SEASON HIGHLIGHTS: MARDI GRAS CREATING EQUALITY

Thank you for a spectacular Sydney Gay and Lesbian Mardi Gras 2017! The very best in LGBTQI creativity and diversity brought us together at more than 90 events from 17 February to 5 March.

Along with eye-popping, heart-warming, soul-soaring and life-affirming experiences, our festival also highlighted ways that we can work together to eliminate discrimination and prejudice in all its forms. No one is equal until we are ALL equal.

Our Mardi Gras spirit ignited in vibrant colours across the city in one of the world’s greatest celebrations of creative self-expression and social justice.

MY PEOPLE | MY TRIBE

The 2017 Mardi Gras season theme CREATING EQUALITY artwork featured a selection of stunning stripped-down photographs from the ongoing My People | My Tribe photography project #barenakedtruth.

Our big and bold 20 metre long, 2.4 metre high EQUALITY letters were unmissable at Fair Day, the Parade and Party. Each letter featured a different participant from the My People | My Tribe community project, highlighting the wonderful diversity of our LGBTQI community. Each subject shared real-life experiences of coming out, facing adversity and discovering strength in uniqueness.

KOORI GRAS @ 107

A new addition to our program, Koori Gras @ 107 was a week-long festival all of its own, and a chance to discover Aboriginal and Torres Strait Islanders’ long history of passionate involvement with Mardi Gras.

The Black Nulla cabaret night was packed with First Nations drag entertainers, the Black Point roundtable encouraged dialogue about local services and events, and the special Koori Gras exhibition provided glimpses into the shared stories and history for First People’s gay, lesbian, bi-sexual, transgender, Sistagirl, Brothабoy, intersex and queer communities.

Koori Gras was produced by Moogahlin Performing Arts in association with 107 Projects, Intimate Spectacle and Sydney Gay and Lesbian Mardi Gras.
FAIR DAY
Newtown truly embraced the annual LGBTQI family fun day, with rainbow decorations at the train station along with many Mardi Gras posters and messages of support in the windows of local businesses lining King Street.

Tens of thousands of our closest friends and their precious pups joined us at 2017’s Fair Day location, Camperdown Memorial Rest Park, to browse the 200+ stalls, sample the tasty treats, meet a variety of LGBTQI organisations, catch the action at Team Sydney’s Sports Village, strut on stage showing off their fabulous Fashions of the Fair, and get their pooches pampered at ACON’s Doggywood.

The excellent line-up of entertainment on the ANZ Main Stage included the fabulous Callum Francis from Kinky Boots, The Voice winner Alfie Arcuri, Melinda Schneider, Trevor Ashley, Swing Out Sydney, Aimee Francis, Hannah Conda, Greg Gould, the Sydney Gay and Lesbian Choir, DJ Kitty Glitter and many more.

“Cannot wait for next year, I think I’ve found my new favourite holiday!”
Andy Taylor on facebook

ART GALLERY OF NSW HOSTS QUEER THINKING
Queer Thinking had a new home for 2017, and plenty of smart guests. The Art Gallery of NSW had a fabulously queer makeover sparking extraordinary storytelling, discussion, creativity and talent. The weekend featured a ‘Queer Warhol’ discussion of the artist’s early works, and the EqualiTEA Party featuring speakers Benjamin Law, Bonnie Hart, Teddy Cook, Jordan Raskopoulos, Jacqueline Tomlins and Be Steadwell. Later in the week, Politics in the Pub was brought to you by the Australian Marriage Equality Campaign at the Beresford Hotel.

POOL PARTY
A splashy favourite event in our festival, the annual party at the Ivy Pool Club was our first event of 2017 to completely sell out. It was fun in the sun with glorious weather and plenty of tourists frolicking with the locals. Thanks to party guru Dan Murphy and DJs Du Jour, Matt Emblen, Andrew Gibbons, Brett Austin and Amanda Louise for their thumping poolside beats!

DIAMONDS ARE FOR TREVOR
The irrepressible Trevor Ashley provided a highlight of the Mardi Gras season, taking to the Opera House stage to celebrate Dame Shirley Bassey’s 80th birthday with an incredible tribute show. With his trademark humour, unrivalled set of lungs, and sequins to spare, Ashley performed dozens of Bassey classics accompanied by a stunning 24-piece orchestra. Result: A standing ovation and smiles all around!

MARDI GRAS COMEDY FESTIVAL
Mardi Gras had never been this hilarious before. We partnered with Frontier Comedy who presented the Mardi Gras Comedy Festival, bringing comedians from all over the world for a week of laughs! Joining us were Ireland’s Panti Bliss, the UK’s Stephen K Amos, the USA’s Bridget Everett and Dixie Longate, and there were local acts galore too, all kicking off with a star-studded, fun filled, glittering and glamorous comedy gala.

QUEER ART AFTER HOURS
Fun, fabulous... and free! Queer Art After Hours was a stunning showcase of the best new contemporary queer performing artists. A big crowd enjoyed our star-studded queer line-up: Glitta Supernova, Blake Lawrence, Matt Format, Brendan Maclean, Cocoloco, James Welsby, The Huxley’s and Verushka Darling. What an amazing night of home-grown entertainment!

CHILI PHILLY: CROCHET SOCIAL
Witty knitter Phil Ferguson’s wearable arts were on display at the Australian Design Centre all through Mardi Gras season. Igniting a crochet craze with the food-inspired cheeky designs that made him insta-famous.
SEASON HIGHLIGHTS

2017 PARADE
187 floats, 12,000+ participants, 300,000 spectators! 2017’s Parade was truly spectacular. The passion and enthusiasm of waving participants and cheering spectators made for a truly awesome and inspiring experience.

While we celebrated our wonderfully colourful communities, we also had a number of floats dedicated to important issues. Marriage equality, refugees, mental health and the recognition of transgender rights were all represented widely in this year’s Parade.

We were also thrilled to have the First Nations float who worked together with the original 1978 Mardi Gras marchers to begin the Parade.

This year Mardi Gras partnered with Google to increase our capacity to provide individuals and community groups with grants up to $5,000 each to support their parade entry. The grants program helped 16 community organisations lift their parade entries to a completely new artistic level.

Coverage of the Parade was popular for SBS, reaching a combined total of 1 million viewers across its screenings on SBS and SBS Viceland. Hosts Patrick Abboud, Faustina Agolley, Joel Creasey and Em Ruciano led the highlights show, while commentators from JOY 94.9 provided commentary during the live streaming online via Facebook, YouTube and the SBS On Demand website.

THE PARTY OF THE YEAR
Thousands of punters of all persuasions packed the Mardi Gras Party zones and danced the night away. The incredible line up of international and home grown music acts included The Veronicas, Client Liaison, Steve Grand, Sydney’s Nat Conway, Peyton, Luke Anthony and DJs Sylvin Wood, Joelby, Corey Craig, THE SWEATS, Citizen Jane, High Low, Anhy and local favourites Kate Monroe, DJ Tiny, Rob Davis, Dan Murphy, Oxford Hustlers, Jim.Jam and DJ Mickey.

There were plenty of big shows on the RHI stage, while the Hordern Pavilion was a jungle of special effects as lasers cut through a real-life forest featuring wild performances and pop-up happenings, creating a bizarre world of debauchery and fun.

LANEWAY
We kissed goodbye to another magical memorable Mardi Gras season at The Beresford Hotel. Our Laneway party was another sell-out, farewelling the 2017 season in style, and featuring powerhouse vocalists Peyton, Zoë Badwi and Paulini in pop-up performances.

“What you do is create magical memories for thousands of people.”

Jim Argent on facebook
CEO REPORT

Terese Casu
CEO

Our community around the world face violence and inequality because of who they love, how they look, or who they are. This year we experienced a groundswell within our community and our young people, awakening to the harsh reality that in our own civilised country, the fight for full LGBTQI equality, that we thought was so close... is far from over.

Sydney Gay and Lesbian Mardi Gras was built on the foundations of social justice. 39 years on we remain committed to supporting and working with our vibrant community to advocate for positive change and equality for all Australians. We honour the incredible tenacity and achievements of our community, and the amazing individuals across Australia that have worked so hard for social justice.

The 39th Mardi Gras was true to its theme: Creating Equality. Our staff and Board worked closely with our community and partners to celebrate LGBTQI identity, and the power and beauty of diversity.

Engagement with the community continues to be a priority for Mardi Gras and we were delighted to support over 90 community events across Sydney in our Mardi Gras Festival. We know we are stronger when we work together, 2017 was a testament to this. Our events sold out, corporate partnerships increased by 30%, and a number of exciting new creative partnerships were established including the Art Gallery of NSW, where we presented our Queer Thinking program and Queer Art After Hours that saw us taking over the Art Gallery with pop up queer performances. The wonderful First Nations partnership Koori Gras at 107 Redfern Street provided a hub for Aboriginal cabaret and included a stunning exhibition by Tim Bishop of First Nations participation in Mardi Gras over 39 years.

I was honoured to lead the wonderful new Mardi Gras team in my first year as CEO and am privileged to be one of the caretakers of this extraordinary organisation. I would like to acknowledge all the leaders that have left a legacy at Mardi Gras over the last 39 years and thank them for their tireless commitment – you have not gone unnoticed. We were delighted to welcome our new Creative Director to the team, the indefatigable Greg Clarke who bought new vitality to our Parade and Festival. I would also like to express my gratitude to the Volunteer Manager Sam Hartland and the amazing team of volunteers in 2017. Mardi Gras was created and shaped by volunteers within the LGBTQI community and remain part of our vital life force.

My sincere thanks to our Co-Chairs and Board Directors who volunteer their time and provide leadership and support. And to all our incredible staff and every person who participated in working groups, helped raise funds, wrangled crowds, managed traffic, bandaged ankles, held a hand and danced until dawn... thank you!

We look forward to seeing you all next year for our fabulous 40th birthday celebrations.

CREATIVE DIRECTOR REPORT

Greg Clarke
CREATIVE DIRECTOR

What an incredible honour it was to have the opportunity to be the Creative Director of the 2017 Sydney Gay and Lesbian Mardi Gras. It was a joyous celebration in which our diverse communities came together to dance, play, be seen, be entertained and party.

Fair Day found a temporary home at Camperdown and our giant EQUALITY letters featuring the stunning My People | My Tribe photographs set the stage for what was an amazing day. The very timely theme of ‘Creating Equality’ was woven throughout the program and the giant EQUALITY letters were also on show at the Parade, forming a wonderful tableau for the opening ceremony in Taylor Square.

Our new partnership with the Art Gallery of NSW saw us present a number of special events around the Adman: Warhol before pop exhibition including Queer Thinking, a special new event Queer Art After Hours and the spectacular gold-glittered Warhol shoe float in the Parade.

We discovered the history of First Nation’s involvement in Mardi Gras through an extraordinary exhibition curated by Tim Bishop and produced by Moogahlin Performing Arts in association with 107 Projects, Intimate Spectacle and Sydney Gay and Lesbian Mardi Gras. We were thrilled to have welcomed the Tiwi Island Sistagirls to Sydney for Mardi Gras this year – they truly were one of the highlights of this year’s Parade.

With thousands of party-goers from around the city, across Australia and all over the world, the Party was an unmissable extravaganza featuring The Veronicas, Client Liaison, Steve Grand and an exciting midnight community show featuring My People | My Tribe, community dancers, Sydney’s fabulous drag queens, and singers Peyton, Greg Gould, Luke Anthony, Hannah Macklin and Nat Conway.

The 2017 Mardi Gras was an incredible achievement by all involved: from the participants, the artists, and the producers; the audiences and visitors; Mardi Gras staff, volunteers and the Board; and to our Government supporters and corporate partners. Thank you everyone.
Sydney Gay and Lesbian Mardi Gras has been Creating Equality since 1978.

Members of the LGBTQI communities were doing so long before that, and have continued to do so ever since. Particularly so in Season 2017 as we partnered with My People | My Tribe and presented an amazing celebration of our diverse and resilient communities.

We remain one of the largest Pride parades, and one of the most recognised LGBTQI diversity and social justice organisations in the world. The Parade was once again at capacity with 12,150 members of the our LGBTQI communities and their supporters from all over the world marching in pride. Together with the street audience of over 300,000, and the SBS TV Broadcast reaching over 1,000,000 people, we came together in an explosion of colour and glamour to celebrate and champion equal rights.

This year also saw the consolidation of our transformation journey across the organisation that we outlined in our 2015 Annual report, which has resulted in another pleasing surplus. We continued to build partnerships with other arts, theatrical and cultural organisations to reach an even broader audience. The Art Gallery of New South Wales provided the hub for several Festival events including Queer Art After Hours and Queer Thinking, while a highlight of this season was the festival-within-the-festival that was Koori Gras, in partnership with 107 Projects. A vibrant showcase of the history of First Nation’s involvement in Mardi Gras.

Our largest community event Fair Day moved temporarily to a new location in 2017 in Camperdown Memorial Rest Park. 75,000 friends and family celebrated together and provided us with the opportunity to reassess and review how Fair Day operates and how it can be even more spectacular.

We continued to invest in digital and social media channels that saw communications reach an audience of over 12 million and a circulation of 1.6 billion between the launch and end of season.

Work has already begun to catalogue and digitise the enormous amount of historical material available about our communities and celebrations. Our stories will reach regional, interstate and international audiences through a roaming Mardi Gras museum.

This year thanks to the work of our membership committee, the organisation issued its new membership programme and member cards. Membership is now grown to 2,175 an increase of 706 on 30 June 2017.

Membership is now focused on aligning our members and organisation focus on the social justice impacts that effect our community Mardi Gras is the creation of many people and we could not do any of this without the support of so many people and organisations working tirelessly each year:

Terese Casu, CEO and Greg Clarke, Creative Director brought their 60 years of arts, events and festival experience within LGBTQI and broader communities and created a truly memorable season.

Our volunteers, staff, working groups and committees who are the life-blood of our amazing organisation. No amount of thanks is ever quite enough. They are wonderful and extraordinary human beings.
We continue to shine as a beacon of hope and diversity in Australia and around the world. We celebrate our LGBTQI identities and the power and beauty of diversity.

Each of us makes a difference, and together we make change. We have proved that time and again; and we continue to do so as we work together and celebrate together to Create Equality.

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 Principal Partner ANZ, who recognise that supporting Mardi Gras shows their employees and their customers that they truly embrace and support diversity.

This year we completed the final stages of our initial transformation plan:

- We restated our accounts to 30 June each financial year to coincide with acquittal of the grants and sponsorship programmes;
- We restated our financial statements for members to show performance between operating segments to help us better identify events for further investment or restructure which included the Main party and Harbour party;
- We made a strategic decision to be more inclusive of other event producers to expand the festival, and we assessed each event on set criteria to ensure they appealed to a more diverse audience;
- We continued to build more artistic partnerships with other organisations so they could become our voice and tell our stories;
- We brought sponsorship in-house to better manage costs and create better alignment with our sponsors internal staff diversity programmes;
- We completed a feasibility study of parade and determined that there would be no change to the parade route until at least 2025 due to transport construction programmes;
- We commenced cataloguing of our digital and recorded history to facilitate the roaming museum which will commence as part of the 2018 festival.

Now that the organisation has re-established its liquid reserve levels and has demonstrated it can generate sustained surpluses, it is now time to re-invest those future surpluses in the future of our festival and in our community.

PARADE GRANTS

This year we introduced a number of new Parade and Community Grants programmes in conjunction with our corporate sponsor Google.

Google contributed $35,000 to create a Parade Grant programme to assist community organisations in putting floats into the parade.

ART AND COMMUNITY GRANTS

Next year Mardi Gras in conjunction with major sponsor ANZ will allocate a percentage of surplus operating funds to new community grants and arts programmes for the development of the Mardi Gras festival in the future.

PUBLIC GIFT FUND

This coming season Mardi Gras will co-fund with City of Sydney a new piece of artwork to be exhibited at Taylor Square during the 2018 season.

The organisation will contribute $40,000 from its Public Gift Fund for the artwork, with $80,000 in funding being provided by a special grant from the City of Sydney.
MARDI GRAS AT A GLANCE

17 DAYS

90+ EVENTS

590,000 FESTIVAL AUDIENCE*

COMMUNITY

PERFORMING ARTS

VISUAL ARTS

FILM & DESIGN

PARTIES

SPORTS

SGLMG ATTRACTS A DIVERSE NATIONAL AND INTERNATIONAL AUDIENCE TO SYDNEY EACH YEAR

37% of our attendees come from interstate or overseas. Mardi Gras is a key tourist destination as the largest LGBTQI festival of its kind in the world

Stollznow Audience Research 2017

16,400 PARTICIPANTS

12,150 PARADE

2,656 EMPLOYMENT

1,311 VOLUNTEERS

269 ARTISTS

* 500,000 Parade; 70,000 Fair Day; 12,007 Party; 2,641 Laneway; 1,700 Diamond Club; 1,973 Side Show; 700 Pool Party; 100 Queer Thinking.

2017 Annual Report
SYDNEY GAY AND LESBIAN MARDI GRAS MEANS A LOT TO MANY

MARDI GRAS IS IMPORTANT
94% AGREE

MARDI GRAS ALLOWS CREATIVE EXPRESSION
92% AGREE

MARDI GRAS ADVANCES THE INTEREST OF THE LGBTQI COMMUNITY
90% AGREE

MARDI GRAS 2017 Post-Event Research - April 2017 Stollznow Research and Insights Advisory

1.6 BILLION TOTAL CIRCULATION

1 MILLION BROADCAST AND DIGITAL REACH VIA SBS AND VICELAND 2017

5.5K PRESS CLIPPINGS

1.311 NSW
1.151 NATIONAL
1.376 OTHER STATES
270 INTERNATIONAL

2017 Media Results (8 Sep 16 – 31 Mar 2017 data) Cardinal Spin

12 MILLION DIGITAL REACH

7,300,000 Facebook
3,200,000 Twitter
30,000 Instagram

24,000 Page Views

1,400,000 68.7% INCREASE SINCE 2016

From October 1st 2016 to March 12th 2017
mardigras.org.au

Mardi Gras 2017 Post-Event Research - April 2017 Stollznow Research and Insights Advisory
Once again our extraordinary volunteer workforce helped us deliver a series of world-class events, made new friends, and had a fun and rewarding experience doing it! The 2017 SGLMG season saw over 1,300 volunteers joining our ranks, many volunteering for the first time but hopefully not the last.

Some of the notable moments and achievements for the 2017 season include:

- Combined Volunteer Thank You and MG Awards afternoon on The Sky Terrace. A well-attended and social end to the season to say thank you and reflect on our collective achievements.
- MG season launch in December, which was supported by an engaging and professional team of volunteers who helped run the event.
- The Fair Day volunteer working group rose to the challenge of moving the event to a new park with energy and excitement, which provided the platform for the event to be a success.
- The inclusion of Queer Art After Hours and Queer Thinking we were able to provide new and diverse volunteer engagement opportunities.
- Particular thanks must go to our core team of Workshop volunteers who supported us with all the painting and glittering they could handle.

Volunteers are the energy, spirit and life of Sydney Gay and Lesbian Mardi Gras.

**WHY VOLUNTEER WITH US?**
Sydney Gay and Lesbian Mardi Gras offers you the opportunity to meet new people, learn new skills, share and contribute to the organisation, learn about our communities and have a great time. At the same time, we offer invitations to social events and functions, your chance to be recognised in the annual Sydney Gay and Lesbian Mardi Gras Awards, discounted and complimentary tickets to our events, and products and services offered by sponsors from time to time.

**WANT TO GET MORE INVOLVED?**
Volunteer opportunities at SGLMG are wide-ranging and varied from event operations to information technology to human resources and logistics. Make sure you check out our website regularly for current volunteering opportunities available for you.

**EVENT DAY OPPORTUNITIES**
During season we have volunteering opportunities at all of our major events from Fair Day to Parade and everything in between! We usually start recruiting for event day volunteers in spring. All our volunteer opportunities are advertised through our website www.mardigras.org.au

**ONGOING VOLUNTEER OPPORTUNITIES**
In addition to our event day roles we have ongoing volunteer opportunities in a variety of different leadership, professional and skilled roles.

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

Daniel Lester is our volunteer of the year 2017.
Daniel has shown leadership, teamwork, innovation, service and embodies all of the organisations values.
Daniel has been volunteering with Sydney Gay and Lesbian Mardi Gras for over 15 years.
As a volunteer Daniel is communicative, passionate and selfless in his commitment to the organisation and his role. In his role as manager of the Parade registration team he plays a pivotal part in the success and smooth running of the Mardi Gras Parade.
SGLMG are incredibly thankful to Daniel for the sharing of his skill, insight, management abilities and beautiful energy with us.

Congratulations!

“... the entire organization was flawless”
Stefano Mercanti on facebook

VOLUNTEER OF THE YEAR 2017

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Congratulations!
The Mardi Gras Awards signalled the official end to the spectacular 2017 season. The extended Mardi Gras family came together on a beautiful sunny afternoon at the Sky Terrace bar at The Star, to celebrate and acknowledge the incredible achievements of our communities throughout the season.

The Awards consisted of a number of different areas and categories. The recipients of the 2017 Sydney Gay and Lesbian Mardi Gras Awards were:

### WORKFORCE AWARDS

**EXCELLENCE IN INNOVATION**  
Alan O’Riordan and Rick Stone

**EXCELLENCE IN SERVICE**  
Adrian Hinder

**EXCELLENCE IN TEAMWORK**  
Louis Hudson

**EXCELLENCE IN LEADERSHIP**  
Kim Williams

**ICARE AWARD**  
Laura Fazzolari

**VOLUNTEER OF THE YEAR**  
Daniel Lester

**LIFETIME ACHIEVEMENT AWARD**  
Ann-Marie Calilhanna

### FAIR DAY AWARDS

**BEST STANDARD STALL**  
University of Sydney

**BEST FOOD STALL**  
Berlin Bangers

**BEST COMMUNITY STALL**  
The Gender Centre

**FAIR DAY STALL OF THE YEAR**  
Uniting

**FAIR DAY SPECIAL COMMENDATIONS**

### PARADE AWARDS

**BEST CHOREOGRAPHY**  
Glamcocks

**RON MUNCASTER AWARD FOR BEST COSTUME**  
The Force of Love

**BEST FLOAT DESIGN**  
Poof Doof

**BEST INDIVIDUAL OR SMALL GROUP**  
Wonder Mama and Friends

**RON AUSTIN AWARD FOR MOST FABULOUS PARADE ENTRY**  
Oceania Rainbow Network

**PARADE SPECIAL COMMENDATIONS**  
Sydney Rangers  
Sydney Queer Irish  
Sydney Trans Pride

**FAIR DAY special commendations**

Pink Mountains  
Rainbow Store  
Rainbow Families
PARTNERSHIPS

Partnerships at Mardi Gras showcase the wonderful contribution that businesses make in the LGBTQI space through their diversity and inclusion initiatives with their own staff, and support of the broader community during Mardi Gras.

Mardi Gras prides itself on developing strong ties with business and government to deliver the annual festival. We partner with organisations that demonstrate a strong commitment to supporting the LGBTQI community both within their own staff and broader society. Through the generous support of its partners, via cash and contra investments, Mardi Gras is able to heavily subsidise community involvement in the festival, and spread the message of equality and diversity further in innovative ways.

In 2017, Mardi Gras employed a full-time Partnerships Manager and part time coordinator to bring the procurement and delivery of sponsorships in-house. This resulted in the authentic engagement with partners to respond to Mardi Gras 2017 theme of Creating Equality.

Mardi Gras cash income rose by 19% in 2017 compared to the previous year, with a combined government and corporate investment of $1,998,760. Contra investment rose by 13% to $499,300.

Mardi Gras continued its important partnership with Strategic Sponsor, Destination NSW, helping to deliver the world acclaimed Mardi Gras Parade, and profile the festival as a key tourist attraction in Sydney and NSW. The City of Sydney also continued to support Mardi Gras and the LGBTQI communities in many ways in 2017.

Mardi Gras celebrated another fantastic year with Principal Partner, ANZ, who this year won three Cannes Lion awards for their Mardi Gras #Holdtight campaign. ANZ was named Australia’s 2017 Employer Of The Year, received the 2017 Transgender Inclusion Award, and ANZ’s Dave Beks was recognised as Out Role Model of the year at the LGBTI Inclusion Awards.

In 2017 SBS also continued its important relationship with Mardi Gras, and moved the national broadcast of Parade from SBS2 to SBS1, and increased the reach of community messaging via its affiliate broadcaster Viceland.

Mardi Gras welcomed back Major Partners: Medibank, Qantas, Airbnb, Facebook, Ansell, The Star and Brown Forman, and new Major Partners: Holden and MLA.

Mardi Gras received a record 1.6 billion engagements in the media this year due to our publicist, Cardinal Spin, and collaborative partnerships with: KIIS 1065, Sydney Star Observer, JOY FM, BuzzFeed, samesame and DNA magazine.

Mardi Gras official Supporters and Suppliers for 2017 were: ACON, IVFAustralia, Google, Lush, QT Sydney, Australia Post, Minter Ellison, V Energy, Barefoot Wines and Asahi.

Mardi Gras would also like to thank the important contribution made by our Festival and Venue Partners: Queer Screen, Art Gallery NSW, Moogahlin Performing Arts, Australian Design Centre, Playbill Venues, The University of Sydney and Frontier Comedy.

Each year Mardi Gras works with numerous production companies and suppliers to deliver the festival for audiences. In 2017 we’d like to thank Fourth Wall, Mothership Events, Hamiltons Hospitality, Playbill Venue Management, Max Watts and Norwest Productions for their incredible work during Sydney Gay and Lesbian Mardi Gras.

“Respect and Diversity are core values of our organisation, and we are proud to be a part of the Mardi Gras family”

Hayley Smith
Senior Manager Sponsorship, ANZ

COMMUNITY GRANTS

SGLMG with the support of Google provided a total of $35,000 to community organisation in 2017 via the Community Parade Grants Program to support their Parade floats:

- AISSGA – intersex support group
- Selmat Datang
- People with Disability Australia
- Life Savers with Pride
- Trans Sydney Pride
- Sistagirls
- Psychedic Love Float
- Sydney Women’s AFL
- GLAD – doctors and dentists
- Wett Ones Sydney Swim Team
- Inner City Legal Centre
- DAYENU – Jewish LGBTQI group
- Gay Tradies
- Oceania Rainbow
- Flourish Australia
- Different Stroke Dragon Boat Club
- Departure Lounge (NT sexualhealth)
The Board of Directors of Sydney Gay and Lesbian Mardi Gras Ltd and Mardi Gras Arts Ltd are pleased to announce a surplus on operations for the year ended 30 June 2017 of $173,780, building on our previous surplus for the year ended 30 June 2016 of $183,068.

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<td>37,676</td>
<td>43,218</td>
<td>(5,542)</td>
<td>72,826</td>
<td>(35,150)</td>
</tr>
<tr>
<td><strong>CONTRA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total income</td>
<td>$5,421,523</td>
<td>$5,115,894</td>
<td>$305,629</td>
<td>$5,071,619</td>
<td>$349,903</td>
</tr>
<tr>
<td><strong>COST OF SALES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contra</td>
<td>14,300</td>
<td>24,007</td>
<td>(9,707)</td>
<td>0</td>
<td>14,300</td>
</tr>
<tr>
<td>License &amp; ticketing fees</td>
<td>93,991</td>
<td>100,079</td>
<td>(6,088)</td>
<td>102,408</td>
<td>(8,417)</td>
</tr>
<tr>
<td>Venue</td>
<td>348,420</td>
<td>342,647</td>
<td>5,773</td>
<td>413,481</td>
<td>(73,651)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>674,700</td>
<td>726,246</td>
<td>(51,546)</td>
<td>748,351</td>
<td>(73,651)</td>
</tr>
<tr>
<td>Entertainment</td>
<td>230,312</td>
<td>261,573</td>
<td>(31,261)</td>
<td>242,164</td>
<td>(11,851)</td>
</tr>
<tr>
<td>Production</td>
<td>498,305</td>
<td>473,106</td>
<td>25,199</td>
<td>463,187</td>
<td>35,117</td>
</tr>
<tr>
<td>Security</td>
<td>200,680</td>
<td>134,963</td>
<td>65,717</td>
<td>146,754</td>
<td>53,926</td>
</tr>
<tr>
<td>Event personnel</td>
<td>643,403</td>
<td>682,253</td>
<td>(38,850)</td>
<td>877,324</td>
<td>(233,922)</td>
</tr>
<tr>
<td>Marketing</td>
<td>259,053</td>
<td>179,976</td>
<td>79,077</td>
<td>172,577</td>
<td>86,476</td>
</tr>
<tr>
<td>Other expenses</td>
<td>335,876</td>
<td>367,907</td>
<td>(32,031)</td>
<td>416,001</td>
<td>(80,125)</td>
</tr>
<tr>
<td><strong>TOTAL COST OF SALES</strong></td>
<td>$3,299,040</td>
<td>$3,292,757</td>
<td>$6,282</td>
<td>$3,582,246</td>
<td>($283,207)</td>
</tr>
<tr>
<td><strong>GROSS PROFIT</strong></td>
<td>$2,122,483</td>
<td>$1,823,137</td>
<td>$299,346</td>
<td>$1,489,373</td>
<td>$633,110</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration oh</td>
<td>179,586</td>
<td>426,353</td>
<td>(246,766)</td>
<td>427,260</td>
<td>(247,674)</td>
</tr>
<tr>
<td>Occupancy costs oh</td>
<td>65,181</td>
<td>40,148</td>
<td>25,033</td>
<td>40,148</td>
<td>25,033</td>
</tr>
<tr>
<td>Employee benefits expense oh</td>
<td>835,187</td>
<td>760,392</td>
<td>74,795</td>
<td>321,492</td>
<td>513,695</td>
</tr>
<tr>
<td>Professional fees oh</td>
<td>61,872</td>
<td>46,904</td>
<td>14,968</td>
<td>36,404</td>
<td>25,468</td>
</tr>
<tr>
<td>Contra expenses oh</td>
<td>806,876</td>
<td>492,572</td>
<td>314,304</td>
<td>481,000</td>
<td>325,876</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$1,948,702</td>
<td>$1,766,369</td>
<td>$182,334</td>
<td>$1,304,304</td>
<td>$642,398</td>
</tr>
<tr>
<td><strong>NET PROFIT/LOSS</strong></td>
<td>$173,780</td>
<td>$56,768</td>
<td>$117,013</td>
<td>$183,068</td>
<td>($9,288)</td>
</tr>
</tbody>
</table>
BUSINESS AS USUAL PERFORMANCE – ORDINARY OPERATIONS

<table>
<thead>
<tr>
<th>NET OPERATING SURPLUS REPORTED</th>
<th>YEAR ENDED 30 JUNE 2015</th>
<th>YEAR ENDED 30 JUNE 2016</th>
<th>YEAR ENDED 30 JUNE 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,299,040</td>
<td>$1,73,780</td>
<td>$1,73,780</td>
<td></td>
</tr>
</tbody>
</table>

ADJUSTED BAU PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PARADE</td>
<td>$1,789,400</td>
<td>$1,571,204</td>
</tr>
<tr>
<td>PARADE VIEWING</td>
<td>$455,129</td>
<td>$1,454,275</td>
</tr>
<tr>
<td>WORKSHOP</td>
<td>$381,890</td>
<td>$1,64,842</td>
</tr>
<tr>
<td>SUBTOTAL PARADE</td>
<td>$2,626,419</td>
<td>$1,948,702</td>
</tr>
<tr>
<td>CELEBRATION</td>
<td>$1,569,177</td>
<td>$1,569,177</td>
</tr>
<tr>
<td>FESTIVAL</td>
<td>$1,105,314</td>
<td>$1,105,314</td>
</tr>
<tr>
<td>COMMUNITY</td>
<td>$5,421,523</td>
<td>$5,421,523</td>
</tr>
</tbody>
</table>

This year’s result evidences the enormous turnaround in our operations and the completion of a significant part of our transformation plan. In the last three years, we have rebuilt our liquid reserves to $649,515, allowing the organisation to move into the next phase of its strategic re-development. This was the commitment we gave to members when they voted that the best way to protect our intellectual property was to create a sustainable organisation.

mardigras.org.au
## FINANCE REPORT

### PARADE GROUP
Overall Parade operations produced a small loss of $27,305 a negative variance to budget of $53,453 and $89,088 to the prior year. The reduction in performance was largely driven by an increase in event costs including target hardening for security of $111,979 which was in part offset by sponsorship.

### CELEBRATION GROUP
Overall Celebration operations produced a profit of $316,701 a positive variance to budget of $313,756 and $296,582 to the prior year. The improvement in performance was generated largely from improved ticket sales of $125,107 and the reallocation of overheads $105,033.

### FESTIVAL GROUP
Overall Festival operations including Fair Day produced a loss of $148,562 a negative variance to budget of $186,604 and $183,111 to the prior year. The reduction in performance was driven by an increase in event costs and overhead allocations of $106,512.

### COMMUNITY GROUP
Overall Community operations produced a surplus of $32,946 a positive variance to budget of $43,313 and a negative variance to prior year. The improvement in performance is due to an increase in membership over the last 12 months. Membership has increased from 1,469 to 2,175.

### INTERNAL FINANCE TEAM
This season we took the strategic decision on not to appoint a treasurer and to build financial capacity and knowledge within the business. This reduces the overall risk to the organisation of the need for qualified accountants or finance professionals at the Board level.

### IMPORTANT NOTE CASH DONATIONS – QUEERSCREEN 2016
On page 9 of our 2016 Annual Report there was a reporting error under cash donations in respect to Queerscreen. The amount should have read $4,290 and not $15,871. Queerscreen received $4,290 as revenue share in respect to In Bed with Madonna at Harbourama at $5 per ticket. The amount was incorrectly categorised as a donation in the body of our report. The amendment does not impact our financial statements in any way.

## BROUGHT TO YOU BY

### CONTRIBUTORS

<table>
<thead>
<tr>
<th>MG18 Annual Report_FA.indd</th>
<th>16</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/7/18 4:31 pm</td>
<td></td>
</tr>
</tbody>
</table>
SYDNEY GAY AND LESBIAN
MARDI GRAS LTD
ABN 87 102 451 785

Financial Report
For the year ended 30 June 2017
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SYDNEY GAY AND LESBIAN MARDI GRAS LTD
ABN 87 102 451 785

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 ("MGA") (together referred to as "the Group") for the year ended 30 June 2017 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.

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Date appointed</th>
<th>Date Retired</th>
<th>Board Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>A</td>
</tr>
<tr>
<td>Frances Bowron</td>
<td>4 September 2013</td>
<td>12 May 2017</td>
<td>15</td>
</tr>
<tr>
<td>Darren Bruce</td>
<td>6 February 2014</td>
<td>12 November 2016</td>
<td>4</td>
</tr>
<tr>
<td>Damien Hodgkinson</td>
<td>16 May 2014</td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>Gregory Small</td>
<td>24 August 2014</td>
<td>12 November 2016</td>
<td>6</td>
</tr>
<tr>
<td>James Brechney</td>
<td>24 August 2014</td>
<td></td>
<td>13</td>
</tr>
<tr>
<td>Brandon Bear</td>
<td>24 August 2014</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>Silke Bader</td>
<td>14 November 2015</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Aidan Read</td>
<td>14 November 2015</td>
<td>31 May 2017</td>
<td>14</td>
</tr>
<tr>
<td>Jesse Matheson</td>
<td>12 November 2016</td>
<td></td>
<td>13</td>
</tr>
<tr>
<td>Kat Dopper</td>
<td>12 November 2016</td>
<td></td>
<td>12</td>
</tr>
</tbody>
</table>

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 Chair and Phillip Kershaw and Stacey Dowson were the Co-Chairs 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
Phillip Kershaw (Independent Co-Chair)
Stacey Dowson (Independent Co-Chair)
Sarah Morgan (Independent Member)
Alisdair Campbell (Independent Member)
**DIRECTORS' REPORT**

**Information on Directors**

Damien Hodgkinson is a non-executive director of Ceramic Fuel Cells Limited (CFU) a listed litigation management and manufacturing business on the Australian Stock Exchange Limited.

None of the other 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.

<table>
<thead>
<tr>
<th>Name</th>
<th>Qualifications</th>
<th>Experience</th>
<th>Special Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frances Bowron</td>
<td>BA (Political Theory &amp; Sociology) Masters of Technology Management Masters of Human Rights Law and Policy Certified MSP (Managing Successful Programs) Practitioner Cert IV Training &amp; Assessment</td>
<td>Board member for 5 years Women's Committee 2 years WIC Board for 4 years Contract project and program manager in public and private sector</td>
<td>Co-Chair Governance Audit and Risk Committee People &amp; Governance Committee</td>
</tr>
<tr>
<td>Damien Hodgkinson</td>
<td>Registered Liquidator Chartered Accountant</td>
<td>Board member for 4 years Chartered Accountant for 30 years. Managing Director of DEM Australasia</td>
<td>Co-Chair Public Fund Committee Budget Working Group Governance Audit and Risk Committee</td>
</tr>
<tr>
<td>James Brechney</td>
<td></td>
<td>Board member for 4 years DIY Rainbow Previously executive and board member of ALSA, Northside Broadcasting Co-Operative</td>
<td>Events Committee Development Committee</td>
</tr>
<tr>
<td>Brandon Bear</td>
<td>Obtaining Bachelor of Arts, University New England</td>
<td>Board Member for 4 years Board associate for 18 months Ten years of experience in small not for profit governance in youth &amp; community sector</td>
<td>Chair – Events Committee People and Governance Committee</td>
</tr>
</tbody>
</table>
# DIRECTORS’ REPORT

Information on Directors (continued)

<table>
<thead>
<tr>
<th>Name</th>
<th>Qualifications</th>
<th>Experience</th>
<th>Special Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>(retired)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gregory Small</td>
<td>BA Business, Associate Diploma Business, Cert IV Front Line Management</td>
<td>Board member for 2 years and in previous years including 2007-09, 2013, Manages supply chain logistics operations in Australia and overseas</td>
<td>Co-Chair, Chair of Constitution Working Group, Budget Working Group</td>
</tr>
<tr>
<td>(retired)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aidan Read</td>
<td>BA Business, MBA</td>
<td>Board member for 1 year, Director for 1 year for Human Capital Management, Performance &amp; Reward Specialist in Financial Services</td>
<td>Co-Chair of People &amp; Governance Committee, Co-Chair of the Events Committee</td>
</tr>
<tr>
<td>(retired)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jesse Matheson</td>
<td>Communications (Journalism)</td>
<td>Board member for 7 months, Marketing and Communications team 2010, volunteer member of the organisation’s Event Creative, Youth and Membership working groups, Currently studying a Masters of Public Policy.</td>
<td>Membership Committee (Chair), Relationship &amp; Development Committee</td>
</tr>
<tr>
<td>Silke Bader</td>
<td>BA Business</td>
<td>Board member for 8 months, Publisher, CEO and Editor In Chief for LOTL Magazine since 1999</td>
<td>Co-Chair Membership Committee</td>
</tr>
<tr>
<td>Kat Dopper</td>
<td>BA Business, MBA</td>
<td>Board member for 7 months, Executive Event Producer for many brands and charities plus larger organisations such as Destination NSW &amp; the City of Sydney, Founder and Director of Heaps Gay</td>
<td>Events Committee</td>
</tr>
</tbody>
</table>

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

DIRECTORS’ REPORT

Company Secretary

David Imrie  
David Imrie was appointed as Company Secretary of SGLMG on 28 July 2015 and resigned on 9 October 2016.

Tai Phan  
Tai Phan was appointed as Company Secretary of SGLMG on 26 October 2016.

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 group’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;
- 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
- 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.
Key Performance Measures (continued)

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.

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.

SGLMG is also the parent entity of 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.

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 Group that occurred during the financial year 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 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.
SYDNEY GAY AND LESBIAN MARDI GRAS LTD
ABN 87 102 451 785

DIRECTORS' REPORT

Indemnification and Insurance of Directors and Officers (continued)

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 2017, the total amount that members of SGLMG are liable to contribute if SGLMG is wound up is $2,125 (2016: $1,415).

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

[Signature]

Brandon Bear

Dated this 4th August 2017

Director

[Signature]

Damien Hodgkinson
Auditor’s Independence Declaration to the Directors of Sydney Gay and Lesbian Mardi Gras Limited

In relation to our audit of the financial report of Sydney Gay and Lesbian Mardi Gras Limited for the financial year ended 30 June 2017, and in accordance with the requirements of Subdivision 60-C of the Australian Charities and Not-for profits Commission Act 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young
Daniel Cunningham
Partner
4 August 2017
Independent Auditor's Report to the Members of Sydney Gay and Lesbian Mardi Gras Limited


Opinion

We have audited the financial report of Sydney Gay and Lesbian Mardi Gras Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Daniel Cunningham
Partner
Sydney
4 August 2017
SYDNEY GAY AND LESBIAN MARDI GRAS LTD  
ABN 87 102 451 785  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticket sales</td>
<td>1,896,563</td>
<td>1,903,644</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>1,986,310</td>
<td>1,880,025</td>
</tr>
<tr>
<td>Membership income</td>
<td>31,346</td>
<td>34,992</td>
</tr>
<tr>
<td>Stallholder fees</td>
<td>138,709</td>
<td>124,537</td>
</tr>
<tr>
<td>Sale of goods</td>
<td>89,270</td>
<td>106,756</td>
</tr>
<tr>
<td>Festival revenue</td>
<td>344,175</td>
<td>337,093</td>
</tr>
<tr>
<td>Contra revenue</td>
<td>821,176</td>
<td>481,000</td>
</tr>
<tr>
<td>Parade entry fees</td>
<td>38,822</td>
<td>32,236</td>
</tr>
<tr>
<td>Donations</td>
<td>37,676</td>
<td>72,826</td>
</tr>
<tr>
<td>Other income</td>
<td>35,290</td>
<td>75,310</td>
</tr>
<tr>
<td></td>
<td>5,419,337</td>
<td>5,048,419</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>3,863,010</td>
<td>3,477,215</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>1,556,327</td>
<td>1,571,204</td>
</tr>
<tr>
<td>Occupancy costs</td>
<td>16,003</td>
<td>12,358</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>915,858</td>
<td>728,939</td>
</tr>
<tr>
<td>Insurance</td>
<td>54,117</td>
<td>61,957</td>
</tr>
<tr>
<td>Amortisation of intangible software</td>
<td>914</td>
<td>15,568</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>23,781</td>
<td>18,310</td>
</tr>
<tr>
<td>Disposal of assets</td>
<td>-</td>
<td>20,539</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>-</td>
<td>27,652</td>
</tr>
<tr>
<td>Operating lease rental expenses</td>
<td>49,178</td>
<td>27,790</td>
</tr>
<tr>
<td>Marketing &amp; communications</td>
<td>189,318</td>
<td>299,936</td>
</tr>
<tr>
<td>Professional fees</td>
<td>61,872</td>
<td>36,404</td>
</tr>
<tr>
<td>Other expenses</td>
<td>71,862</td>
<td>137,963</td>
</tr>
<tr>
<td></td>
<td>1,382,903</td>
<td>1,387,416</td>
</tr>
<tr>
<td><strong>Results from operations</strong></td>
<td>173,424</td>
<td>183,788</td>
</tr>
<tr>
<td>Interest income</td>
<td>2,185</td>
<td>3,456</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(1,829)</td>
<td>(4,176)</td>
</tr>
<tr>
<td><strong>Net finance income</strong></td>
<td>356</td>
<td>(720)</td>
</tr>
<tr>
<td><strong>Net profit before income tax expense</strong></td>
<td>173,780</td>
<td>183,068</td>
</tr>
</tbody>
</table>

*The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.*
### CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

**For the Year Ended 30 June 2017**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit before income tax expense / (income tax benefit)</strong></td>
<td>173,780</td>
<td>183,068</td>
</tr>
<tr>
<td>Income tax benefit / (income tax expense)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit for the year attributable to members of the group</strong></td>
<td>173,780</td>
<td>183,068</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax benefit / (income tax expense)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive profit for the year, net of tax</strong></td>
<td>173,780</td>
<td>183,068</td>
</tr>
<tr>
<td><strong>Total comprehensive profit attributable to members of the group</strong></td>
<td>173,780</td>
<td>183,068</td>
</tr>
</tbody>
</table>

*The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.*
## SYDNEY GAY AND LESBIAN MARDI GRAS LTD
### ABN 87 102 451 785

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### CURRENT ASSETS
- **Cash and cash equivalents**  
  | 7     | 603,033 | 577,856 |
- **Trade and other receivables**  
  | 8     | 141,062 | 157,428 |
- **Inventories**  
  | 9     | 800     | 800     |
- **Other current assets**  
  | 10    | -       | 3,924   |

**TOTAL CURRENT ASSETS**  
- **744,895**  
- **740,008**

### NON-CURRENT ASSETS
- **Property, plant and equipment**  
  | 11    | 56,249  | 59,837  |
- **Intangible assets**  
  | 12    | 11,985  | 12,899  |

**TOTAL NON-CURRENT ASSETS**  
- **68,234**  
- **72,736**

### TOTAL ASSETS
- **813,129**  
- **812,744**

### CURRENT LIABILITIES
- **Trade and other payables**  
  | 13    | 63,037  | 250,447 |
- **Other liabilities**  
  | 14    | 67      | 4,488   |
- **Employee benefits liabilities**  
  | 15    | 32,538  | 14,049  |

**TOTAL CURRENT LIABILITIES**  
- **95,642**  
- **268,984**

### NON-CURRENT LIABILITIES
- **Other liabilities**  
  | 16    | -       | 54      |

**TOTAL NON-CURRENT LIABILITIES**  
- **-**  
- **54**

### TOTAL LIABILITIES
- **95,642**  
- **269,038**

### NET ASSETS
- **717,487**  
- **543,706**

### EQUITY
- **Issued capital**  
  - **-**  
  - **-**
- **Retained earnings**  
  |  | 717,487 | 543,706 |

**TOTAL EQUITY**  
- **717,487**  
- **543,706**

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*
### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th></th>
<th>Issued Capital $</th>
<th>Retained Earnings $</th>
<th>Total Equity $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 1 July 2016</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for year</td>
<td>-</td>
<td>173,780</td>
<td>173,780</td>
</tr>
<tr>
<td>Total comprehensive profit for the year</td>
<td>-</td>
<td>173,780</td>
<td>173,780</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>As at 1 July 2015</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for year</td>
<td>-</td>
<td>183,068</td>
<td>183,068</td>
</tr>
<tr>
<td>Total comprehensive profit for the year</td>
<td>-</td>
<td>183,068</td>
<td>183,068</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2016</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
### CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>5,100,500</td>
<td>4,952,365</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(5,057,315)</td>
<td>(4,653,128)</td>
</tr>
<tr>
<td>Interest Paid</td>
<td>-</td>
<td>(4,176)</td>
</tr>
<tr>
<td>Interest received</td>
<td>2,185</td>
<td>3,456</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td>45,370</td>
<td>298,517</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>-</td>
<td>300</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(20,193)</td>
<td>(42,693)</td>
</tr>
<tr>
<td><strong>Net cash flows used in investing activities</strong></td>
<td>(20,193)</td>
<td>(42,393)</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>25,177</td>
<td>256,124</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of financial year</td>
<td>577,856</td>
<td>321,732</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of financial year</strong></td>
<td>603,033</td>
<td>577,856</td>
</tr>
</tbody>
</table>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*
SYDNEY GAY AND LESBIAN MARDI GRAS LTD
ABN 87 102 451 785

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Corporate information

The consolidated financial statements of Sydney Gay and Lesbian Mardi Gras Ltd and its subsidiary (collectively, the ‘Group’) for the year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on 4th August 2017.

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@mardigrasarts.org.au
Web address: www.mardigras.org.au

The consolidated financial statements of the Group as at and for the year ended 30 June 2017 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 Ltd.

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 4th August 2017.

(ii) Basis of measurement
These consolidated financial statements have been prepared under the historical cost convention, as modified by the 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.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
Note 2: Basis of preparation (continued)

(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 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 year.

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) Consolidation
SGLMG has the same Board of Directors as Mardi Gras Arts Ltd. 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.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
Note 3: Significant accounting policies (continued)

(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.

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*
Note 3: Significant accounting policies (continued)

(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 year 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 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. 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.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
Note 3: Significant accounting policies (continued)

(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.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
Note 3: Significant accounting policies (continued)

(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 and 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 season 2018.

(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 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) 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 as income in the year in which sponsorship benefits are bestowed.

(vi) 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. Event specific grants are brought to account on the day that the event occurs.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
Note 3: Significant accounting policies (continued)

(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 21).

(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) Changes in accounting policies, new and amended standards and interpretations
Management and the directors are evaluating the financial impact and effect of the introduction of
IFRS 15 and 16 on the entity for the year ended 30 June 2018 and future years. For the year ended
30 June 2017, there is no financial impact and effect.

(p) 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.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>603,033</td>
</tr>
<tr>
<td>2016</td>
<td>577,856</td>
</tr>
</tbody>
</table>

Note 7: Cash and cash equivalents

(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 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 $94,578 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”.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 8: Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>141,060</td>
<td>180,734</td>
</tr>
<tr>
<td>Provision for doubtful debts</td>
<td></td>
<td>(26,157)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>2</td>
<td>2,851</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>141,062</td>
<td>157,428</td>
</tr>
</tbody>
</table>

Trade receivables are non-interest bearing and are generally on terms of 30-90 days. During the year $0 of debt was written off (2016: $1,495)

(a) Impaired receivables

As at 30 June 2017, trade receivables of $0 (2016: $26,157) were impaired and fully provided for. The provision for impairment of receivables is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 3 months</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Over 3 months / under 6 months</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Over 6 months</td>
<td>-</td>
<td>26,157</td>
</tr>
</tbody>
</table>

(b) Past due but not impaired

As at 30 June 2017, trade receivables of $36,176 (2016: $34,172) 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:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 3 months</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Over 3 months / under 6 months</td>
<td>-</td>
<td>34,172</td>
</tr>
<tr>
<td>Over 6 months</td>
<td>36,176</td>
<td>-</td>
</tr>
</tbody>
</table>

(c) Not past due and not impaired

The current trade receivables of $104,884 (2016: $120,955) and current other receivables of $0 (2016: $2,851) 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.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
As at 30 June 2017, no other current assets were impaired.

Note 10: Other current assets

Bonds & deposits

(a) Impaired other current assets

As at 30 June 2017, no other current assets were impaired.

(b) Past due but not impaired

As at 30 June 2017, no other current assets were past due.

(c) Other current assets

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

Note 11: Property, Plant and equipment

Plant and equipment

Cost or fair value 244,160 228,008
Accumulated depreciation (187,911) (164,130)
Provision for impairment - (4,041)

56,249 59,837

Leasehold improvements

Cost or fair value 77,827 77,827
Accumulated depreciation (77,827) (77,827)

Net property, plant and equipment 56,249 59,837

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

<table>
<thead>
<tr>
<th>Plant &amp; equipment</th>
<th>Leasehold improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening net book amount</td>
<td>59,837</td>
<td>59,837</td>
</tr>
<tr>
<td>Additions</td>
<td>20,193</td>
<td>20,193</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>(23,781)</td>
<td>(23,781)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>56,249</td>
<td>56,249</td>
</tr>
</tbody>
</table>

2017          2016
$          $

Note 12: Intangible assets

Software

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or fair value</td>
<td>53,230</td>
<td>62,613</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(53,230)</td>
<td>(53,239)</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(9,374)</td>
</tr>
</tbody>
</table>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
Note 12: Intangible assets (continued)

Trademarks and Domain Names

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or fair value</td>
<td>18,877</td>
<td>22,092</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(6,892)</td>
<td>(5,969)</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(3,224)</td>
</tr>
<tr>
<td></td>
<td><strong>11,985</strong></td>
<td><strong>12,899</strong></td>
</tr>
</tbody>
</table>

Net intangible assets

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening net book amount</td>
<td>-</td>
<td>12,908</td>
</tr>
<tr>
<td>Amortisation charge</td>
<td>-</td>
<td>(924)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>-</td>
<td>11,985</td>
</tr>
</tbody>
</table>

Movement in Carrying Amounts

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

Note 13: Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>49,388</td>
<td>219,636</td>
</tr>
<tr>
<td>Goods &amp; services tax</td>
<td>-</td>
<td>3,661</td>
</tr>
<tr>
<td>Other payables</td>
<td>13,649</td>
<td>27,150</td>
</tr>
<tr>
<td></td>
<td><strong>63,037</strong></td>
<td><strong>250,447</strong></td>
</tr>
</tbody>
</table>
Note 14: Other liabilities

CURRENT
Membership subscriptions paid in advance  
2017  $67  4,488  
2016  $4,488  

Note 15: Employee benefits liabilities

Liability for superannuation  
2017  $-  5,081  
2016  $5,081  

Liability for annual leave  
2017  $32,538  8,968  
2016  $14,049  

Note 16: Member guarantee

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

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

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>No.</td>
<td>No.</td>
</tr>
<tr>
<td>Friends with benefits</td>
<td>31</td>
<td>341</td>
</tr>
<tr>
<td>Friends</td>
<td>1,912</td>
<td>392</td>
</tr>
<tr>
<td>Friends with benefits, 3 year</td>
<td>12</td>
<td>494</td>
</tr>
<tr>
<td>78ers</td>
<td>40</td>
<td>35</td>
</tr>
<tr>
<td>Friendly Organisation</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Friends overseas</td>
<td>130</td>
<td>152</td>
</tr>
<tr>
<td></td>
<td>2,125</td>
<td>1,415</td>
</tr>
</tbody>
</table>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
Note 17: Key management personnel

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 18: Contingencies

As at 30 June 2017, there were no other contingent assets or liabilities.

Note 19: Events after balance sheet date

There have been no items of significance subsequent to 30 June 2017, and as at the date of this report that would impact the results as outlined in this financial report.

Note 20: 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 $182 (2016: $50,525)

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

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
Note 21: Commitments

Non-cancellable operating lease commitments
SGLMG leases an office under a non-cancellable operating lease expiring in 2018.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Commitments for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>minimum lease payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to non-cancellable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>operating leases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>are payable as</td>
<td></td>
<td></td>
</tr>
<tr>
<td>follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>within one year</td>
<td>68,425</td>
<td>22,926</td>
</tr>
<tr>
<td>later than one year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>and not later than</td>
<td>68,425</td>
<td>22,926</td>
</tr>
<tr>
<td>five years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There is an intercompany revolving loan facility provided to MGA of up to $350,000. The facility is currently drawn to $186,589 and allows further draw-downs to fund the workshop each season.

Note 22: Group entities

Mardi Gras Arts Ltd

Mardi Gras Arts Ltd was incorporated on 4th June 2012. Mardi Gras Arts Ltd is deemed to be a controlled entity of Sydney Gay and Lesbian Mardi Gras Ltd by the fact that all the Directors of Mardi Gras Arts Ltd are the Directors of Sydney Gay and Lesbian Mardi Gras Ltd and any change to the constitution of MGA is subject to a resolution of the members of Sydney Gay and Lesbian Mardi Gras Ltd.
### Note 23: Reconciliation of profit to net cash inflow from operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>171,595</td>
<td>178,892</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>24,695</td>
<td>33,877</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>-</td>
<td>26,158</td>
</tr>
<tr>
<td>Fixed asset disposal</td>
<td>-</td>
<td>20,539</td>
</tr>
<tr>
<td>Inventory disposal</td>
<td>-</td>
<td>12,015</td>
</tr>
<tr>
<td>Change in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) / decrease in trade and other receivables</td>
<td>16,366</td>
<td>(45,294)</td>
</tr>
<tr>
<td>Decrease in other prepayments</td>
<td>-</td>
<td>26,021</td>
</tr>
<tr>
<td>Decrease in other current assets</td>
<td>3,924</td>
<td>12,483</td>
</tr>
<tr>
<td>Decrease in other non-current assets</td>
<td>-</td>
<td>273</td>
</tr>
<tr>
<td>(Decrease) / increase in trade and other payables</td>
<td>(187,410)</td>
<td>63,500</td>
</tr>
<tr>
<td>(Decrease) / Increase in employment benefits</td>
<td>18,489</td>
<td>(9,973)</td>
</tr>
<tr>
<td>Decrease in other liabilities</td>
<td>(2,289)</td>
<td>(19,974)</td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>45,370</td>
<td>298,517</td>
</tr>
</tbody>
</table>

### Note 24: 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 year ended 30 June 2017**

<table>
<thead>
<tr>
<th>Fundraising Appeals</th>
<th>Proceeds</th>
<th>Surplus</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Day Bucket Collection</td>
<td>34,058</td>
<td>34,058</td>
<td>100%</td>
</tr>
<tr>
<td>Medical Tent Bucket Collection</td>
<td>628</td>
<td>628</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Totals from all Fundraising Appeals</strong></td>
<td><strong>34,686</strong></td>
<td><strong>34,686</strong></td>
<td><strong>89.6%</strong></td>
</tr>
</tbody>
</table>

**Notes to Fundraising for Charitable Purposes**

During the year ended 30 June 2017, Sydney Gay and Lesbian Mardi Gras Ltd ("SGLMG") achieved a net surplus of $34,686 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;

The gross proceeds from these activities are disclosed in Statement of Comprehensive Income (as part of "Donations" and "Other Income") and realised $34,686.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
### Note 25: Information relating to Sydney Gay and Lesbian Mardi Gras Ltd (the Parent)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>694,934</td>
<td>659,150</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>40,081</td>
<td>117,419</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>40,081</td>
<td>117,473</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>654,852</td>
<td>541,677</td>
</tr>
<tr>
<td>Profit of the Parent entity</td>
<td>113,178</td>
<td>181,038</td>
</tr>
<tr>
<td>Total revenue of the Parent entity</td>
<td>5,142,263</td>
<td>4,847,811</td>
</tr>
</tbody>
</table>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
SYDNEY GAY AND LESBIAN MARDI GRAS LTD
ABN 87 102 451 785

DIRECTORS' 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 2017 and of its performance for the year 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
Brandon Bear
Dated this 4th day of August 2017

Director
Damien Hodgkinson
MARDI GRAS ARTS LTD
ABN 41 158 800 018

Financial Report
For the year ended 30 June 2017
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    Statement of Other Comprehensive Income ................................................................. 8
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MARDI GRAS ARTS LTD
ABN 41 158 800 018

DIRECTORS’ REPORT

The directors present their report together with the financial report of Mardi Gras Arts Ltd (“MGA”) for the year ended 30 June 2017 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.

<table>
<thead>
<tr>
<th>Name</th>
<th>Date appointed</th>
<th>Date Retired</th>
<th>Board Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frances Bowron</td>
<td>19 August 2014</td>
<td>12 May 2017</td>
<td>A: 7, B: 9</td>
</tr>
<tr>
<td>Darren Bruce</td>
<td>4 September 2013</td>
<td>12 November 2016</td>
<td>A: 5, B: 6</td>
</tr>
<tr>
<td>Damien Hodgkinson</td>
<td>19 August 2014</td>
<td></td>
<td>A: 9, B: 9</td>
</tr>
<tr>
<td>James Brechney</td>
<td>24 August 2014</td>
<td></td>
<td>A: 7, B: 9</td>
</tr>
<tr>
<td>Brandon Bear</td>
<td>24 August 2014</td>
<td></td>
<td>A: 9, B: 9</td>
</tr>
<tr>
<td>Silke Bader</td>
<td>23 March 2016</td>
<td></td>
<td>A: 8, B: 9</td>
</tr>
<tr>
<td>Aidan Read</td>
<td>23 March 2016</td>
<td>31 May 2017</td>
<td>A: 8, B: 9</td>
</tr>
<tr>
<td>Jesse Matheson</td>
<td>12 November 2016</td>
<td></td>
<td>A: 3, B: 3</td>
</tr>
<tr>
<td>Kat Dopper</td>
<td>12 November 2016</td>
<td></td>
<td>A: 3, B: 3</td>
</tr>
</tbody>
</table>

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

Damien Hodgkinson is a non-executive director of Ceramic Fuel Cells Limited (CFU) a listed litigation management and manufacturing business on the Australian Stock Exchange Limited.

None of the other 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 and resigned on 9 October 2016.

Tai Phan
Tai Phan was appointed as Company Secretary of MGA on 26 October 2016.
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 Sydney Gay and Lesbian Mardi Gras Ltd ("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 and Lesbian Mardi Gras Ltd 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.
MARDI GRAS ARTS LTD
ABN 41 158 800 018

DIRECTORS' REPORT

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 2017, the total amount that members of MGA are liable to contribute if MGA is wound up is $1,382 (2016: $8).

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 Ltd 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 2017 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

Brandon Bear
Dated this 4th day of August 2017

Director

Damien Hodgkinson
Auditor’s Independence Declaration to the Directors of Mardi Gras Arts Limited

In relation to our audit of the financial report of Mardi Gras Arts Limited for the financial year ended 30 June 2017, and in accordance with the requirements of Subdivision 60-C of the Australian Charities and Not-for profits Commission Act 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Daniel Cunningham
Partner
4 August 2017
MARDI GRAS ARTS LTD  
ABN 41 158 800 018

STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>2,990</td>
<td>2,630</td>
</tr>
<tr>
<td>Management and service fees</td>
<td>1,218,464</td>
<td>795,894</td>
</tr>
<tr>
<td>Other income</td>
<td>275,690</td>
<td>220,363</td>
</tr>
<tr>
<td></td>
<td>1,497,144</td>
<td>1,018,887</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>339,291</td>
<td>188,500</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>1,157,853</td>
<td>830,387</td>
</tr>
<tr>
<td>Occupancy costs</td>
<td>16,003</td>
<td>12,358</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>885,207</td>
<td>456,581</td>
</tr>
<tr>
<td>Insurance</td>
<td>(1,455)</td>
<td>6,742</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>6,425</td>
<td>2,375</td>
</tr>
<tr>
<td>Operating lease rental expenses</td>
<td>49,178</td>
<td>27,790</td>
</tr>
<tr>
<td>Marketing &amp; communications</td>
<td>-</td>
<td>182</td>
</tr>
<tr>
<td>Professional fees</td>
<td>44,905</td>
<td>36,404</td>
</tr>
<tr>
<td>Amounts paid to contractors</td>
<td>25,629</td>
<td>128,095</td>
</tr>
<tr>
<td>Other expenses</td>
<td>71,508</td>
<td>139,459</td>
</tr>
<tr>
<td></td>
<td>1,097,400</td>
<td>809,986</td>
</tr>
<tr>
<td><strong>Results from operations</strong></td>
<td>60,453</td>
<td>20,401</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(11,978)</td>
<td>(18,371)</td>
</tr>
<tr>
<td><strong>Net finance income</strong></td>
<td>(11,978)</td>
<td>(18,371)</td>
</tr>
<tr>
<td><strong>Net profit before income tax expense</strong></td>
<td>48,475</td>
<td>2,030</td>
</tr>
</tbody>
</table>

*The above statement of profit and loss should be read in conjunction with the accompanying notes.*
The above statement of other comprehensive income should be read in conjunction with the accompanying notes.
### STATEMENT OF FINANCIAL POSITION
#### AS AT 30 JUNE 2017

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2</td>
<td>267,807</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
<td></td>
<td>267,811</td>
</tr>
<tr>
<td>NON-CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4</td>
<td>36,975</td>
</tr>
<tr>
<td>TOTAL NON-CURRENT ASSETS</td>
<td></td>
<td>36,975</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td></td>
<td>304,786</td>
</tr>
<tr>
<td>CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>5</td>
<td>55,562</td>
</tr>
<tr>
<td>TOTAL CURRENT LIABILITIES</td>
<td></td>
<td>55,562</td>
</tr>
<tr>
<td>NON-CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>6</td>
<td>198,717</td>
</tr>
<tr>
<td>TOTAL NON-CURRENT LIABILITIES</td>
<td></td>
<td>198,717</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td></td>
<td>254,279</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td></td>
<td>50,507</td>
</tr>
<tr>
<td>EQUITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members funds</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td>50,507</td>
</tr>
<tr>
<td>TOTAL EQUITY</td>
<td></td>
<td>50,507</td>
</tr>
</tbody>
</table>

The above statement of financial position should be read in conjunction with the accompanying notes.
MARDI GRAS ARTS LTD
ABN 41 158 800 018

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th></th>
<th>Members Funds $</th>
<th>Retained Earnings $</th>
<th>Total Equity $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 1 July 2016</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive profit for the year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 30 June 2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>As at 1 July 2015</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive profit for the year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 30 June 2016</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above statement of changes in equity should be read in conjunction with the accompanying notes.
MARDI GRAS ARTS LTD
ABN 41 158 800 018

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>1,527,260</td>
<td>1,233,492</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(1,373,338)</td>
<td>(1,105,940)</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td>9</td>
<td>153,922</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(18,596)</td>
<td>(18,393)</td>
</tr>
<tr>
<td><strong>Net cash flows used in investing activities</strong></td>
<td>(18,596)</td>
<td>(18,393)</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>135,326</td>
<td>109,159</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of financial year</td>
<td>132,481</td>
<td>23,322</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of financial year</strong></td>
<td>2</td>
<td>267,807</td>
</tr>
</tbody>
</table>

The above statement of cash flows should be read in conjunction with the accompanying notes.
Note 1: Statement of Significant Accounting Policies

Corporate information

The financial statements of Mardi Gras Arts Ltd ('MGA') for the year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on 4 August 2017.

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@mardigrasarts.org.au
Web address: 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.
Note 1: Statement of Significant Accounting Policies (continued)

c) Revenue recognition (continued)

(i) Donations
Revenue from donations is recognised when the Company receives donations or where the Company 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 Company.

(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 to the ATO
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.

(g) Members funds

This is public company limited by guarantee pursuant to the constitution of the Company, members funds are $nil.

(h) Income tax

No income tax expense or benefit for the year has been recorded as the Company is tax exempt.
Note 1: Statement of Significant Accounting Policies (continued)

(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.
Note 1: Statement of Significant Accounting Policies (continued)

(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 Ltd 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 2017 financial reports for MGA.

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

Management and the directors are evaluating the financial impact and effect of the introduction of AASB15 and AASB16 on the entity for the year ended 30 June 2018 and future years. For the year ended 30 June 2017, there is no financial impact and effect.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>267,807</td>
<td>132,481</td>
</tr>
</tbody>
</table>

Note 2: Cash and cash equivalents

(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 $91,578 ($2016: $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”.

Note 3: Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods &amp; services tax</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>2</td>
<td>2,502</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>2,502</td>
</tr>
</tbody>
</table>
MARDI GRAS ARTS LTD
ABN 41 158 800 018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(a) Impaired receivables
As at 30 June 2017, no debts were considered impaired.

Note 4: Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or fair value</td>
<td>$46,079</td>
<td>$27,484</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>$(9,104)</td>
<td>$(2,680)</td>
</tr>
<tr>
<td>Net property, plant and equipment</td>
<td>$36,975</td>
<td>$24,804</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>Plant &amp; equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Opening net book amount</td>
<td>$24,804</td>
<td>$24,804</td>
</tr>
<tr>
<td>Additions</td>
<td>$18,596</td>
<td>$18,596</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>$(6,425)</td>
<td>$(6,425)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>$36,975</td>
<td>$36,975</td>
</tr>
</tbody>
</table>

Note 5: Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>$18,024</td>
<td>$69,064</td>
</tr>
<tr>
<td>Goods and services tax</td>
<td>-</td>
<td>$65,452</td>
</tr>
<tr>
<td>Other payables</td>
<td>$37,538</td>
<td>$17,049</td>
</tr>
<tr>
<td></td>
<td>$55,562</td>
<td>$151,565</td>
</tr>
</tbody>
</table>

Note 6: Non-Current Liability Loans

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent entity revolving loan</td>
<td>$198,717</td>
<td>$6,190</td>
</tr>
<tr>
<td></td>
<td>$198,717</td>
<td>$6,190</td>
</tr>
</tbody>
</table>

On 1 November 2014, MGA entered into a revolving loan facility of up to $350,000. The facility is currently drawn to $198,717 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 7: Contingencies
As at 30 June 2017, there were no other contingent assets or liabilities.

Note 8: Events after balance sheet date
There have been no items of significance subsequent to 30 June 2017, and as at the date of this report that would impact the results as outlined in this financial report.

Note 9: Reconciliation of profit / (loss) to net cash inflow from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>48,475</td>
<td>2,030</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>6,425</td>
<td>2,375</td>
</tr>
<tr>
<td>Change in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in trade and other receivables</td>
<td>2,498</td>
<td>494</td>
</tr>
<tr>
<td>Decrease in other current assets</td>
<td>-</td>
<td>14,000</td>
</tr>
<tr>
<td>Increase / (decrease) in trade and other payables</td>
<td>(96,003)</td>
<td>128,962</td>
</tr>
<tr>
<td>Increase / (decrease) in other liabilities</td>
<td>192,527</td>
<td>(20,309)</td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>153,922</td>
<td>127,552</td>
</tr>
</tbody>
</table>

Note 10: 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 $1,293 (2016: $8) in the event MGA is wound up.

Note 11: Key management personnel
Key management personnel compensation

<table>
<thead>
<tr>
<th>Key management personnel compensation</th>
<th></th>
<th></th>
</tr>
</thead>
</table>

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 12: 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.
MARDI GRAS ARTS LTD
ABN 41 158 800 018

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7-17, 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 2017 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

Brandon Bear
Dated this 4th day of August 2017

Director

Damien Hodkinson
Independent Auditor's Report to the Members of Mardi Gras Arts Limited


Opinion

We have audited the financial report of Mardi Gras Arts Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Partner
Sydney
4 August 2017
THANK YOU!

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 networks 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 helped our goal of Creating Equality throughout 2017’s Sydney Gay and Lesbian Mardi Gras Season.

mardigras.org.au
SEE YOU NEXT YEAR
Join us for the 40th anniversary
Sydney Gay and Lesbian Mardi Gras!

**FESTIVAL**
16 FEBRUARY – 4 MARCH 2018

**FAIR DAY**
SUNDAY 18 FEBRUARY 2018

**PARADE AND PARTY**
SATURDAY 3 MARCH 2018

mardigras.org.au