquisition of assets of "SGLMG"		-	(14,783)
Net cash used in investing activities		<u>(4,787)</u>	<u>(399,898)</u>
Cash flows from financing activities			
Proceeds from borrowing		-	100,000
Repayment of borrowing		-	(100,000)
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		(216,469)	563,059
Cast at beginning of the financial period		<u>563,059</u>	<u>-</u>
Cash at end of the financial period	23(a)	<u>346,590</u>	<u>563,059</u>



notes to the financial statements for the year ended 31 march 2005



1. Statement of Significant Accounting Policies

Financial Reporting Framework

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards, Urgent Issues Group Consensus Views, and complies with other requirements of the law.

The company is limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Reclassification of Financial Information

Certain prior year expense items on the Statement of Financial Performance have been reclassified from other expenses to specific line items.

Certain prior years provisions items on the Statement of Financial Position have been reclassified to payables on the Statement of Financial Position.

International Financial Reporting Standards

This financial report has been prepared in accordance with Australian accounting standards and other current financial reporting requirements (Australian GAAP). Commencing 1 April 2005 the financial report of the Company must be prepared in accordance with Australian equivalents to International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board. The impact of adopting to IFRS will be reflected first in the financial statements for the year ended 31 March 2006. Comparatives for the 31 March 2005 financial period are to be restated within the 31 March 2006 financial report.

The organisation will conduct a formal process, monitored by the Audit & Risk Committee of the Board and the Finance Committee, to achieve the required transition of the financial report to Australian equivalents to IFRS. Professional advisors will be engaged to support this process as required.

Major key differences to existing accounting policies identified to date which will arise from the adoption by the Company of IFRS are summarised below. The summary should not be taken as an exhaustive list of all the differences and it does not identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events will be presented. The effects of the differences discussed below have not yet been fully quantified. Accordingly, there can be no assurances that the financial performance and financial position as disclosed in the financial report would not be significantly different if determined in accordance with Australian equivalents to IFRS.

(a) Accounting for Goodwill

On the transition to IFRS, acquired Goodwill will no longer be amortised, but instead, will be subject to an annual assessment for impairment with any impairment recorded directly in the Statement of Financial Performance in the period in which impairment occurs. The current amortisation charge of \$54,452 recognised by the company will cease for future financial period to ensure that the carrying value of Goodwill is not greater than the recoverable amount. As a result, the statement of financial performance will no longer include an expense item reflecting the annual Goodwill amortisation.



(b) Taxation

A "balance sheet" approach to tax-effect accounting is followed under IFRS replacing the current "income statement liability method" approach. The "balance sheet" approach recognises deferred tax balances when there is a difference between the carrying value of an asset or liability and its tax base.

Any initial adjustments required to deferred tax asset and liability balances on transition to IFRS at 1 April 2005 will be made through opening balances of retained earnings at that date.

(c) Intangible assets and impairment

As previously stated, on transition to IFRS goodwill will no longer be amortised but will be assessed for any potential indication of impairment on an annual basis. If an impairment loss is identified it must be recognised immediately in the income statement. The company does not currently anticipate an impairment adjustment to opening retained earnings arising at 1 April 2005 in respect of this change in accounting policy.

In summary, proposed changes resulting from the transition to IFRS will impact on the future form and presentation of the financial statements.

Going concern

With consideration of the current year loss and projected cash flows, the Directors consider that the organisation will be able to meet its debts as they fall due subject to a satisfactory periodic payment plan being negotiated with the Australian Taxation Office or a finance facility being available and appropriate budgetary controls being adhered to.

Plant and Equipment

Plant and equipment is carried at cost or fair value less any accumulated depreciation.

The plant and equipment purchased from Sydney Gay & Lesbian Mardi Gras Limited (Administrators Appointed) on the 21st October 2002, have been taken up at market value in accordance with AASB 1015 "Acquisitions of Assets" and this has been based on a directors' valuation. Further additions to plant and equipment have been recorded at purchase cost.

The carrying amount of plant and equipment is reviewed annually at balance date by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

Depreciation is provided on plant and equipment and is calculated on a straight line basis so as to write off the net costs of each asset over its expected useful life commencing from the time the asset is held ready for use. The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment - 5 years

The directors have adopted the above rates of depreciation for both accounting and income tax purposes.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Service Tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances it is recognised as part of the cost of acquisition of the asset or as part of an item of expense; or
- ii. trade debtors and trade creditors in the statement of financial position are shown inclusive of GST.



The net amount of GST recoverable from, or payable to the Australian Taxation Office is included as a current asset or a current liability in the Statement of Financial Position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified as operating cash flows.

Goodwill

Goodwill, representing the excess of the cost of acquisition for a business over the fair value attributed to its net tangible assets at date of acquisition, is amortised on a straight-line basis over a period of five years. The balances are reviewed annually and any balance representing future benefits the realisation of which is considered to be no longer probable are written off.

Income tax

Tax-effect accounting principles are adopted whereby income tax expense is calculated on pre-tax accounting profits/(losses) adjusted for permanent differences. The tax-effect of timing differences, which occur when items are included or allowed for income tax purposes in a period different to that for accounting, is shown at current taxation rates in the deferred tax assets and deferred tax liabilities, as applicable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation or case law, and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

Receivables

Trade accounts receivable and other receivables are recorded at amounts due. The ability to collect debts is assessed at balance date and provision is made for identified doubtful accounts.

Payables

Accounts payable and other payables represent the principal amounts outstanding at balance date whether or not billed when the company becomes obliged to make future payments resulting from the purchase of goods and services.

Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit

Revenue Recognition

Revenue from the sale of goods and services is recognised upon the invoicing or sale of goods and services to customers and members.

Interest revenue is recognised when credited, taking into account the interest rates applicable to the financial assets.

Members' subscriptions which relate to future periods are taken up as a liability in the statement of financial position at year end and recognised as revenue at a future date.



Insurance expense

Insurance expense is recognised over the period for which cover is provided by the Company's insurers. Where cover is provided in more than one financial period, the expense is allocated on a time basis.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions in respect of wages and salaries, annual leave, sick leave and other employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of other employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company for employee superannuation guarantee requirements and are charged as expenses when incurred.

2. (a) Profit/(loss) from ordinary activities

Profit/(loss) from ordinary activities before income tax includes the following items of revenue and expense:

Operating Revenue

	12 Mths to 31 March 05	Oct 02 to 31 March 04
Donations	6,880	196,064
Membership income	70,610	64,400
Stallholder fees for Fair Day	68,207	124,447
Parade entrance fees and viewing revenue	7,532	30,155
Ticket sales	2,302,760	3,244,327
Sponsorships	263,254	445,273
Sale of goods	87,740	205,195
Interest income	14,255	12,291
Other	12,067	69,515
Licence Fees	44,892	-
Festival	8,123	-
Total operating revenue	<u>2,886,320</u>	<u>4,391,667</u>

(b) Expenses

Cost of sales	106,912	145,937
Depreciation of non-current assets - plant and equipment	17,406	20,966
Amortisation of non-current assets - goodwill	54,452	78,619
Bad and doubtful debts - trade debtors	<u>21,896</u>	<u>3,850</u>



3. Income Tax

The prima facie income tax expense (benefit) on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

	12 Mths to 31 March 05 ----- \$	Oct 02 to 31 March 04 ----- \$
Profit from ordinary activities	(304,842)	813,736
Income tax expense (benefit) calculated at 30%	(91,452)	244,121
<i>Permanent differences:</i>		
Amortisation of goodwill	16,334	23,586
Members' subscriptions	(21,183)	(19,320)
Net ticket sales – members	(42,297)	(13,923)
Penalties	<u>160</u>	<u>-</u>
Income tax expense relating to ordinary activities	(138,438)	234,464
Future Income Tax Benefit not recognised	<u>145,977</u>	<u>0</u>
	<u>7,539</u>	<u>234,464</u>
<i>Timing differences:</i>		
Movement in the following provisions:		
- Employee entitlements	(1,250)	1,999
- Doubtful debts	5,114	1,155
- Audit fees	390	3,810
- General Provision	1,500	-
Superannuation charged in the accounts	<u>1,435</u>	<u>575</u>
Provision for income tax attributable to Profits – current financial period	14,728	242,003
TFN withheld during the financial period	<u>-</u>	<u>(1,754)</u>
	<u>14,728</u>	<u>240,249</u>



4. Directors' remuneration

The directors of New Mardi Gras Ltd during the financial period were Craig Abberfield, Marcus Bourget, Enzo Camporeale, Scott Carn, Liz Dods, Denise Hanlon, Lisa Kaine, Johan Khoury, Diane Minnis, Jock McKeon, Julian Narbourough, Mark Orr, Nick Parker, Wayne Percival, Amelia Powys, Michael Rolik, Steph Sands and Michael Woodhouse.

The aggregate of income paid or payable, or otherwise made available, in respect of the financial period, to all directors of the company, directly or indirectly, by the company.

	12 Mths to 31 March 05	Oct 02 to March 04
	Nil	Nil
	<u>Number</u>	<u>Number</u>

The number of directors of the company whose total income falls within each successive \$10,000 band of income (commencing at \$0):

\$0 - \$10,000

18	21
----	----

All directors provide their services on a voluntary basis and do not, other than for re-imbursment of expenses incurred, receive remuneration from the company.



5. Directors' retirement benefits

There have been no retirement benefits paid or accrued to any directors of the company.

6. Remuneration of Auditors

	12 Mths to 31 March 05	Oct 02 to 31 March 04
	\$	\$
Auditing the financial report	15,415	27,210
Other services	<u>7,600</u>	<u>4,340</u>
	<u>23,015</u>	<u>31,550</u>

7. Receivables

Trade receivables	104,751	62,025
Allowance for doubtful debts	<u>(20,896)</u>	<u>(3,850)</u>
	<u>83,855</u>	<u>58,175</u>

8. Other current assets

Prepayments	151,271	181,136
Other	-	6,352
Deposits	<u>13,105</u>	<u>16,105</u>
	<u>164,376</u>	<u>203,593</u>

9. Property, plant & equipment

Plant and equipment		
At directors valuation	50,240	50,240
At cost	39,869	36,115
Less accumulated depreciation	<u>(38,340)</u>	<u>(20,966)</u>
Total plant and equipment	<u>51,769</u>	<u>65,389</u>
Leasehold improvements		
At cost	599	-
Less accumulated depreciation	<u>(33)</u>	<u>-</u>
Total leasehold improvements	<u>566</u>	<u>-</u>

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

	Plant & equipment\$	Leasehold improvements\$	Total \$
Balance at the beginning of the financial year (carrying amount)	65,389	-	65,389
Additions	3,753	599	4,352
Disposals	-	-	-
Depreciation expense	<u>(17,373)</u>	<u>(33)</u>	<u>(17,406)</u>
Carrying amount at the end of year	<u>51,769</u>	<u>566</u>	<u>52,335</u>



10. Intangibles

	12 Mths to 31 March 05 ----- \$	Oct 02 to 31 March 04 ----- \$
Goodwill	272,259	272,259
Accumulated amortisation	<u>(133,071)</u>	<u>(78,619)</u>
	139,188	193,640
Acquisition costs	<u>14,782</u>	<u>14,782</u>
	<u>153,970</u>	<u>208,422</u>

11. Deferred Tax Assets

Future income tax benefit	----- 0	----- 7,539
---------------------------	---------	-------------

Future income tax benefit of \$7,539 was written back to the Statement of Financial Performance in 2005 as the recoverability was not virtually certain as required by the AASB 1020.

Potential future income tax benefits arising from carried forward tax losses which have not been recognised as an asset because recovery is not virtually certain amount to approximately \$138,438 (2004: Nil). The potential future income tax benefit will only be obtained if the company:

- (i) derives future income tax benefit of a nature and an amount sufficient to enable the benefit to be realised;
- (ii) continues to comply with the conditions for deductibility imposed by the law; and if

no changes in tax legislation adversely affect the Company in realising the benefit.

12. Current Payables

Trade Creditors	133,398	85,843
Sundry creditors & accruals	72,047	58,961
Amounts payable to the administrators of Sydney Gay & Lesbian Mardi Gras Ltd (Administrators Appointed) in accordance with a Deed of Company Arrangement dated 21 October, 2002	23(b) -	30,000
Goods & Service Tax payable	<u>10,266</u>	<u>36,602</u>
	<u>215,711</u>	<u>211,406</u>



13. Other	12 Mths to 31 March 05	Oct 02 to March 04
Membership subscriptions in advance	<u>41,929</u>	<u>37,281</u>

14. Loans		
Insurance funding loan	<u>30,522</u>	<u>31,307</u>

15. Tax Liabilities		
Income tax	3 <u>240,249</u>	<u>240,249</u>

16. Provisions		
Provision for annual leave	<u>2,497</u>	<u>6,662</u>

17. Members guarantees

The company is incorporated with the liability of members limited by guarantee. In accordance with the Company's constitution, the liability of each member is limited to \$1.00 in the event that the company is wound up.

The number of members at the end of the financial period:

	<u>Number</u>	<u>Number</u>
Full members	1,569	2,025
Concession members	151	225
Under 25 members	35	3
Associate members	-	5
International	105	2

18. Retained Profits

	12 Mths to 31 March 05 <u>\$</u>	Oct 02 to 31 March 04 <u>\$</u>
Balance at the beginning of the financial period	579,272	-
Net profit/(loss) attributable to members of the company	(304,842)	813,736
Opening balance adjustment	3,327	-
Income tax expense	<u>(7,539)</u>	<u>(234,464)</u>
Balance at the end of the financial period	<u>270,218</u>	<u>579,272</u>



19. Commitments for expenditure

	12 Mths to 31 March 05	Oct 02 to March 04
<i>Capital expenditure commitments</i>		
Not longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	-	-
<i>Operating lease commitments</i>		
Not longer than 1 year	9,427	51,848
Longer than 1 year and not longer than 5 years	-	9,427

The property lease is a non-cancellable lease with a two-year term, with rent payable monthly in advance. An option exists to renew the lease at the end of the two-year term for an additional one year.

The Company has lodged a security bond of \$12,855 in relation to the above lease.



20. Contingent Liabilities

As at balance date it is not possible to accurately estimate the potential financial effect of General Interest Charges (GIC) and/or penalties which may be imposed by the Australian Taxation Office in relation to the late payment and outstanding lodgement of income tax returns and the possible financial effect of any remission of the same.

21. Segment information

The company operates in one segment, being the production of the Sydney Gay & Lesbian Mardi Gras Parade, Party, Fair Day, Festival and associated activities wholly within Australia.

22. Related party disclosures

(a) Directors' remuneration and retirement benefits

Details of the directors' remuneration and retirement benefits are disclosed in note 4 and 5 to the financial statements.

(b) Transactions with directors

During the financial period, directors and director related entities purchased goods, which were domestic or trivial in nature, from the company on the same terms and conditions available to members and the public.



23. Notes to the statement of cash flows

(a) Reconciliation of cash

For the purpose of the statement of cash flows, cash includes cash on hand, at banks, and on deposit. Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	12 Mths to 31 March 05	Oct 02 to 31 March 04
	\$	\$
Cash at bank and on hand	<u>346,590</u>	<u>563,059</u>

(b) Acquisition of assets from Sydney Gay & Lesbian Mardi Gras Ltd (Administrators Appointed)

In accordance with a Deed of Company Arrangement (dated 21 October, 2002) certain assets of Sydney Gay & Lesbian Mardi Gras Ltd (Administrators Appointed) were acquired during the financial period. Details of the acquisition are as follows:

	12 Mths to 31 March 05	Oct 02 to 31 March 04
	\$	\$
<i>Consideration (Inclusive of GST as applicable)</i>		
Cash	-	272,000
Deferred settlement	<u>-</u>	<u>107,000</u>
	<u>-</u>	<u>379,000</u>
<i>Fair value of net assets acquired</i>		
GST Recoverable	-	29,000
Plant & Equipment	9	<u>50,240</u>
Net assets acquired	-	79,240
Goodwill on acquisition	10	272,259
Rental Bond	-	27,500
Licence fee	<u>-</u>	<u>1</u>
	<u>-</u>	<u>379,000</u>
The maximum amount of remaining deferred settlement is payable on the following dates:		
April 2004	12	<u>30,000</u>



(c) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax	12 Mths to 31 March 05 04	Oct 02 to March
Profit from ordinary activities after income tax	(312,381)	579,272
Non-cash flows in profit from ordinary activities		
Amortisation	54,452	78,619
Depreciation	17,406	20,967
Doubtful debts provision	20,896	3,850
Annual leave provision	(4,165)	6,662
Changes in assets and liabilities		
(Increase)/Decrease in trade receivables	(42,726)	(62,025)
(Increase)/Decrease in other current assets	39,216	(187,488)
(Increase)/Decrease in future income tax benefit	7,539	(7,539)
Increase/(Decrease) in payables	(2,082)	198,590
Increase/(Decrease) in income tax payable	-	240,249
Increase/(Decrease) in provisions	6,300	23,212
Increase/(Decrease) in loans	(785)	31,307
Increase/Decrease in other current liabilities	<u>4,648</u>	<u>37,281</u>
<i>Net cash from operating activities</i>	<u>(211,682)</u>	<u>962,957</u>



24. Financial Instruments

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(b) Derivative financial instruments

The Company does not enter into any derivative financial instruments.

(c) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities is as follows:

	Floating Interest Rate		Fixed Interest Rate Maturing		Fixed Interest Rate Maturing	
	2005 \$	2004 \$	Within 1 Year	1 to 5 Years	Within 1 Year	1 to 5 Years
Financial Assets						
Cash	346,590	563,059				
Total Financial Assets	346,590	563,059				
Financial Liabilities						
Loans			30,522		31,307	
Total Financial Liabilities			30,522		31,307	

The weighted average effective interest rates are as follows:

- cash 3.6% (2004 less than 1%)
- loans 5.98% (2004 less than 1%)



(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The company measures credit risk on a fair value basis.

The company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the statement of financial position, net of any provision for losses or doubtful debts, represents the company's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

(e) Net fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

25. Employee Benefits

	12 Mths to 31 March 05 <u>Number</u>	Oct 02 to 31 March 04 <u>Number</u>
Number of employees at the end of the financial period	3	2

The provision for employee benefits is set out in Note 16 and the amount of salaries and wages and related benefits paid are expensed in the statement of financial performance.

26. Acquisition of assets from Sydney Gay & Lesbian Mardi Gras Ltd (Administrators Appointed) – "SGLMG"

In October 2002 the Company acquired certain assets from SGLMG for total consideration of \$379,000 (refer Note 23 (b)). It is to be noted that the final payment of \$30,000 was made during the financial period and the Administrators have executed the appropriate documentation on 17 November 2004 that the Deed has been wholly effectuated.

27. Additional company information

New Mardi Gras Ltd is a company limited by guarantee, incorporated and operating in Australia.

Registered Office

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