



SYDNEY GAY AND LESBIAN
MARDI GRAS



M O M E N T U M

2016 ANNUAL REPORT

SYDNEY GAY AND LESBIAN MARDI GRAS LTD | ABN 87 102 451 785

MARDI GRAS ARTS LTD | ABN 41 158 800 018

SEASON HIGHLIGHTS FROM A



TOGETHER WE TRANSFORMED PASSION INTO MOMENTUM!

The 2016 Mardi Gras Festival was exactly what Sydney needed. The sun shone on our colourful Fair Day with more than 70,000 people soaking up the entertainment and community spirit. The Parade was one of the biggest ever with more than 170 vibrant floats and 12,500 participants. The Party was a sell-out with more than 12,000 people dancing through the night. Every ticket was snapped up quickly for our exciting festival-ending Laneway Party too.

Queer Thinking had new ideas and energy for 2016, plus we were proud to present a night by the harbour with Tina Arena, Gender Trailblazers' talks, the Day For Night art party, and over 100 other creative and unique experiences, with stories of diversity and togetherness.

We made our city sparkle like no one else can. Glitter, hearts, rainbow colours, and thousands upon thousands of smiling faces.

As we look ahead to our 2017 season where we'll celebrate and strive for EQUALITY and embrace Sydney's natural beauty like never before, here's some of our favourite memories of Mardi Gras 2016...



THE SUN CAME OUT FOR FAIR DAY

Our annual Fair Day put the very best of our LGBTI communities into the sunshine. Sure, a few drops of rain fell on our bumping in stallholders, but the clouds cleared quickly, making Fair Day 2016 exceptionally bright and beautiful.

Over 80,000 LGBTIQI people and their friends picnicked and frolicked in Victoria Park, where they enjoyed a wide variety of stalls, on-stage entertainment, games and food, along with plenty of surprises.

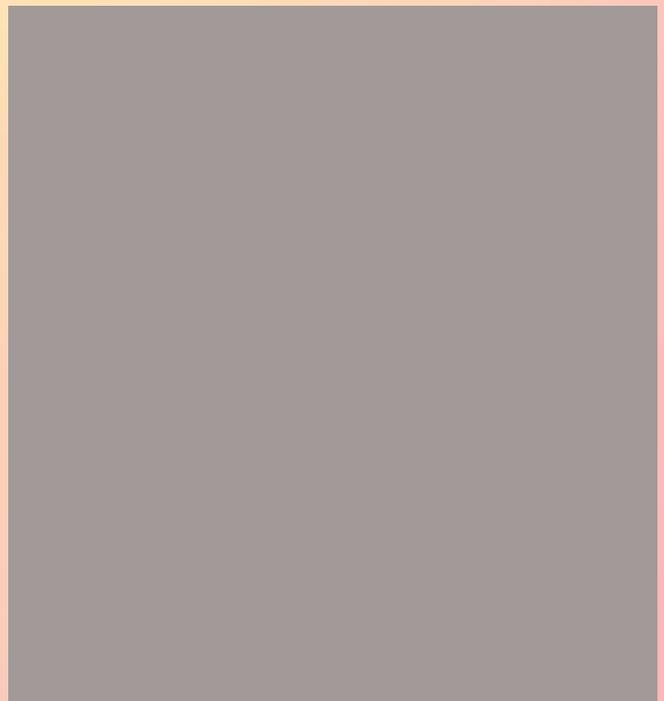
Hundreds of Fair Day attendees held hands in a symbolic 'Let Them Stay' gesture for asylum seekers. Entertainers on the main stage included Greg Gould, Bielfield Courtney Act, Trevor Ashley, Deni Hines – and a special performance by the Harbour City Bears.



QUEER THINKING'S THOUGHTFUL MOVES

Exploring a variety of issues connected to our communities, Queer Thinking thought on its feet in 2016, visiting several locations around Sydney to share discussions in new ways. UNHCR supporter Kristen Davis spoke about her visits to Africa to help prevent sexual and gender based violence, while among the 18 other sessions were in-depth looks at finding love online, how to create a family, being out as LGBTI in sport, and the true stories of Gayby Babies.

Elsewhere, 'Gender Trailblazers' featured a panel discussion hosted by counsellor Dr Elizabeth Riley, and Irish marriage equality activist Panti Bliss was 'Rooting for Australia' in a special Mardi Gras Edition of her hilarious and inspiring show.



MARDI GRAS ON THE HARBOUR

Not just one party, but a series of unique events at Mrs Macquarie's point, overlooking the world's most spectacular harbour view. Tina Arena performed her hits in a very special show, Queer Screen joined us for a 25th anniversary screening of In Bed With Madonna, and the Sydney Gay and lesbian Choir sung along with the Mamma Mia movie.

MOMENTOUS MARDI GRAS 2016!



APOLOGIES TO THE ORIGINAL 1978 MARDI GRAS PROTESTERS

2016's Mardi Gras will be remembered as an extraordinary – and long overdue – season of apologies. The participants in the very first Parade received messages of regret from the NSW Government, Fairfax and the Police for the horrendous treatment they received on that bleak winter's night in June 1978.

NSW Parliament placed on record “an apology to each and every one of the ‘78ers from the Legislative Assembly for the harm and distress the events of 1978 have had on them and their families and for the past discrimination and persecution of the LGBTIQ community.”

NSW Police's LGBTI liaison Superintendent Tony Crandell spoke up at our Mardi Gras media event for the Parade: “We're sorry for the way the Mardi Gras we policed in the first occasion in 1978. We apologise. We also acknowledge the pain and heart that the police actions caused at that event.

“We have had a long journey together,” he added. “Today we are a police force of diversity. We celebrate our diversity through our participation in Mardi Gras events, and the way we police those Mardi Gras events. There are now many very proud police officers marching in the parade to celebrate Mardi Gras with the LGBTI community.”



2016 PARADE: 178 FLOATS, 12,500 PARTICIPANTS, AND A MAXED-OUT CHEERING CROWD

The city was ours. Throngs of Mardi Gras revellers decked out in rainbow colours descended on Oxford Street, blessed by perfect weather all evening. An estimated 300,000 people looked on and cheered for the biggest and longest parade in recent years.

Led by the Dykes on Bikes and our '78ers, we had drummers, singers, dancers, Olympians and Paralympians, lifesavers, bushwalkers, Bifemmes, celebrities, DIY rainbows, Googlers, faith networks, emergency services, furies, families, Muslims Against Homophobia, Sisters of Perpetual Indulgence (including Mother Cardio Pulmonary Resuscitation!), Devilish Tasmanians and Darlinghurst Divas – to name only a few.

Several floats also reinforced the fact that our Parade isn't just Australia's biggest LGBTI celebration – it's also our nation's largest protest. There were loud calls for marriage equality and the rights of gender diverse people. Attention was also drawn to the issue of homelessness in the LGBTIQ community, and the disgraceful way Australia treats asylum seekers. The Prime Minister came to watch, and every major political party proudly marched with us.



OUR PARADE SPARKLED ON SBS AND STREAMED LIVE ONLINE

Our Parade shone brightly on SBS, with its Sunday night highlights package hosted by Magda Szubanski, Tom Ballard, Patrick Abboud and Faustina Agolley attracting 240,000 viewers. SBS's crew were welcomed in the Parade itself with their debut float, and the entire Parade was available to view live online from anywhere in the world, with commentary by our friends at JOY 94.9.



THE SPECTACULAR MARDI GRAS PARTY

Our 2016 Party was a magical night featuring an astonishing line-up of international and homegrown music acts. Particularly glorious was the show on the RHI stage at 1:30am, starring dozens of Sydney's favourite drag divas strutting their stuff, with Eurovision song contest winner Conchita Wurst and Mardi Gras Ambassador Courtney Act singing a duet.

Party star singers and disc-spinners also included RnB superstar Deborah Cox, Dirty Pop, Ben Manson, Rado, YO! MAFIA, Tracy Young, Mark Picchiotti, Buck Naked, Mark Also MA15+, Victoria Anthony, Kitty Glitter, Maze and Masters, Colin Gaff, Haylenise, Seismic and Tanner Derry.

CO-CHAIR REPORT

NAMES XXX



THE 2016 SEASON WAS A VIBRANT DEMONSTRATION OF THE AMAZING TRANSFORMATIVE POWER OF OUR COMMUNITIES - A REMINDER, AS WE REFLECT ON ALL THAT HAS BEEN ACHIEVED OVER THE YEARS, THAT EVERY SMALL STEP FORWARD JOINS WITH ALL THE OTHER SMALL STEPS TO CREATE EQUALITY.

MOMENTUM.

In 2016 we turned our passion into purpose. We participated in an amazing display of community pride. We celebrated every step of every journey taken by every member of our communities since the 78ers and before, and we continued to pave the way for the future members of all our communities. We created Momentum as we grew stronger together.

Mardi Gras 2016 was an amazing celebration of our vibrant community with 17 days of over 120 events that spanned in-depth discussion panels and forums, art exhibitions, sport competitions, world premiere theatre and special one-off performances and concerts.

Participants in this year's parade created their own momentum. Over 12,500 members of the LGBTQI community and their supporters from all over the world came together in an explosion of colour and glamour to celebrate and champion equal rights.

2016 was the first year of new Harbour events. Over 3,000 people enjoyed performances, movies and eating and drinking together under the stars. A truly spectacular Sydney experience.

We continued to embrace the digital age in 2016, investing in digital and social media channels that saw communications reach an audience of over 100 Million between the launch and end of season.

2016 delivered some positive results of our transformation journey.

We are very excited to deliver a significant surplus as end of year financial result.

Investments in IT Infrastructure, financial modelling tools, increased sponsorships, as well as investments in the events themselves have ensured a stable and agile base to ensure a sustainable future.

We had a change of CEO and several key staff.

We thank Michele Bauer for stepping in to bring the vision to life for Mardi Gras 2016. Michele's dedication and passion delivered a spectacular season and we wish her every success.

We were thrilled to welcome Terese Casu as our new CEO and Greg Clarke as Creative Director.

Terese and Greg bring with them over 60 years of arts, events and festival experience within the LGBTQI and broader communities and we look forward to new exciting developments over the next year.

Of course we could not do any of this without so many people and organisations:

Our volunteers, staff, working groups and committees who are the life-blood of the organisation. No amount of thanks is ever quite enough. They are amazing and extraordinary human beings.

Destination NSW as our strategic partner giving support and acknowledgement of the huge contribution we bring to NSW through visitors, both interstate and overseas.

Our government partner, **City of Sydney**, who supports the Parade and community conversations and believes as much as we do that Sydney Gay and Lesbian Mardi Gras is an essential part of the rich, colourful fabric of the city.

Our corporate sponsors, in particular our Principal Partner **ANZ**, who recognise that supporting Mardi Gras shows their employees and their customers that they truly embrace and support diversity.

We were thrilled to celebrate 10 years of partnership with ANZ – truly stronger together.

We thank all of our members, supporters, volunteers, staff, suppliers, sponsors, local and state government departments and all of you that care about

Sydney Gay and Lesbian Mardi Gras. The future depends on you continuing to care and help us work together to achieve a sustainable and relevant future.

We continue to shine as a beacon of hope and diversity in Australia and around the world. We celebrate our LGBTQI identity and together we can teach the world to love each other through the power and beauty of diversity.

Each of us can make a difference, and together we are making change. We've proved that time and again; let's keep the momentum going as we continue to Create Equality.

VOLUNTEERS

THE 2016 SEASON WAS LARGELY MADE POSSIBLE BY OUR PASSIONATE, COMMITTED AND TALENTED VOLUNTEERS.

This season there were over 1300 members of Team Mardi Gras. Our Team included many returning volunteers and people volunteering with us for the very first time. A brief overview of this seasons achievements include:

- New volunteer registration system integrated into the main SGLMG website
- More opportunities provided for briefing times, in order to be more accessible
- Volunteer t- shirt designed in collaboration with artist Wade Goring
- Review and reworking of volunteer numbers across all events – in order to ensure volunteers are being utilised in the best way possible
- Successful and relaxed afternoon volunteer thank you event at Vic on the Park

These and many more achievements created a very successful season for volunteering at SGLMG.

SGLMG look forward to creating an even better experience for volunteers in 2017, with new and exciting ways to get involved.



OUR VOLUNTEER WORKFORCE IS OUR LIFE FORCE

WHEN YOU VOLUNTEER WITH US YOU ARE JOINING A TEAM OF DEDICATED INDIVIDUALS FROM A DIVERSE RANGE OF BACKGROUNDS AND EXPERIENCES THAT COMBINE AND BECOME TEAM MARDI GRAS – THE DRIVING ENERGY AND PASSION BEHIND OUR ORGANISATION

WHY VOLUNTEER WITH US?

According to Volunteering Australia, a strong correlation exists between volunteering and the well-being, health and happiness of those who volunteer.

Volunteering with SGLMG is a rewarding experience full of excitement, joy and fun. You can create memories, make life-long new friends and develop new skills.

WANT TO GET MORE INVOLVED?

There are a number of different ways you can volunteer and get involved with SGLMG:

Event Day Opportunities:

During season we have volunteering opportunities at all of our major Festival events including Fair Day, Parade and Party. You can volunteer for one event or multiple events.

Our volunteer opportunities are advertised and recruited through www.mardigras.org.au

Ongoing Volunteer Opportunities:

We also have ongoing volunteer opportunities in a variety of leadership, professional and skilled roles.

For more information or to see what current opportunities currently exist visit us at www.mardigras.org.au or contact us directly at volunteers@mardigrasarts.org.au

JOIN US AT MARDIGRAS.ORG.AU/VOLUNTEER

GARY RYAN IS OUR VOLUNTEER OF THE YEAR 2016

This year the Volunteer of the Year was awarded to Gary Ryan.

Gary is someone who jumps in and assists with any job, no matter how big or small. As a volunteer Gary embodies every one of the SGLMG values.

Gary worked tirelessly this season in the SGLMG workshop painting, glittering, sewing – you name it Gary was involved.

Gary was overwhelmingly nominated for this award by fellow volunteers, staff and Board directors.

Gary's contribution this year was enormous and invaluable, we are very grateful for his passion and energy.

Thank you Gary and Congratulations!



SYDNEY GAY AND LESBIAN MARDI GRAS AWARDS 2016

The extended Mardi Gras family of Volunteers, Parade entrants, Fair Day and Festival participants, staff, board and community supporters came together at Sydney's Beresford Hotel to celebrate the spectacular 2016 season at the Sydney Gay and Lesbian Mardi Gras Awards.

The Awards Ceremony signified the official end of the 2016 season and was a celebration of those who have made an outstanding contribution to the Festival. The 2016 Sydney Gay and Lesbian Mardi Gras Award Winners were:



OUR 2016 AWARD WINNERS

WORKFORCE AWARDS

Excellence in Innovation:
Frank Iannilli

Excellence in Service:
Alison Jaffee

Excellence in Leadership:
Shane Farr

Excellence in Teamwork:
Ty Owen

I-Care Award:
Peter Moody

Volunteer of the Year:
Gary Ryan

Achievement Awards:
Luke Nutley, Dino Dimitriades,
Scott Foster, Isec, Fair Play

LIFETIME ACHIEVEMENT AWARD:

Rene Rivas – Mardi Gras Parade costume designer

FAIR DAY AWARDS

Best Commercial Food Stall:
The Smoothie Company

Best Commercial Stall:
Medibank

Best Community Stall:

Wear It Purple

Stall of the Year:
Female Traders

Festival Event of the Year:
Little Black Dress Run

PARADE AWARDS

Best Choreography:
The University of Sydney

Best Costume Design:
Lady Business

Best Float Design:
Sydney Queer Irish

Best Individual Entrant:
Bronnie Takes A Ride

Ron Austin Award for Fabulous Parade Entry:
Tropical Fruits Inc,
Harbour City Bears

Special Commendations:
Gay Tradies, GLADD – Gay & Lesbian Association of Doctors & Dentists, NSW State Emergency Service

For more information visit:
www.mardigras.org.au



OUR PARTNERS

PARTNERSHIPS

PARTNERSHIPS CONTINUE TO PLAY AN EXTREMELY IMPORTANT ROLE IN PROVIDING SUPPORT FOR MARDI GRAS EVENTS AND OPERATIONS AND BY SUPPLEMENTING EVENT AND MEMBERSHIP INCOME THROUGH CASH AND CONTRA INVESTMENTS.

Strong Partnerships are vital for Mardi Gras to deliver the outstanding events SGLMG has become famous for. Through the generous support of our Sponsors through cash and contra investments, and combined with income from membership and festival events, Mardi Gras is able to deliver a festival that reflects the needs of the various communities we serve.

For the 2016 season, SGLMG continued our strong history of partnership with our Sponsors and Partners. SGLMG's partnership agencies delivered \$1,091,500.00 in commercial investment in 2016. When combined with government investment from Destination NSW and the City of Sydney, SGLMG attracted a total of \$1,880,025.00 in funding.

Destination NSW continued their multi-year investment as the Strategic Partner with SGLMG helping us deliver a major festival that is recognised locally and internationally as one of the premier tourism destination events in the world. Similarly, the City of Sydney continued their investment and recognition of SGLMG with their ongoing support in numerous ways such as the official flag raising to kick off the festival!

For the 2016 season, SGLMG celebrated a significant

milestone – our 10th anniversary with our principal partner – ANZ! Starting with a small team in 2007, we have grown together enjoying 10 years of great partnership with the ANZ team and look forward to many more!

We also welcomed several returning Partners including Qantas, Brown Forman, AirBnB, Google, Atlantis Events, IVF Australia, Frucor, Premium Beverages, Beyond Blue, Sydney Harbour Foreshore Authority, Barefoot Wine & Bubbly, Lush Cosmetics, Jac'd and Herbert Smith Freehills. We were also privileged to welcome a number of wonderful new Partners including Facebook, Medibank, THE STAR, Twitter, Canon, National Heart Foundation, Ansell/Skyn and STAN.

Delivering a fantastic festival also requires a lot of collaboration with a number of key agencies. In 2016, SGLMG partnered with Queer Screen, ACON, Mixitup, Pink Media Group, Aptira, Minter Ellison and Planet Dwellers to help us deliver a great outcome!

SBS returned as our Broadcasting Partner covering the spectacular floats and costumes from the Parade including commentary and interviews with celebrity guests and stories from the Parade participants about the messages

behind the floats that covered topics that affect the LGBTQI communities. We also worked closely with our Media Partners GuideToGayDotCom, DNA, Star Observer, SameSame, OxLive, Joy 94.9 and our communications agency, Cardinal Spin to deliver the right combination of messages to the millions of Mardi Gras supporters in Australia and throughout the world.

Every year, we engage with a number trusted business partners and suppliers to deliver the Mardi Gras season. The dedication and skills of our production partners enables us to deliver the quality of events that continue to draw vast crowds. In 2016, some of our production partners including Mothership Events, Norwest Productions, Coates, Cinerent Openair Pty Ltd, AON Risk Services Modular Event Solutions, Playbill Venue Management Ltd, Maxx Watts, Crowdcom and Motorola ... all working to produce the variety of incredible events Mardi Gras is known and loved for.

In summary, to produce a festival the size of Mardi Gras requires many different types of partnerships ... and we are proud of our association with each and every one of our partners.



SYDNEY GAY AND LESBIAN MARDI GRAS (SGLMG) BOARD

Fran Bowron (Co-Chair)
Greg Small (Co-Chair)
Paul Savage (Co-Chair)
Damien Hodgkinson (Treasurer)
Bradon Bear (Director)
Darren Bruce (Director)
Aiden Read (Director)
James Brechney (Director)
Silke Bader (Director)
David Imrie (Company Secretary)

MARDI GRAS ARTS (MGA) BOARD

Fran Bowron (Co-Chair)
Greg Small (Co-Chair)
Paul Savage (Co-Chair)
Damien Hodgkinson (Treasurer)
Bradon Bear (Director)
Darren Bruce (Director)
Aiden Read (Director)
James Brechney (Director)
Silke Bader (Director)
David Imrie (Company Secretary)

TEAMS

Audit & Risk Committee

Liam Buckley (Chair of Committee)
Steph Sands (Independent Member)
Stacey Dowson (Independent Member)
Sarah Morgan (Independent Member)
Grant McKinnon (Independent Member)
Craig Limkin (Independent Member)

Peoples and Culture Committee on hold

Strategy Committee on hold

Women's Committee

Accreditation

Eamonn Lorraine

Fundraising Team

John Hannaford (Chair)
Mark Traves
Carrie Holland

Festival Team

Kate Gaul
Thomas Murphy

Fair Day Team

Eamonn Lorraine (Co-Chair)
Dave Stevenson Co-Chair)
Steve Lowe
Matthew Clarke
Frank Iannilli
Mike Whalley
KD Metcalfe
Liz Carter
Cameron Dorrington
Andrew Heslop
Sarah Pearce
John Hannaford
Shane Spooner

Harbour

Tony McGrath (Contractor Production)

Laneway

Mothership

Major Events Team - TBC

Parade Team

Kate Gaul (Creative Consultant)
George Savoulis (Creative Consultant)
Emma Price (Creative Consultant)
Andy Dexterity (Creative Consultant)
Anthony Russell
Emily Santiago
Cameron Dorrington
Darren Kelly
Sarah Pearce
Adrian Hinder
Louis Hudson
Sam Hartland
Leonard Watson
Frank Iannilli
Joel McKinnon
Terry Everitt
Liz Dods
Warren Bishop
Patty Gay
Peter Moody
Andrew Heslop

Party Creative Team Working Committee (formally MG Party Team)

George Savoulis (Lead)
Steph Sands
Sarah Morgan
Brett Nolan (Ripley)
Luke Nutley
Mitchell Woodcock

Mardi Gras Medical

Jem Masters
Drew Burgess

Women Say Something

Workshop

Liz Carter Workshop Manager/Staff

Matina Moutzouris (Contractor)
Ciaran Alcorn (Contractor)
Aesha Henderson (Contractor)
Graham Reed (Contractor)
Leah Benson (Contractor)
Andy Broadley (Contractor)
Toby Freeman (Contractor)
Simon Stratton (Contractor)
Angela Sennett (Contractor)

Volunteers Team

Sam Hartland (Workforce Manager/Staff)
Frank Iannilli
Rocky Talatonu
Andrew Heslop

Information Technology on hold

Learning and Development Group on hold

Budget Working Group - (replaced Finance and Admin Committee)

Damien Hodgkinson
Greg Small
John Hannaford
Steph Sands
Phil Kershaw
Cynthia Law

Public Fund Committee

John Hannaford
Darren Bruce
Steph Sands

Membership Working Group (replaced Members and Community Working Group)

Brandon Bear
Silke Bader
Cameron Darling
James Dowson
Russell Weston

Gender Trailblazers (replaced Intersex and Transgender Working Group)

Caitlin Hall

YourGen

(replaced Young People's Working Group)

Blake Weti
Brandon Bear
Campbell Clarkson
Sarah Pearce
Annie Wylie
Isobel Connell
Jesse Matheson

Sponsorships and Partnerships

Sam Sweedman
Sophie Woollett
Scott Foster
mixitup
Pink Media Group

STAFF

Michele Bauer Interim (CEO)
Rebecca O'Donnell (Finance and Administration Manager)
Sam Hartland (Workforce Manager (Volunteer Manager))
Thomas Murphy (Finance and Administration Assistant)
David Watson (Marketing and Communications Manager)
Sam Sweedman (Partnerships)
Lewis Oswald (Creative Director)
Tony McGrath (Party and Harbour Producer)
Nicole Donelan (Management Accounts)
Liz Carter (Workshop Manager)
Lisa Gilbert (Administration Officer)

CONTRACTORS

Sophie Woollett (Activations and Sponsorship Manager)
Natalie Behjan (Graphic Design)
Tim TBC - Question for David Watson 3rd August 2016 to confirm name and title

TREASURER'S REPORT

This year's financial result of a consolidated surplus including Mardi Gras Arts of \$183,068, is the culmination of the two years of extension restructuring of the organisation and the reassessment of the strategy of every major event to build a sustainable organisation.

This financial year we also completed the bulk of our major transformation projects, and began diversification of revenue

through the creation of new events. The financial impact of these programmes was \$140,000 meaning that the underlying operating surplus from ordinary operations was \$323,068.

This result is in line with our strategic financial objective of targeting surpluses of 5% of gross revenue.

Surplus as per Audited Statements		183,068
Less Strategic Programmes	\$	\$
IT Transformation	50,000	
3 Year Modelling	20,000	
Digital Archive	50,000	
Parade Feasibility	20,000	140,000
Restated Operating Surplus		328,068

PERFORMANCE TO BUDGET

This year showed a significant improvement on budget \$61,694 for the year ended 30 June 2016 of \$121,103 or 195.4% largely driven by an increase in revenue of 6.8%.

	(\$) BUDGET	(\$) ACTUALS	(\$) VARIANCE	(%) PERCENTAGE
TICKET SALES	1,771,738	1,903,644	131,906	7.4
LICENSE & TICKETING FEES	474,573	493,866	19,293	4.1
SPONSORSHIP	1,823,760	1,880,025	56,265	3.1
SALE OF GOODS	65,739	106,756	41,017	62.4
MEMBERSHIP INCOME	50,050	34,992	(15,058)	-30.1
DONATIONS	20,000	72,826	52,826	264.1
OTHER INCOME	13,500	75,310	61,810	457.9
CONTRA	545,758	481,000	(67,758)	-12.3
	4,768,118	5,048,419	280,301	5.9
COST OF SALES	3,346,323	360,636	360,636 8	-3.9
GROSS PROFIT	1,421,795	1,571,204	149,409	10.5
ADMINISTRATION	522,551	282,709	239,842	45.9
MARKETING & COMMUNICATIONS	183,533	299,936	(116,403)	-63.4
OCCUPANCY COSTS	47,666	40,148	7,518	15.8
EMPLOYEE BENEFITS EXPENSE	531,118	728,939	(197,821)	-37.2
PROFESSIONAL FEES	74,963	36,404	38,559	51.4
TOTAL EXPENSES	1,359,830	1,388,136	28,306	2.1
NET SURPLUS/DEFICIT	61,964	183,068	121,103	195.4

KEY PERFORMANCE INDICATORS

- Ticket revenue for the year was \$1,903,644 an improvement on budget of \$131,906 but a decrease on 2015 of \$211,056 driven by the restructure of the Harbour event.
- Membership income was only \$34,992 a decrease on budget of \$15,054 but an improvement on 2015 of \$10,840.
- The new membership programme to drive membership was not activated in the financial year, and is currently being finalised with the Membership Committee.
- Donation income was \$72,826 compared to budget of \$20,000 and an improvement on 2015 of \$10,217.
- Overall revenue performance was \$5,048,419 an improvement on budget of \$280,301 of 5.9% and on 2015 of \$320,482.
- This improvement was largely driven by an increase in sponsorship of \$238,488 which was driven by commercial float builds at workshop.
- The costs of sales was \$3,477,215 compared to budget of \$3,346,323 a increase in cost of \$130,892 and an increase in the cost of sales on 2015 of \$384,288.
- The increase in cost on budget was driven by the greater than budget infrastructure costs at Harbour, and increased costs for parade related to changes to the start and finish areas related to Transport for NSW.
- This resulted in an improvement in Gross profit against budget of \$149,409, but a decrease on 2015 of \$63,806.
- Overhead operating expenses showed the greatest improvement of \$339, on 2015 and in line with budget with a modest improvement of \$63,806
- Overall operating surplus was \$183,068 compared to a budgeted surplus of \$61,694 and an improvement of the restated deficiency for the 12 months to 30 June 2016 of \$92,659.

PERFORMANCE BY EVENT SEGMENT 1 JULY 2015 TO 30 JUNE 2016

SEGMENT	2015: 12 MONTHS 1 JULY 2014 – 30 JUNE 2015					2016					(\$) VARIANCE	
	(\$) REVENUE	(\$) COST OF EVENTS	(\$) GROSS PROFITS	(\$) OVER- HEAD	(\$) NET RESULT	(\$) REVENUE	(\$) COST OF EVENTS	(\$) GROSS PROFITS	(\$) OVER- HEAD	(\$) NET RESULT		
PARADE												
PARADE	1,402,670	720,122	682,548	402,251	280,297	1,476,802	837,467	639,335	372,372	266,963	(13,334)	
PARADE VIEWING	452,969	246,950	208,019	137,943	70,076	357,161	303,927	53,234	114,890	(61,656)	(131,732)	
WORKSHOP GENERAL	136,450	131,270	5,180	73,326	(68,146)	304,199	329,016	(24,817)	118,707	(143,524)	(75,378)	
SUB-TOTAL: PARADE	1,994,089	1,098,342	895,747	613,520	282,227	2,138,163	1,470,410	667,752	605,969	61,783	(220,443)	
CELEBRATION												
MAIN PARTY	1,334,848	1,082,522	252,326	604,683	(352,357)	1,402,252	1,021,427	380,824	386,117	(5,292)	347,065	
LANEWAY	155,393	71,901	83,492	40,163	43,329	154,772	93,874	60,897	35,486	25,411	(17,917)	
SUB-TOTAL: CELEBRATION	1,490,249	1,154,423	335,817	644,846	(309,029)	1,557,023	1,115,302	441,722	421,603	20,119	329,148	
FESTIVAL												
FAIR DAY	583,667	237,733	345,934	132,795	213,139	576,566	306,956	269,610	133,947	135,663	(77,476)	
FESTIVAL	620,803	593,223	27,580	331,366	(303,786)	706,393	581,894	124,499	225,614	(101,114)	202,672	
SUB-TOTAL: FESTIVAL	1,204,470	830,956	373,514	464,161	(90,647)	1,282,959	888,849	394,110	359,561	34,549	125,195	
COMMUNITY												
GRANTS						31,545	0	31,545		31,545	31,545	
MEMBERSHIP	39,138	9,206	29,932	5,142	24,790	38,730	2,654	36,075	1,003	35,072	10,282	
SUB-TOTAL: COMMUNITY	39,138	9,206	29,932	5,142	24,790	70,274	2,654	67,620	1,003	66,617	41,827	
OPERATING SURPLUS/DEFICIENCY	4,727,937	3,092,927	1,635,010	1,727,669	(92,659)	5,048,419	3,477,216	1,571,204	1,388,136	183,068	275,726	

TREASURER'S REPORT

This financial year we have also restated our financial statements for comparative 12 months to 30 June 2015, and the reallocation of sponsorship costs from Overhead to Cost of Sales which has changed the Cost of Sales from last financial year. This programme was undertaken in consultation with the organisation's auditors to provide a fairer view of our events performance. The comparative tables by Event Group are set out in the table below:

There are a number of overlaying factors to consider when assessing this year's financial performance:

- This year we benefitted from incredible weather and there is no doubt this had a positive impact on this year's results given that a number of our events are outdoors. To compensate for this, we prepare our budgets on a wet weather basis.
- Our new Harbour event operated at a loss in its first year of \$109,254 compared to a projected budget surplus of \$59,524. This was driven by lower than forecast direct sponsorship and under budgeting of infrastructure costs for the selected programme of events and the new grandstand arrangements.
- The restructure of the Harbour Party dance event has positively impacted ticket sales at our Main Party, while the current state lock out laws make the Main Party event unique as an all night dance party.

Parade Group

- This was one of the largest parades in Mardi Gras history with over 12,000 marchers and 174 floats. Parade revenue was \$2,138,163 an improvement of \$144,074 on the previous financial year, while cost of sales increased by \$372,068. Overall Parade Group performance was \$61,783 a decrease of \$220,443 on the previous year.

- Cost of Sales increased in part due to greater parade sponsorship and therefore a greater associated commission and the increase in costs related to parade start and finish areas which have been impacted changing traffic conditions.
- Celebration Group
 - This year we restructured the party event refocusing on community shows, while the party footprint has been reduced due to the re-organisation of the Entertainment Precinct which now excludes the BKH. This resulted in this year's Main Party being an official sellout with over 12,500 attendees over 10 hours we saw some of the best community shows we have seen in the last 6 years.
 - Main party revenue was \$1,402,252 an increase on 2015 of \$67,404 while costs were reduced by \$61,095 resulting in an improvement on gross profit of \$128,498.
 - Overall our celebration events return to profitability with an overall net return of \$20,119 after all overheads an improvement on 2015 of \$329,148.

Festival Group

- Festival which consists of Fair day and Festival including Harbour provided an overall result of \$34,549 an improvement on 2015 of \$125,195 despite the underperformance of Harbour in its first year.
- Our new Harbour event was the first change by Mardi Gras in a move to diversify revenue and audience, and while the event did not meet budget expectations it was the first significant demonstration of our ability to create new working partnerships and develop new programme ideas that would appeal to a broader audience. The Harbour event lost \$109,254 which reduced the gross profit from Festival of \$233,753.

Major Strategic Programmes

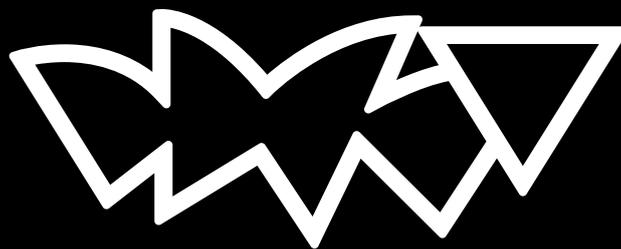
- This year we also completed or provided for four 4 major transformation projects:
- IT Transformation – This financial year we invested \$50,000 in the restructure and transformation of our IT infrastructure upgrading our financial accounting systems, members and volunteer on line services and email systems. The resulting costs savings will generate benefits to the organisation of \$37,000 per annum in reduced operating costs and allow the organisation to scale up and down its IT services in and out of season. This work is now complete, and the organisation is managing the final rollout pre season.
- Financial Modelling – in conjunction with Deloitte we built a 3 year sensitivity model to allow us to forward plan strategic events and price and attendance sensitivities to allow us to better project the financial impacts of changes to events. This work is now complete.
- Digital Archive as part of our programme to preserve or organisation's history we provided \$50,000 in this year's accounts to fund the digitisation of our video and photographic history to make it available on-line. The overall project costs will be significantly higher. But this marks the first step in that process. We have already completed the cataloguing process this year and will start the digitalisation process over the next 12 months for our 2018 Celebration.
- Parade Feasibility study. In conjunction with City of Sydney and DNSW we undertook a joint study to review alternate parade routes. 66% of the costs were paid by our sponsor partners with \$20,000 to be provided by Mardi Gras. This work is due to be completed in 2017 but has been provided for in this years financial results.

- Sponsorship Management – This financial year saw the completion of our nearly 10 year relationship with Mix It Up who generated the majority of our commercial sponsorship. External sponsorship commissions had reached close to \$200,000 per annum. In 2017 financial year these services will be bought in house to help us better manage our sponsor relationships and maintain balance between commercial and community partners.
- It is expected that the initial costs of transitioning to an in house sponsorship model will be \$150,000 as we run out the residual commission structures and develop in house capabilities for 2018. This change is already yielding results but is expected to negatively impact our financial performance in 2017.

Thank you for your enormous support during the season.

Damien Hodgkinson
Treasurer





SYDNEY GAY AND LESBIAN MARDI GRAS LTD

ABN 87 102 451 785

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS' REPORT

The directors present their report together with the financial report of Sydney Gay and Lesbian Mardi Gras Ltd ("SGLMG") and its affiliate Mardi Gras Arts Ltd (together referred to as "the Group") for the year ended 30 June 2016 and auditor's report thereon.

LIST OF DIRECTORS AND TERM OF OFFICE

The names and details of the Groups' directors in office at any time during or since the end of the year are set out below. The number of meetings of directors held during the year and the number of meetings attended by each director are further set out below. Frances Bowron and Greg Small are joint co-chairpersons of the Board of Directors.

Directors were in office since the start of the year to the date of this report unless otherwise stated.

Name	Date Appointed	Date Retired	Board Meetings	
			A	B
Paul Savage	6 August 2011	14 November 2015	5	6
Frances Bowron	4 September 2013		12	13
Darren Bruce	6 February 2014		13	13
Damien Hodgkinson	16 May 2014		12	13
Gregory Small	24 August 2014		12	13
James Brechney	24 August 2014		11	13
Brandon Bear	24 August 2014		11	13
Silke Bader	14 November 2015		7	7
Aidan Read	14 November 2015		6	7

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year
All directors were eligible to attend all meetings held.

COMMITTEE MEMBERSHIP

As at the date of this report, the Group had a Governance Audit and Risk Committee. Grant MacKinnon was the Chair of the Governance Audit and Risk Committee during the reporting year.

Members acting on that committee as at the date of this report were:

Name

Grant MacKinnon (Independent Chair)
Craig Limkin (Independent Member)
Stacey Dowson (Independent Member)
Sarah Morgan (Independent Member)

INFORMATION ON DIRECTORS

None of the current directors, who were directors during this financial year of SGLMG, are currently directors of any publicly listed companies, nor have they had any such roles in the last 3 years.

NAME	QUALIFICATIONS	EXPERIENCE	SPECIAL RESPONSIBILITIES
PAUL SAVAGE	BA (Hons) Finance MSc Human Resource Management	Board member for 5 years Australia and New Zealand leader for strategy Human capital management consulting business	TIQ Working Group HR Consulting Governance Audit and Risk Committee
FRANCES BOWRON	BA (Political Theory & Sociology) Masters of Technology Management Masters of Human Rights Law and Policy Certified MSP (Managing Successful Programs) Practitioner Cert IV Training & Assessment	Board member for 4 years Women's Committee for 2 years WIC Board for 4 years Contract project and program manager in public and private sector	Co-Chair Governance Audit and Risk Committee Co-Chair of People & Governance Committee
DARREN BRUCE	MHRM BA Information Systems Cert IV Business (Frontline Management) Masters of Human Resource Management	Board member for 3 years Human Resource management in Public Sector Co-Developer of I-CARE	Public Fund Committee Parade Transformation Working Group

INFORMATION ON DIRECTORS

NAME	QUALIFICATIONS	EXPERIENCE	SPECIAL RESPONSIBILITIES
DAMIEN HODGKINSON	Registered Liquidator Chartered Accountant	Board member for 3 years Chartered Accountant for 28 years. Managing Director of DEM Australasia	Treasurer Budget Working Group Governance Audit and Risk Committee
GREGORY SMALL	BA Business, Associate Diploma Business Cert IV Front Line Management	Board member for 2 years and in previous years including 2007-09, 2013 Manages supply chain logistics operations in Australia and overseas	Co-Chair Chair of Constitution Working Group Budget Working Group
JAMES BRECHNEY	BA (Hons) Finance MSc Human Resource Management MBA, University College Dublin.	Board member for 2 years DIYRainbow and Selfie Stick Float Founder Previously executive and board member of ALSA, Northside Broadcasting Co-Operative	Co-Chair of the Events Committee
BRANDON BEAR	Obtaining Bachelor of Education (K-12), UNE	Board Member for 2 years Board associate for 18 months 10 years of experience in small not for profit governance in youth & community sector	Co-Chair Fundraising Committee Co-Chair Membership Committee
SILKE BADER	BA Business	Board member for 8 months Publisher CEO and Editor In Chief for LOTL Magazine since 1999	Co-Chair Membership Committee
AIDAN READ	BA Business, MBA	Board member for 1 year Director for 1 year for Human Capital Management Performance & Reward Specialist in Financial Services	Co-Chair of People & Governance Committee Co-Chair of the Events Committee

**INTERESTS IN THE
SHARES AND OPTIONS
OF THE COMPANY
AND RELATED BODIES
CORPORATE**

As at the date of this report, no directors had any interests in the shares and options of the Group.

**COMPANY
SECRETARY**

David Imrie was appointed as Company Secretary of SGLMG on 28 July 2015. He has been the Chief Executive Officer of Keep NSW Beautiful since February 2013.

DIRECTORS' REPORT

SHORT-TERM AND LONG-TERM OBJECTIVES

The consolidated group's short-term objectives are to:

- Continue to organise and co-ordinate events of celebration, commemoration and protest; and engage in other activities as part of the lesbian, gay, bisexual, transgender, queer and intersex LGBTQI community;
- Consistently achieve events excellence through creativity, production value, community participation;
- Review and re-vision the organisation to meet the needs of its members and the community;
- Return the group to financial sustainability; and
- Increase the reserves of the consolidated group to ensure long term sustainability.

The consolidated groups's long term objectives are to:

- Organise and co-ordinate events of celebration, commemoration and protest; and engage in other activities as part of the gay, lesbian, transgender, bisexual, queer and intersex community;

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the organisation and co ordination of an annual LGBTQI cultural and arts festival which produced events of celebration, commemoration and protest as a key part of advancing the community development and promoting the health and wellbeing of the LGBTQI community.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group that occurred during the financial period under review.

GOING CONCERN

The Group will always be reliant on the support for its events from investors, sponsors, members and community. The directors have undertaken a review of the organizational operating structure and consider that with

- Increase visibility of the organisation within the wider community;
- Increase visitation to the organisations events and programs both locally and overseas;
- Consistently achieve events excellence;
- Enhance events to ensure long term financial sustainability; and
- Increase the reserves of the consolidated group to ensure long term sustainability.

STRATEGIES

To achieve its stated objectives, the company has adopted the following strategies:

- Increase artistic and production excellence;
- Better involvement from and consultation with our members and community;
- Open and considered processes to recruit and retain talented people;
- Better decision making, planning and budgeting at all levels of the organisation; and

SGLMG is also the parent entity of Mardi Gras Arts Limited (MGA) which forms part of the consolidated group. MGA activities during the year were the organization of fund raising activities administration of the MGA Gift Fund, the operation of the creative workshop, and the provision of management and administration services to SGLMG.

- Rigorous financial planning, monitoring, risk mitigation and cost control

KEY PERFORMANCE MEASURES

The Group measures its performance through the use of both quantitative and qualitative benchmarks to assess the financial sustainability of the Group and whether the Group is achieving its short-term and long-term objectives.

The Group undertakes a number of surveys which assist in the measurement of a number of key performance measures, including:

- Attendance statistics;
- Unique visitation statistics;
- Financial impact;
- Satisfaction levels;
- Volunteer numbers; and,
- Member numbers.

The Group also undertakes the measurement of the profitability and key financial ratios of each of the events that the Group stages during the year.

No significant change in the nature of these activities occurred during the year.

effective cost control and cash management, the Group will continue to operate and provide services to its members, non-members and the community as a whole.

**SIGNIFICANT
EVENTS AFTER THE
BALANCE DATE**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or

event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of

the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

**ENVIRONMENTAL
REGULATION AND
PERFORMANCE**

The Group's operations are not registered by any significant environmental regulation under laws of the Commonwealth or of a State or Territory.

**INDEMNIFICATION
AND INSURANCE
OF DIRECTORS
AND OFFICERS**

During the year, the Group paid a premium, to insure officers of the Group. The officers of the Group covered by the insurance policy include all directors and officers.

Subject to some exceptions, the liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising

from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of

the insurance policies are not disclosed as such disclosure is prohibited under terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

**INDEMNIFICATION
OF AUDITORS**

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young Australia, as part of the

terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young during or since the financial year.

**PUBLIC COMPANY
LIMITED BY
GUARANTEE**

The entity, SGLMG, is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that

each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. Based on the number of members as at 30

June 2016, the total amount that members of SGLMG are liable to contribute if SGLMG is wound up is \$1,415 (2015: \$1,328).

**AUDITOR'S
INDEPENDENCE
DECLARATION**

A copy of the auditor's declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

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

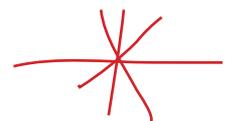
Director

Director

Frances Bowen

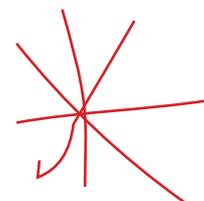
Damien Hodgkinson

Dated this 5th day of September 2016



**AUDITOR'S
INDEPENDENCE
DECLARATION**

To the Directors of Sydney Gay and Lesbian Mardi Gras Ltd



In relation to our audit of the consolidated financial report of Sydney Gay and Lesbian Mardi Gras Ltd for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

ERNST & YOUNG

Daniel Cunningham

Partner

Ernst & Young

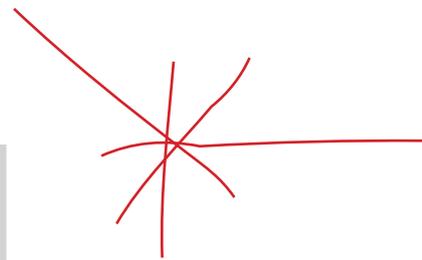
- (i)** No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

Sydney

5 September, 2016

- (ii)** No contraventions of any applicable code of professional conduct in relation to the audit.

**NEED FROM AUDITOR'S
(ON EY LETTERHEAD)**



**NEED FROM AUDITOR'S
(ON EY LETTERHEAD)**

**CONSOLIDATED
STATEMENT OF
PROFIT AND LOSS
FOR THE YEAR
ENDED 30 JUNE
2016**

The consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

	(\$) 12 MONTHS TO 30 JUNE 2016	(\$) 15 MONTHS TO 30 JUNE 2015
TICKET SALES	1,903,644	2,114,700
SPONSORSHIP	1,880,025	1,641,537
MEMBERSHIP INCOME	34,992	24,152
STALLHOLDER FEES	124,537	107,883
SALE OF GOODS	106,756	141,187
FESTIVAL REVENUE	337,093	223,641
CONTRA REVENUE	481,000	322,952
PARADE ENTRY FEES	32,236	46,774
DONATIONS	72,826	62,609
OTHER INCOME	75,310	42,502
	5,048,419	4,727,937
COST OF SALES	3,477,215	3,092,927
GROSS PROFIT	1,571,204	1,635,010
OCCUPANCY COSTS	12,358	19,518
EMPLOYEE BENEFITS EXPENSE	728,939	1,019,003
INSURANCE	61,957	81,102
AMORTISATION OF INTANGIBLE SOFTWARE	15,568	20,624
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	18,310	57,463
DISPOSAL OF ASSETS	20,539	20,422
BAD DEBT EXPENSE	27,652	8,117
OPERATING LEASE RENTAL EXPENSES	27,790	32,480
MARKETING & COMMUNICATIONS	299,936	425,938
PROFESSIONAL FEES	36,404	41,209
OTHER EXPENSES	137,963	236,095
	1,688,416	1,961,971
RESULTS FROM OPERATIONS	183,788	(326,961)
INTEREST INCOME	3,456	7,499
FINANCE COSTS	(4,176)	(16,595)
NET FINANCE INCOME	(720)	9096
NET PROFIT / (LOSS) BEFORE INCOME TAX EXPENSE	183,068	(336,057)

**CONSOLIDATED
STATEMENT
OF OTHER
COMPREHENSIVE
INCOME
FOR THE YEAR
ENDED 30 JUNE
2016**

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

	(\$) 12 MONTHS TO 30 JUNE 2016	(\$) 15 MONTHS TO 30 JUNE 2015
PROFIT / (LOSS) BEFORE INCOME TAX EXPENSE / (INCOME TAX BENEFIT)	183,068	(336,057)
INCOME TAX BENEFIT / (INCOME TAX EXPENSE)	-	-
PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF THE GROUP	183,068	(336,057)
OTHER COMPREHENSIVE INCOME	-	-
INCOME TAX BENEFIT / (INCOME TAX EXPENSE)	-	-
OTHER COMPREHENSIVE INCOME, NET OF TAX	-	-
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD, NET OF TAX	183,068	(336,057)
TOTAL COMPREHENSIVE PROFIT / (LOSS) ATTRIBUTABLE TO MEMBERS OF THE GROUP	183,068	(336,057)

**CONSOLIDATED
STATEMENT
OF FINANCIAL
POSITION AS AT
30 JUNE 2016**

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

	NOTES	(\$ AS AT 30 JUNE 2016	(\$ AS AT 30 JUNE 2015
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	7	577,856	321,732
TRADE AND OTHER RECEIVABLES	8	157,428	138,290
INVENTORIES	9	800	12,815
PREPAYMENTS	10	—	26,020
OTHER CURRENT ASSETS	11	3,924	16,408
TOTAL CURRENT ASSETS		740,008	515,265
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	12	59,837	39,794
INTANGIBLE ASSETS	13	12,899	41,065
TOTAL NON-CURRENT ASSETS		72,736	80,859
TOTAL ASSETS		812,744	596,124
CURRENT LIABILITIES			
TRADE AND OTHER PAYABLES	14	250,447	186,948
OTHER LIABILITIES	15	4,488	19,974
EMPLOYEE BENEFIT LIABILITIES	16	14,049	24,021
TOTAL CURRENT LIABILITIES		268,984	230,943
NON CURRENT LIABILITIES			
OTHER LIABILITIES	15	54	4,543
TOTAL NON CURRENT LIABILITIES		54	4,543
TOTAL LIABILITIES		269,038	235,486
NET ASSETS		543,706	360,638
EQUITY			
ISSUED CAPITAL		2	2
RETAINED EARNINGS		543,704	360,636
TOTAL EQUITY		543,706	360,638

**CONSOLIDATED
STATEMENT OF
CHANGES IN
EQUITY FOR THE
YEAR ENDED
30 JUNE 2016**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	(\$) ISSUED CAPITAL	(\$) RETAINED EARNINGS	(\$) TOTAL EQUITY
AS AT 1 JULY 2015	2	360,636	360,638
PROFIT FOR YEAR	—	183,068	183,068
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR	—	183,068	183,068
BALANCE AS AT 30 JUNE 2016	2	543,704	543,706

	(\$) ISSUED CAPITAL	(\$) RETAINED EARNINGS	(\$) TOTAL EQUITY
AS AT 1 APRIL 2014	2	696,693	696,695
LOSS FOR PERIOD	—	(336,057)	(336,057)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	—	(336,057)	(336,057)
BALANCE AS AT 30 JUNE 2015	2	360,636	360,636

**CONSOLIDATED
STATEMENT OF
CASH FLOWS
FOR THE YEAR
ENDED
30 JUNE 2016**

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

	NOTES	(\$) 12 MONTHS TO 30 JUNE 2016	(\$) 15 MONTHS TO 30 JUNE 2015
OPERATING ACTIVITIES			
RECEIPTS FROM CUSTOMERS		4,952,365	5,646,056
PAYMENTS TO SUPPLIERS AND EMPLOYEES		(4,653,128)	(6,431,747)
INTEREST PAID		(4,176)	—
INTEREST RECEIVED		3,456	6,893
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	24	298,517	(778,798)
INVESTING ACTIVITIES			
PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT		300	—
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT		(42,693)	(10,252)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(42,393)	(10,252)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		256,124	(789,050)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		321,732	1,110,782
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	7	577,856	321,732

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: CORPORATE INFORMATION

The consolidated financial statements of Sydney Gay and Lesbian Mardi Gras Limited and its subsidiaries (collectively, the 'Group') for the year ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 31 August 2016.

Sydney Gay and Lesbian Mardi Gras Ltd ('SGLMG', The Company or the parent) is a company limited by guarantee domiciled in Australia.

The Group's principal place of business and contact details are:

**Address: Suite 6, 94 Oxford Street,
Darlinghurst NSW 2010**
Telephone: 02 9383 0900
Email: reception@mardigras.org.au
Website: www.mardigras.org.au

NOTE 2: BASIS OF PREPARATION

(i) Statement of compliance

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. SGLMG is part of a not-for-profit entity for the purpose of preparing the consolidated financial statements.

The consolidated financial statements of SGLMG comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB) and requirements of the NSW Charitable Fundraising Act and Regulations.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 31 August 2016.

(ii) Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, as modified by the

The consolidated financial statements of the Group as at and for the year ended 30 June 2016 comprise the Company and its controlled entity (together referred to as the 'Group' and individually as 'Group entities'). The Group is a not-for-profit group and is primarily involved in event management and the production and co-ordination of the Sydney Gay and Lesbian Mardi Gras Festival.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The consolidated financial statements are for the entity consisting of SGLMG and its controlled entity Mardi Gras Arts Limited.

revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(iii) Functional and presentation currency

Items included in the consolidated financial statements of SGLMG are measured using the currency of the economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(iv) Use of estimates and judgements

The preparation of consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the

The members of Sydney Gay and Lesbian Mardi Gras Limited resolved at an Extraordinary Meeting of Members held on 25 October 2014 to amend its financial year from 1 April 2014 to 31 March 2015 to 1 April 2014 to 30 June 2015. After which the financial year was from 1 July to 30 June. To facilitate the synchronisation, the comparative to the financial year of a consolidated group were extended by 3 months for the year ended 30 June 2015. The purpose of the resolution was to synchronise the financial year ends of Sydney Gay and Lesbian Mardi Limited and Mardi Gras Arts Limited ABN 41 158 800 018 which are consolidated for audit and reporting purposes. To this end the comparatives for the year ended 30 June 2015 are for a period of 15 months to 30 June 2015.

consolidated financial statements are disclosed in note 6.

(v) Comparative figures

Comparatives figures have been adjusted to conform with changes in presentation of current financial period.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 3:
SIGNIFICANT
ACCOUNTING
POLICIES**

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, and have been applied consistently by the Group.

(a) Consolidations

SGLMG has the same Board of Directors as Mardi Gras Arts Limited, on 4th June 2012. This consolidated financial report reports the consolidated results of both entities.

(b) Foreign currency

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

(c) Financial instruments

The Group initially recognises loans and receivables on the date that they are originated. Non-derivative financial assets are split into the following categories:

- financial assets at fair value through profit or loss,
- held-to-maturity financial assets,
- loans and receivables and
- available-for-sale financial assets.

(i) Non-derivative financial assets

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(ii) Non-derivative financial liabilities

All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Other financial liabilities comprise loans and borrowings, bank overdrafts and trade and other payables.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(d) Property, plant and equipment

Items of property, plant and equipment are measured at historical cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES CONTINUED

accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods of significant items of property, plant and equipment are as:

- Leasehold improvements
5 years or until expiration of lease
- Plant and equipment
4 or 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(e) Intangible assets

(i) Trademarks and licences

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 10 to 30 years.

(ii) Software including www.mardigras.org.au website

Acquisition costs incurred in developing the Website and acquiring software and licenses that will contribute to future period

financial benefits through revenue generation and/or cost reduction are capitalised to software. Amortisation is calculated on a straight-line basis over periods of 3.7 years.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

(g) Impairment

The carrying amounts of the Group's non-financial assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

(h) Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the year in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. All short-term employee benefit obligations are presented as Trade and other payables.

(ii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan

without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting year are discounted to present value.

(iii) Retirement benefit obligations

Contributions payable by the Group to an employee superannuation fund are recognised in the statement of financial position as a liability, after deducting any contributions already paid and in the income statement as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(i) Revenue recognition

(i) Sale of goods – retail

The Group sells tickets to events directly and through third party ticket agencies. Revenue from the sale of tickets to events is recognised upon delivery of the service to the customer. Third party ticketing agencies usually remit ticket money within 14 days of the event being held. Revenue from the sale of other goods to customers is recorded on delivery of the goods to customers.

(ii) Membership subscriptions

Revenue from members' subscriptions revenue is recognised at the point in time when substantially all of the benefits are received by the members. Revenue is recognised when the Sydney Gay & Lesbian Mardi Gras Season occurs, at which time members are able to receive the benefit of discounted tickets to events.

Deferred membership revenue is carried forward for 3 year memberships extending to seasons 2015 & 2016.

(iii) Donations

Revenue from donations is recognised when the Group receives donations or where the Group has an unconditional commitment from the donor.

(iv) Contra revenue and expense

Revenue from contra revenue and

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 3:
SIGNIFICANT
ACCOUNTING
POLICIES
CONTINUED**

**(i) Revenue recognition (continued)
(iv) Contra revenue and expense
(continued)**

expenditure is recognised when the Group receives “in kind” goods and services. When the contribution does not represent an asset at balance date, the Group recognises an expense and associated revenue for these “in kind” goods and services in the consolidated financial report. Where the “in kind” goods and services represent an asset at balance date, both the asset and revenue are recognised in the consolidated financial report.

(v) Management fees

Management fees are recognised when it is probable that the economic benefits will flow to the Group.

(vi) Sponsorship income

Sponsorship income in respect of an event is recognised on the day that the event occurs. Sponsorship not directly related to events is recognised over the period to which it relates.

(vii) Licence fees

Licence fees are recognised when the right to receive the revenue has been established.

(viii) Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

(j) Government grants

Grants from the City of Sydney and Destination NSW are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will have complied with any conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

(k) Leases

(i) Leased assets

Assets held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified

as finance leases. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (Note 22).

(ii) Lease payments

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(l) Income tax

No income tax expense or benefit for the year has been recorded (Note 5).

(m) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance costs comprise bank fees and interest on loans and short term funding.

(n) Going Concern

The Group will always be reliant on the support for its events from investors, sponsors, members and community. The directors believe that through tight budgetary controls and effective cash management, the Group will continue to operate and provide services to its members, non-members and the community as a whole.

(o) Segment reporting

Only segment result is reported to the SGLMG Chief Executive Officer. This is the Sydney Gay and Lesbian Mardi Gras Festival. There are no unallocated events.

**(p) Changes in accounting policies,
new and amended standards and
interpretations**

The Group applied, for the first time, certain standards and amendments which are effective for annual periods beginning on or after 1 January 2016. The nature and the impact of each new standard and/or amendment are described below:

**(i) Investment Entities –
Amendments to AASB 10
Consolidated financial statements,**

**AASB 12 Disclosure of Interests in
Other Entities and AASB 127
Consolidated and Separate
Financial Statements**

These amendments define an investment entity and require that, with limited exceptions; an investment entity does not consolidate its subsidiaries or apply AASB 3 *Business Combinations* when it obtains control of another entity.

These amendments require an investments entity to measure unconsolidated subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. These amendments also introduce new disclosure requirements for investment entities to AASB 12 and AASB 127.

These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under AASB 10.

There are no other standards that are not yet effective and that are expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

(q) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where:

- the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).
- receivables and payables are stated inclusive of the amount of GST receivable from, or payable

The net amount of GST recoverable from or payable to the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and 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 part of operating cash flows.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 4:
FINANCIAL RISK
MANAGEMENT**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial

markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group does not use derivative financial instruments because the Group does not have direct interest

rate risk, borrowings and direct currency exposures for overseas artists are minimal and limited in terms of timing and as such, they are not hedged and they are converted to foreign currency at the date of payment of the fees.

**NOTE 5:
INCOME TAX**

The Group has sought and received independent advice confirming that the Group is income tax exempt for the periods ended 30 June 2003, 2004 and 2005, and continued to self assess for the years ended 30 June 2006, 30 June 2007, for the nine months ended 31 March 2008,

and the periods ended 31 March 2009, 31 March 2010, 31 March 2011... The Company was registered as a charity with the Australian Taxation Office with effect from 3 December 2012 and was tax exempt from the same date.

**NOTE 6:
CRITICAL
ACCOUNTING
ESTIMATES AND
JUDGMENTS**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

The Group does not believe that any significant judgments, estimates and assumptions have been made in applying accounting policies that will impact upon amounts recognised in the consolidated financial statements.

**NOTE 7:
CASH AND CASH
EQUIVALENTS**

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
CASH AT BANK	577,856	321,732
	577,856	321,732

(a) Reconciliation to cash at the end of the year

The above figures agree to cash at the end of the financial year as shown in the consolidated statement of cash flows.

(b) Risk exposure

The group's exposure to interest rate risk is discussed in Note 4. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(c) Public Fund

As at the end of the year, an amount of \$24,278 is held as part of the MGA public fund and is not available for use as general working capital. Withdrawals from the public fund are subject to approval of the Public Fund Committee in accordance with the requirements set out by the Register of Cultural Organisations, "ROCO".

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 8:
TRADE
AND OTHER
RECEIVABLES**

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
TRADE RECEIVABLES	180,734	89,790
PROVISION FOR DOUBTFUL DEBTS	(26,157)	—
	154,577	89,790
OTHER RECEIVABLES	2,851	48,570
TRADE AND OTHER RECEIVABLES	157,428	138,290

Trade receivables are non - interest bearing and are generally on terms of 30-90 days. During the year \$1,495 of debt was written off (2015: \$0)

(a) Impaired receivables

As at 30 June 2016, trade receivables of \$26,157 (2015: \$0) were impaired and fully provided for. The provision for impairment of receivables is as follows:

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
UP TO 3 MONTHS	—	—
OVER 3 MONTHS / UNDER 6 MONTHS	—	—
OVER 6 MONTHS	26,157	—
	26,157	—

(b) Past due but not impaired

As at 30 June 2016, trade receivables of \$34,172 (2015: \$22,528) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these past due trade receivables is as follows:

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
UP TO 3 MONTHS	—	5,522
OVER 3 MONTHS / UNDER 6 MONTHS	34,172	17,006
	34,172	22,528

(c) Not past due and not impaired

The current trade receivables of \$120,955 (2015: \$69,146) and current other receivables of \$2,851 (2015: \$48,570) are not past due. Based on the credit history, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

(d) Other receivables

These amounts generally arise from transactions which have not been invoiced as at year end, but accrued to match revenues with expenses incurred.

**NOTE 9:
INVENTORY**

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
INVENTORY - AT COST	800	12,815

Inventory comprises of auction items held for re-sale. As at 30 June 2016, inventory of \$12,015 (2015: \$0) was written off as obsolete.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 10:
PREPAYMENTS**

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
PREPAYMENTS	—	26,020
	—	26,020

**NOTE 11:
OTHER CURRENT
ASSETS**

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
BONDS & DEPOSITS	3,924	16,408
	3,924	16,408

(a) Impaired other current assets

As at 30 June 2016, no other current assets were impaired.

(b) Past due but not impaired

As at 30 June 2016, no other current assets were past due.

(c) Other current assets

Bonds & Deposits are non-interest bearing and represent security deposits.

**NOTE 12:
PROPERTY,
PLANT AND
EQUIPMENT**

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
PLANT AND EQUIPMENT		
COST OR FAIR VALUE	228,008	232,021
ACCUMULATED DEPRECIATION	(164,130)	(171,805)
PROVISION FOR IMPAIRMENT	(4,041)	(20,422)
	59,837	39,794
LEASEHOLD IMPROVEMENTS		
COST OR FAIR VALUE	77,827	77,827
ACCUMULATED DEPRECIATION	(77,827)	(77,827)
	—	—
NET PROPERTY'S PLANT AND EQUIPMENT	59,837	39,794

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 period.

	(\$) PLANT + EQUIPMENT	(\$) LEASEHOLD IMPROVEMENT	(\$) TOTAL
2016			
OPENING NET BOOK AMOUNT	39,795	—	39,795
ADDITIONS	42,393	—	42,393
DISPOSAL	(4,041)	—	(4,041)
DEPRECIATION CHARGE	(18,310)	—	(18,310)
CLOSING NET BOOK AMOUNT	59,837	—	59,837

The provision for impairment of \$4,041 represented the write down of certain property, plant and equipment to the recoverable amount as a result of technological obsolescence. This was recognised in the statement of profit and loss as loss due to write off of assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 13:
INTANGIBLE
ASSETS**

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
SOFTWARE		
COST OR FAIR VALUE	62,613	62,613
ACCUMULATED AMORTISATION	(53,239)	(39,809)
DISPOSAL	(9,374)	—
	—	23,804
TRADEMARKS AND DOMAIN NAMES		
COST OR FAIR VALUE	22,092	22,092
ACCUMULATED AMORTISATION	(5,969)	(4,831)
DISPOSAL	(3,224)	—
	12,899	17,261
NET INTANGIBLE ASSETS	12,899	41,065

Movements in Carrying Amounts

Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial period.

	(\$) SOFTWARE	(\$) TRADEMARKS & DOMAIN NAMES	(\$) TOTAL
2016			
OPENING NET BOOK AMOUNT	23,804	17,261	41,065
ADDITIONS	—	—	—
AMORTISATION CHARGE	(14,430)	(1,138)	(15,568)
DISPOSAL	(9,374)	(3,224)	(12,598)
CLOSING NET BOOK AMOUNT	—	12,899	12,899

The provision for impairment of \$12,598 represented the write down of certain intangible assets to the recoverable amount as a result of technological obsolescence. This was recognised in the statement of profit and loss as loss due to write off of assets.

**NOTE 14:
TRADE
AND OTHER
PAYABLES**

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
TRADE PAYABLES	219,636	30,068
GOODS & SERVICES TAX	3,661	74,634
OTHER PAYABLES	27,150	82,246
	250,447	186,948

**NOTE 15:
OTHER
LIABILITIES**

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
CURRENT		
MEMBERSHIP SUBSCRIPTIONS PAID IN ADVANCE	4,488	19,974
	4,488	19,974
NON CURRENT		
MEMBERSHIP SUBSCRIPTIONS PAID IN ADVANCE	54	4,543
	54	4,543

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 16:
EMPLOYEE
BENEFITS
LIABILITIES**

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
LIABILITY FOR SUPERANNUATION	5,081	—
LIABILITY FOR ANNUAL LEAVE	8,968	24,021
	14,049	24,021

**NOTE 17:
MEMBER
GUARANTEE**

SGLMG is incorporated with the liability of members limited by guarantee. In accordance with the SGLMG constitution, the liability of each member / friend is limited to \$1.00 in the event SGLMG is wound up. All Friends memberships are of 1 year duration unless otherwise stated.

The number of members at the end of the financial year was:

	(No) 30 JUNE 2016	(No) 30 JUNE 2015
FRIENDS WITH BENEFITS	341	38
FRIENDS	392	700
FRIENDS WITH BENEFITS, 3 YEAR	529	529
CONCESSION FRIENDS WITH BENEFITS	—	12
UNDER 25 FRIENDS WITH BENEFITS	—	2
FRIENDLY ORGANISATION	1	1
FRIENDS OVERSEAS	152	46
	1,415	1,328

**NOTE 18:
KEY MANAGEMENT
PERSONNEL**

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
KEY MANAGEMENT PERSONNEL COMPENSATION		
KEY MANAGEMENT PERSONNEL COMPENSATION	—	—

All directors provide their services on a voluntary basis and do not, other than for reimbursement of approved expenses incurred, receive remuneration from the Group. The directors were considered to be the only Key Management Personnel of the Group because they are the only persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key decisions in respect of planning, directing and controlling are only made by the Board of Directors.

All staff are retained by MGA and provided to SGLMG under an inter company services agreement.

**NOTE 19:
CONTINGENCIES**

As at 30 June 2016, there were no other contingent assets or liabilities.
As at 30 June 2015, there were no other contingent assets or liabilities.

**NOTE 20:
EVENTS AFTER
BALANCE SHEET
DATE**

There have been no items of significance subsequent to 30 June 2016, and as at the date of this report that would impact the results as outlined in this financial report.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 21:
RELATED PARTY
TRANSACTIONS**

A *related party transaction* is a transfer of resources, services or obligations between a reporting entity and a related party.

Directors and committee members receive limited attendance benefits to its own events in accordance with SGLMG's volunteer policy.

Directors receive reimbursement for expenses incurred during the normal carry out of duties in attending board meetings, or SGLMG events. Travel expenses are reimbursed under the Board Travel Policy.

These transactions are carried out on an 'arms-length' basis. Total reimbursements and outlays to directors and related companies amounted to \$50,525 (2015: \$9,916)

Reimbursement of \$225 to a director for the costs of advertising for the role of Chief Executive Officer position.

A company associated with a Director, undertook the provision of strategic IT advisory services including rationalisation of the Group's internal technological assets. These services amounted to \$100,000 with a capped costs to the Group of \$50,300, the balance was provided on a pro-bono basis.

The employer of the Independent Chair of the Governance Audit and Risk Committee provided consulting services in regards to Budget Models and Parade Feasibility Studies. Conflicts were declared by the Independent Chair and at no time, did the Independent Chair have any decision making ability or provide any services in relation to any of the processes. These services amounted to \$87,354 of which \$40,000 was subsidised by government sponsors.

The company has an established process for ensuring transparency for related party transactions.

**NOTE 22:
COMMITMENTS**

Non-cancellable operating lease commitments
SGLMG leases an office under a non-cancellable operating lease expiring in 2017.

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
COMMITMENTS FOR MINIMUM LEASE PAYMENTS IN RELATION TO NON-CANCELLABLE OPERATING LEASES ARE PAYABLE AS FOLLOWS:		
WITHIN ONE YEAR	22,926	30,569
LATER THAN ONE YEAR AND NOT LATER THAN FIVE YEARS	—	22,926
	22,926	53,495

There is an intercompany revolving loan facility provided to MGA of up to \$350,000. The facility is currently drawn to \$26,499 and allows further draw downs to fund the workshop each season.

**NOTE 23:
GROUP ENTITIES**

Mardi Gras Arts Limited

Mardi Gras Arts Limited was incorporated on 4th June 2012. Mardi Gras Arts Limited is deemed to be a controlled entity of Sydney Gay and Lesbian Mardi Gras Limited by the fact that all the Directors of Mardi Gras Arts Limited are the Directors of Sydney Gay and Lesbian Mardi Gras Limited and any change to the constitution of MGA is subject to a resolution of the members of Sydney Gay & Lesbian Mardi Gras Limited.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 24:
RECONCILIATION
OF PROFIT /
(LOSS) TO NET
CASH INFLOW
FROM OPERATING
ACTIVITIES**

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
PROFIT / (LOSS) FOR THE YEAR	178,892	(336,057)
DEPRECIATION AND AMORTISATION	33,877	78,087
BAD DEBT EXPENSE	26,158	8,117
FIXED ASSET DISPOSAL	20,539	20,422
INVENTORY DISPOSAL / (ADDITIONS)	12,015	(4,700)
CHANGE IN OPERATING ASSETS AND LIABILITIES:		
(INCREASE) / DECREASE IN TRADE AND OTHER RECEIVABLES	(45,294)	448,388
DECREASE IN OTHER PREPAYMENTS	26,021	27,632
(INCREASE) / DECREASE IN OTHER CURRENT ASSETS	12,483	(14,150)
(INCREASE) IN EMPLOYMENT BENEFITS	(9,973)	(7,669)
(INCREASE) / DECREASE IN OTHER NON-CURRENT ASSETS	273	(15,052)
(INCREASE) / DECREASE IN TRADE AND OTHER PAYABLES	63,500	(989,508)
INCREASE IN OTHER LIABILITIES	(19,974)	13,493
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	298,517	(778,798)

**NOTE 25:
CHARITABLE
FUNDRAISING
ACTIVITIES**

Below is additional information furnished under the Charitable Fundraising Act 1991 and the Office of Charities Fundraising Authorities Conditions.

**INCOME
STATEMENT
FOR EACH
FUNDRAISING
APPEAL FOR THE
PERIOD ENDED 30
JUNE 2016**

	(\$) PROCEEDS	(\$) COSTS	(\$) SURPLUS	(%) MARGIN
FUNDRAISING APPEALS				
FAIR DAY BUCKET COLLECTION	31,636	—	31,636	100%
MEDICAL TENT BUCKET COLLECTION	590	—	590	100%
LIP SYNC DUELS - FUNDRAISING	42,098	7,744	34,354	81.6%
TOTALS FROM ALL FUNDRAISING APPEALS	74,324	7,744	66,580	89.6%

**NOTES TO
FUNDRAISING
FOR CHARITABLE
PURPOSES**

During the period ended 30 June 2016, Sydney Gay and Lesbian Mardi Gras Ltd ("SGLMG") achieved a net surplus of \$32,226 from fundraising activities defined under the Charitable Fundraising Act. SGLMG received income from two sources of activity:

- Fair Day Bucket Collections;
- Medical Tent Bucket Collections;
- Donations and Auction proceeds at Lip Sync Duels

The gross proceeds from these activities are disclosed in Statement of Comprehensive Income (as part of "Donations" and "Other Income") and realised \$74,324.

On behalf of Sydney Gay and Lesbian Mardi Gras Limited, the Bobby Goldsmith Foundation handled coat checks and raised monies under their own fundraising license in the amount of \$3,493.

In May 2016, the Lipsync Duels Auction Fundraiser was undertaken which raised monies in the amount of \$42,098 from auction items, collections and raffle tickets. All Lipsync Duels event costs were included in the normal activities of the Company.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 25: CHARITABLE FUNDRAISING ACTIVITIES CONTINUED

**INCOME
STATEMENT
FOR EACH
FUNDRAISING
APPEAL FOR THE
PERIOD ENDED 30
JUNE 2015**

	(\$) PROCEEDS	(\$) COSTS	(\$) SURPLUS	(%) MARGIN
FUNDRAISING APPEALS				
FAIR DAY BUCKET COLLECTION	31,618	-	31,618	100%
MEDICAL TENT BUCKET COLLECTION	335	-	335	100%
TOTALS FROM ALL FUNDRAISING APPEALS	31,953	-	31,953	100%

**BALANCE SHEET
FOR EACH
FUNDRAISING
APPEAL AS AT 30
JUNE 2015**

	(\$) ASSETS	(\$) LIABILITIES	(\$) NET ASSETS
FUNDRAISING APPEALS			
FAIR DAY BUCKET COLLECTION	31,618	-	31,618
MEDICAL TENT BUCKET COLLECTION	335	-	335
TOTALS FOR ALL FUNDRAISING APPEALS	31,953	-	31,953

**NOTES TO
FUNDRAISING
FOR CHARITABLE
PURPOSES**

During the period ended 30 June 2015, Sydney Gay and Lesbian Mardi Gras Ltd ("SGLMG") achieved a net surplus of \$31,953 from fundraising activities defined under the Charitable Fundraising Act. SGLMG received income from two sources of activity:

- Fair Day Bucket Collections;
- Medical Tent Bucket Collections;

Lip Sync Duels event occurred in 2015 but was run as an event and not as a fundraising activity.

The gross proceeds from these activities are disclosed in Statement of Comprehensive Income (as part of "Donations" and "Other Income") and realised \$31,953.

**NOTE 26:
INFORMATION
RELATING TO
SYDNEY GAY
AND LESBIAN
MARDI GRAS
(THE PARENT)**

	(\$) 30 JUNE 2016	(\$) 30 JUNE 2015
TOTAL ASSETS	659,150	596,386
CURRENT LIABILITIES	117,419	231,205
TOTAL LIABILITIES	117,473	235,748
RETAINED EARNINGS	541,677	360,636
PROFIT / (LOSS) OF THE PARENT ENTITY	181,038	(336,057)
TOTAL REVENUE OF THE PARENT ENTITY	4,847,811	4,456,715

DIRECTOR'S DECLARATION

The Directors of the Group declare that:

1. The consolidated financial statements and notes, as set out on pages 12-33, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the period ended on that date of the Group.
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
3. As an authorised fundraiser:
 - (a) the Consolidated Statement of Comprehensive Income (income statement) gives a true and fair view of all income and expenditure of the Group with respect to fundraising appeals, and
 - (b) the Consolidated Statement of Financial Position (balance sheet) gives a true and fair view of the state of affairs of the Group with respect to fundraising appeals conducted by the Group, and
 - (c) the provisions of the Charitable Fundraising Act 1991, the Regulations under the Act and the conditions attached to the authority have been complied with by the Group, and
 - (d) the internal controls exercised by the Group are appropriate and effective in accounting for all income received and applied by the Group from all of our fundraising appeals.

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

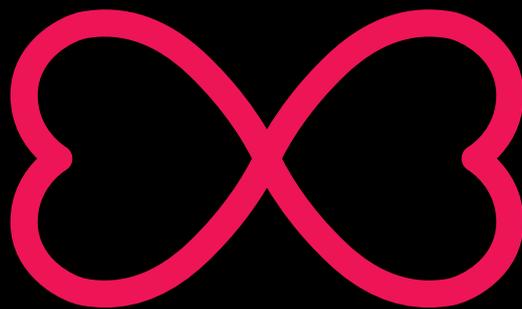
Director

Director

Frances Bowron

Damien Hodgkinson

Dated this 5th day of September 2016



MARDI GRAS ARTS LTD

ABN 41 158 800 018

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS' REPORT

The directors present their report together with the financial report of Sydney Gay and Lesbian Mardi Gras Ltd ("SGLMG") and its affiliate Mardi Gras Arts Ltd (together referred to as "the Group") for the year ended 30 June 2016 and auditor's report thereon.

The directors present their report together with the financial report of Mardi Gras Arts Limited ("MGA") for the year ended 30 June 2016 and auditor's report thereon.

LIST OF DIRECTORS AND TERM OF OFFICE

The names and details of the directors in office at any time during or since the end of the year are set out below. The number of meetings of directors held during the year and the number of meetings attended by each director are further set out below.

Directors were in office since the start of the year to the date of this report unless otherwise stated.

Name	Date Appointed	Date Retired	Board Meetings	
			A	B
Paul Savage	19 August 2014	14 November 2015	4	5
Frances Bowron	19 August 2014		10	10
Darren Bruce	4 September 2013		10	10
Damien Hodgkinson	19 August 2014		10	10
Gregory Small	24 August 2014		9	10
James Brechney	24 August 2014		8	10
Brandon Bear	24 August 2014		8	10
Silke Bader	23 March 2016		4	4
Aidan Read	23 March 2016		3	4

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year

All directors were eligible to attend all meetings held.

INFORMATION ON DIRECTORS

None of the current directors, who were directors during this financial year of MGA, are currently directors of any publicly listed companies, nor have they had any such roles in the last 3 years.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, no directors had any interests in the shares and options of MGA.

COMPANY SECRETARY

David Imrie

David Imrie was appointed as Company Secretary of MGA on 28 July 2015.

KEY PERFORMANCE MEASURES

MGA measures its performance through the use of both quantitative and qualitative benchmarks to assess the financial sustainability of the Company and whether the Company is achieving its short-term and long-term objectives.

PRINCIPAL ACTIVITIES

The principal activities of MGA during the year were the organisation of fund raising activities administration of the MGA Gift Fund, the operation of the creative workshop, and staffing and administration services to the parent company SGLMG.

No significant change in the nature of these activities occurred during the year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of MGA, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

**ENVIRONMENTAL
REGULATION AND
PERFORMANCE**

MGA's operations are not registered by any significant environmental regulation under laws of the Commonwealth or of a State or Territory.

**INDEMNIFICATION
AND INSURANCE
OF DIRECTORS AND
OFFICERS**

During the year, the immediate parent company, Sydney Gay & Lesbian Mardi Gras Limited paid a premium, to insure all officers of the MGA. The officers of MGA covered by the insurance policy include all MGA directors.

Subject to some exceptions, the liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company.

Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under terms of the contract.

MGA has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Company against a liability incurred as such by an officer or auditor

**INDEMNIFICATION
OF AUDITORS**

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

**PUBLIC COMPANY
LIMITED BY
GUARANTEE**

The entity, MGA is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. Based on the number of members as at 30 June 2016, the total amount that members of MGA are liable to contribute if MGA is wound up is \$2 (2015: \$2).

**GOING
CONCERN**

The accounts have been prepared on a going concern basis. MGA has received an undertaking from the immediate parent entity, Sydney Gay & Lesbian Mardi Gras Limited that the immediate parent entity will support MGA to meet its debts as and when they fall due for a minimum period of twelve months from the date of signing of the 2016 financial reports for MGA.

**AUDITOR'S
INDEPENDENCE
DECLARATION**

A copy of the auditor's declaration under section 307C of the *Corporations Act 2001* in relation to the review for the financial year is provided with this report.

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

Director

Director

Frances Bowron

Damien Hodgkinson

Dated this 5 day of September 2016

**AUDITOR'S
INDEPENDENCE DECLARATION**

**NEED FROM AUDITOR'S
(ON EY LETTERHEAD)**

**STATEMENT OF
PROFIT AND LOSS
FOR THE YEAR
ENDED 30 JUNE
2016**

The above statement of profit and loss should be read in conjunction with the accompanying notes.

	(\$) 2016	(\$) 2015
DONATIONS	2,630	21,525
MANAGEMENT AND SERVICE FEES	795,894	133,747
OTHER INCOME	220,363	115,950
	1,018,887	271,222
COST OF SALES	188,500	211,897
GROSS PROFIT	830,387	59,325
OCCUPANCY COSTS	12,358	407
EMPLOYEE BENEFITS EXPENSE	456,581	45,045
INSURANCE	6,742	109
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	2,375	305
OPERATING LEASE RENTAL EXPENSES	27,790	—
MARKETING & COMMUNICATIONS	182	1,120
PROFESSIONAL FEES	36,404	409
AMOUNTS PAID TO CONTRACTORS	128,095	—
OTHER EXPENSES	139,459	4,169
	809,986	51,564
RESULTS FROM OPERATIONS	20,401	7,761
NET FINANCE COSTS	(18,371)	(6,956)
NET FINANCE INCOME	(18,371)	(6,956)
NET PROFIT BEFORE INCOME TAX EXPENSE	2,030	805

**STATEMENT
OF OTHER
COMPREHENSIVE
INCOME FOR THE
YEAR ENDED 30
JUNE 2016**

The above statement of profit and loss should be read in conjunction with the accompanying notes.

	(\$) 2016	(\$) 2015
PROFIT BEFORE INCOME TAX EXPENSE (INCOME TAX BENEFIT)	2,030	2
INCOME TAX BENEFIT (INCOME TAX EXPENSE)	—	—
PROFIT FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF THE ENTITY	2,030	803
OTHER COMPREHENSIVE INCOME	—	—
INCOME TAX BENEFIT (INCOME TAX EXPENSE)	—	—
OTHER COMPREHENSIVE INCOME, NET OF TAX	—	—
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR, NET OF TAX	2,030	805
TOTAL COMPREHENSIVE PROFIT ATTRIBUTABLE TO MEMBERS OF THE ENTITY	2,030	805

**STATEMENT
OF FINANCIAL
POSITION AS AT
30 JUNE 2016**

The above statement of profit and loss should be read in conjunction with the accompanying notes.

	NOTES	(\$) 2016	(\$) 2015
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	2	132,481	23,322
TRADE AND OTHER RECEIVABLES	3	132,481	2,996
OTHER CURRENT ASSETS	4	—	14,000
TOTAL CURRENT ASSETS		134,983	40,318
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	5	24,804	8,786
TOTAL NON-CURRENT ASSETS		24,804	8,786
TOTAL ASSETS		159,787	49,104
CURRENT LIABILITIES			
TRADE & OTHER PAYABLES	6	6,190	22,603
TOTAL CURRENT LIABILITIES		6,190	22,603
NON-CURRENT LIABILITIES			
LOANS	7	6,190	26,499
TOTAL NON-CURRENT LIABILITIES		6,190	26,499
TOTAL LIABILITIES		157,755	49,104
NET ASSETS		2,032	2
EQUITY			
MEMBERS FUNDS		2	2
RETAINED EARNINGS		2,030	—
TOTAL EQUITY		2,030	2

**STATEMENT OF
CHANGES IN
EQUITY FOR THE
YEAR ENDED 30
JUNE 2016**

The above statement of profit and loss should be read in conjunction with the accompanying notes.

	(\$) MEMBERS FUNDS	(\$) RETAINED EARNINGS	(\$) TOTAL EQUITY
AS AT 1 JULY 2015	2	—	2
OTHER COMPREHENSIVE INCOME	—	—	—
PROFIT FOR YEAR	—	2,030	2,030
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR	—	2,030	2,030
BALANCE AT 30 JUNE 2016	2	2,030	2,030

**STATEMENT OF
 CHANGES IN
 EQUITY FOR THE
 YEAR ENDED 30
 JUNE 2016**

CONTINUED

	(\$) MEMBERS FUNDS	(\$) RETAINED EARNINGS	(\$) TOTAL EQUITY
AS AT 1 JULY 2014	2	(805)	(803)
OTHER COMPREHENSIVE INCOME	—	—	—
PROFIT FOR YEAR	—	805	805
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR	—	805	805
BALANCE AT 30 JUNE 2015	2	—	2

**STATEMENT OF
 CASH FLOWS FOR
 THE YEAR ENDED
 30 JUNE 2016**

The above statement of profit and loss should be read in conjunction with the accompanying notes.

	NOTES	(\$) 2016	(\$) 2015
OPERATING ACTIVITIES			
RECEIPTS FROM CUSTOMERS		1,233,492	202,113
PAYMENTS TO SUPPLIERS AND EMPLOYEES		(1,105,940)	(171,627)
NET CASH FLOWS FROM OPERATING ACTIVITIES	10	127,552	30,486
INVESTING ACTIVITIES			
PURCHASE OF PROPERTY, PLANT & EQUIPMENT		(18,393)	(9,091)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(18,393)	(9,091)
NET INCREASE IN CASH AND CASH EQUIVALENTS		109,159	21,395
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		23,322	1,927
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	2	132,481	23,322

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Corporate information

The financial statements of Mardi Gras Arts Limited ('MGA') for the year ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 31 August 2016.

MGA is a company limited by guarantee incorporated and domiciled in Australia. The Company's principal place of business and contact details are:

**Address: Suite 6, 94 Oxford Street,
Darlinghurst NSW 2010**
Telephone: 02 9383 0900
Email: reception@mardigras.org.au
Website: www.mardigras.org.au

a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB) and requirements of the NSW Charitable Fundraising Act and Regulations.

The financial statements have been prepared under the historical cost basis. Items included in the financial statements of MGA are measured in Australian dollars.

The financial statements provide comparative information in respect of the previous year.

MGA is a not-for-profit private sector entity. Therefore, MGA has elected to present Tier 2 General Purpose Financial Statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The preparation of financial statements required the use of certain critical accounting estimates. This requires

management to exercise judgement in the process of applying the Company's accounting policies. The areas involving high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note (j).

b) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand that is readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash includes cash on hand and term deposits with banks or financial institutions, investments in money market instruments maturing with less than three months and net of bank overdrafts.

c) Revenue recognition

Revenue is recognised when delivery has been performed, the amount of revenue can be measured reliably and it is probable that it will be received by the economic entity. Interest revenue earned on bank accounts is recognised upon receipt.

(i) Donations

Revenue from donations is recognised when the Group receives donations or where the Group has an unconditional commitment from the donor.

(ii) Management fees

Management fees are recognised when it is probable that the economic benefits will flow to the Group.

(iii) Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

(d) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where:

- the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).
- receivables, payables are stated inclusive of amount of GST receivable from, or payable

The net amount of GST recoverable from or payable to the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and 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 part of operating cash flows.

(e) Trade and other receivables

Trade receivables, which generally have 30-day term, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for any uncollectible amounts. Collectability of trade receivables is reviewed continually. Debts that are known to be uncollectible are written off when identified. An allowance for provision for impairment of trade receivables is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment loss is recognised in the income statement within other expenses.

(f) Trade and other payables

Trade payables and other payables are carried at cost. They represent liabilities for goods and services provided to the Company prior to the end of the year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 to 60 days of recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

CONTINUED

(g) Members funds

Pursuant to the constitution of the Company, the members have contributed an amount of \$2.

(h) Income tax

No income tax expense or benefit for the year has been recorded as the Company is tax exempt.

(i) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance costs comprise bank fees and interest on loans and short term funding.

(j) Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Company does not believe that any significant judgments, estimates and assumptions have been made in applying accounting policies that will impact upon amounts recognised in the financial statements.

(k) Property, plant and equipment

Items of property, plant and equipment are measured at historical cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised

when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

The estimated useful lives for the current and comparative periods of significant items of property, plant and equipment are as:

- Plant and equipment
4 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

(l) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the year in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. All short-term employee benefit obligations are presented as trade and other payables.

Contributions payable by the Company to an employee superannuation fund are recognised in the statement of financial position as a liability, after deducting any contributions already paid and in the income statement as an expense as

they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(m) Going concern

The accounts have been prepared on a going concern basis. MGA has received an undertaking from the immediate parent entity, Sydney Gay and Lesbian Mardi Gras Limited that the immediate parent entity will support MGA to meet its debts as and when they fall due for a minimum period of twelve months from the date of signing of the 2016 financial reports for MGA.

(n) Changes in accounting policies, new and amended standards and interpretations

The Company applied, for the first time, certain standards and amendments that are effective for annual periods beginning on or after 1 January 2016. The nature and the impact of each new standard and/or amendment are described below:

(i) Investment Entities – Amendments to AASB 10 *Consolidated financial statements*, AASB 12 *Disclosure of Interests in Other Entities* and AASB 127 *Consolidated and Separate Financial Statements*

These amendments define an investment entity and require that, with limited exceptions; an investment entity does not consolidate its subsidiaries or apply AASB 3 *Business Combinations* when it obtains control of another entity.

These amendments require an investments entity to measure unconsolidated subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. These amendments also introduce new disclosure requirements for investment entities to AASB 12 and AASB 127.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 2:
 CASH AND CASH
 EQUIVALENTS**

	(\$) 2016	(\$) 2015
CASH AT BANK	132,481	23,322
	132,481	23,322

(a) Reconciliation to cash at the end of the year

The above figures agree to cash at the end of the financial year as shown in the statement of cash flows.

(b) Risk exposure

The Company's exposure to interest rate risk is discussed in note 1. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of cash and cash equivalents mentioned above.

(c) Public Fund

As at the end of the year, an amount of \$24,278 (\$2015: \$23,286) is held as part of the MGA public fund and is not available for use as general working capital. Withdrawals from the public fund are subject to approval of the Public Fund Committee in accordance with the requirements set out by the Register of Cultural Organisations, "ROCO".

**NOTE 3:
 TRADE AND OTHER
 RECEIVABLES**

	(\$) 2016	(\$) 2015
GOODS & SERVICES TAX	—	2,444
TRADE RECEIVABLES	2,502	552
	2,502	2,996

(a) Impaired receivables

As at 30 June 2016, no debts were considered impaired.

**NOTE 4:
 OTHER CURRENT
 ASSETS**

	(\$) 2016	(\$) 2015
BONDS & DEPOSITS	—	14,000
	—	14,000

(a) Impaired other current assets

As at 30 June 2016, no other current assets were impaired.

(b) Past due but not impaired

As at 30 June 2016, no other current assets were past due.

(c) Other current assets

Bonds & Deposits are non-interest bearing and represent security deposits.

**NOTE 5:
 PROPERTY, PLANT
 AND EQUIPMENT**

	(\$) 2016	(\$) 2015
PLANT AND EQUIPMENT		
COST OR FAIR VALUE	27,484	9,091
ACCUMULATED DEPRECIATION	(2,680)	(305)
	24,804	8,786
NET PLANT AND EQUIPMENT	24,804	8,786

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 5:
 PROPERTY PLANT
 AND EQUIPMENT**

CONTINUED

	(\$) PLANT & EQUIPMENT	(\$) TOTAL
2016		
OPENING NET BOOK AMOUNT	8,786	8,786
ADDITIONS	18,393	18,393
DEPRECIATION CHARGE	(2,375)	(2,375)
CLOSING NET BOOK AMOUNT	24,804	24,804

**NOTE 6:
 TRADE AND OTHER
 PAYABLES**

	(\$) 2016	(\$) 2015
TRADE PAYABLES	69,064	232
GOODS AND SERVICES TAX	65,452	—
OTHER PAYABLES	17,049	19,105
	151,565	22,603

**NOTE 7:
 NON-CURRENT
 LIABILITY LOANS**

	(\$) 2016	(\$) 2015
PARENT ENTITY REVOLVING LOAN	6,190	26,499
	6,190	26,499

On 1 November 2014, MGA entered into a revolving loan facility of up to \$350,000. The facility is currently drawn to \$6,190, was due to terminate on 31 May 2017 and has now been extended to 30 June 2019. The loan is repayable within 8 weeks from the date the lender gives notice in writing to the borrower requiring the repayment of the outstanding amount but not before 30 June 2019. The rate of interest depending on certain conditions being met is between 6.5% per annum and 9.5% per annum (or such other rate as may be agreed between the Borrower and Lender from time to time).

**NOTE 8:
 CONTINGENCIES**

As at 30 June 2016, there were no other contingent assets or liabilities.

**NOTE 9:
 EVENTS AFTER
 BALANCE SHEET
 DATE**

There have been no items of significance subsequent to 30 June 2016, and as at the date of this report that would impact the results as outlined in this financial report.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 10:
 RECONCILIATION
 OF PROFIT /
 (LOSS) TO NET
 CASH INFLOW
 FROM OPERATING
 ACTIVITIES**

	(\$) 2016	(\$) 2015
PROFIT FOR THE YEAR	2,030	805
DEPRECIATION AND AMORTISATION	2,375	305
CHANGE IN OPERATING ASSETS AND LIABILITIES:		
DECREASE / (INCREASE) IN TRADE AND OTHER RECEIVABLES	494	(2,994)
DECREASE / (INCREASE) IN OTHER CURRENT ASSETS	14,000	(14,000)
INCREASE IN TRADE AND OTHER PAYABLES	128,962	2,732
DECREASE IN OTHER LIABILITIES	(20,309)	26,499
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	127,552	30,486

**NOTE 11:
 MEMBER
 GUARANTEE**

MGA is incorporated with the liability of members limited by guarantee. In accordance with the MGA constitution, the liability of the members, is limited to \$2 (2015: \$2) in the event MGA is wound up.

**NOTE 12:
 KEY MANAGEMENT
 PERSONNEL**

	(\$) 2016	(\$) 2015
KEY MANAGEMENT PERSONNEL COMPENSATION		
KEY MANAGEMENT PERSONNEL COMPENSATION	—	—

All directors provide their services on a voluntary basis and do not, other than for reimbursement of approved expenses incurred, receive remuneration from the Company. The directors were considered to be the only Key Management Personnel of the Company because they are the only persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key decisions in respect of planning, directing and controlling are only made by the Board of Directors.

**NOTE 13:
 RELATED PARTY
 TRANSACTIONS**

MGA provided the following services to its immediate parent, SGLMG:

(a) Workshop

MGA provides a workshop to SGLMG to build floats for the SGLMG parade. MGA charges the full costs of the workshop and a management fee back to SGLMG.

(b) Management Services

MGA employs the management staff and provides management services back to SGLMG on a shared cost basis. Costs are shared at the end of each financial year on a pro-rata basis to revenue

DIRECTORS DECLARATION

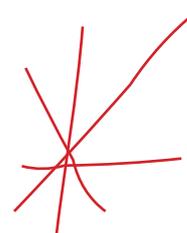
The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6-17, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2016 and of its performance 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.
3. As an authorised fundraiser:
 - (a) the Statement of Profit or Loss and Statement of Other Comprehensive Income gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals, and
 - (b) the Statement of Financial Position gives a true and fair view of the state of affairs of the Company with respect to fundraising appeals conducted by the Company, and
 - (c) the provisions of the Charitable Fundraising Act 1991, the Regulations under the Act and the conditions attached to the authority have been complied with by the Company, and
 - (d) the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from all of our fundraising appeals.

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

Director

Director



Frances Bowron

Damien Hodgkinson

Dated this 5th day of September 2016

SUPPORTING OUR COMMUNITY

Sydney Gay and Lesbian Mardi Gras helps community groups throughout the year by sharing the use of our facilities, donating event tickets for fundraising, by direct cash donations and/or contra support.

CASH DONATIONS

Queer Screen - \$15,871 raised through *In Bed With Madonna* screening at Harbour

NSW Gay & Lesbian Rights Lobby - \$15,000 annual donation to support its valuable work for our LGBTI communities

Bobby Goldsmith Foundation and NSW Gay & Lesbian Rights Lobby split \$3,493 raised through cloakroom services at events

Sydney Gay & Lesbian Choir – \$2,090 donation for performing Mamma Mia sing-a-long event at Harbour

COMMUNITY GRANTS

SGLMG donated a total of \$10,096.36 to the following community groups to help create their Parade floats:

- Devilishly Tasmanian
- ACON
- Hashtag Honeys
- Inner City Legal Centre
- Lady Business
- Muslims Against Homophobia
- People with a Disability Inc.
- Rainbow Babies & Kids
- Rainbow Families
- Studio 54 / For the Love of Sequins
- The Baroness Toni Abbess Von Tax Payer Funded
- Wear it Purple
- People's Republic of Mardi Gras

MEMBERSHIP

The membership of Sydney Gay and Lesbian Mardi Gras now stands at 1,415 members, up from 1,328 in 2015.

Our members are important and valuable to us. They're entitled to event earlybird ticket discounts, special offers, and exclusive event opportunities as we lead up to our 2017 season.

Membership also offers the chance to have a say in how the organisation is run. Each year there are several opportunities to have your voice heard and your vote counted.

With the changing face of Sydney and global discussions about the rights of LGBTQI people, it's vital to have you stand with us and let us know what you think.

We thank all our members for their support, and encourage more people to get involved and have their voice in our organisation.

Spread the word about Sydney Gay and Lesbian Mardi Gras membership – find out more at www.mardigras.org.au/membership



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SYDNEY GAY AND LESBIAN
MARDI GRAS



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MARDI GRAS

**WE ARE A NOT-FOR-PROFIT ORGANISATION THAT
RELIES ON COMMUNITY VOLUNTEERS AND MEMBER
SUPPORT TO PRODUCE OUR LGBTQI FESTIVAL**

Thank you in particular to all our members, amazing volunteers and working groups, to the many performers, individuals and venues who generously donated time, resources and expertise, our partners and suppliers, our staff and contractors, our ambassadors, the 78ers, our founding organisations and the many other community organisations we partner with, our media partners, the medical team and teams in emergency services and other agencies who support our events and keep us safe, our friends in Government and of course, to all the people of our diverse communities who came together and shared their passion in what was a truly spectacular 2016 Sydney Mardi Gras Season.

**THE BOARD AND ENTIRE TEAM OF
SYDNEY GAY AND LESBIAN MARDI GRAS**

SEE YOU NEXT YEAR!
PARADE & PARTY: SAT 04 MARCH 2017

THANK YOU
SYDNEY GAY AND LESBIAN MARDI GRAS