



40 YEARS OF

EVOLUTION

2018 ANNUAL REPORT

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

MARDI GRAS ARTS LTD | ABN 41 158 800 018

40 YEARS OF EVOLUTION

Four decades on from the original 1978 street Festival turned protest which changed the course of LGBTIQ rights in Australia, Mardi Gras' spectacular 40th anniversary season was jam-packed with events and exhibitions which honoured our past and celebrated our creative LGBTIQ culture in all its forms.

The theme for 2018 was 40 YEARS OF EVOLUTION. Woven across the entire season of events were insights into how much our lives, communities, culture and society has changed over four decades of Mardi Gras. We celebrated defining moments, and were inspired anew by personal stories from all corners of our diverse communities – and created many amazing new connections and memories.

In 2018 we sparkled like never before, filling our city with fun and frivolity while remembering where it all started and honoring the long, winding, glittering road we've been on.

"Your story is our story, your evolution is our evolution. Happy 40th, Happy Mardi Gras!"



Photo: Ann-Marie Calilhanna

40TH ANNIVERSARY CELEBRATION ON THE STEPS OF THE SYDNEY OPERA HOUSE

As the sun set on Friday 3 November, Mardi Gras members and special guests – many of them wearing a splash of hot pink – joined us for a very special night of celebration to reveal 2018's 40th anniversary program. There on the Opera House steps, we revealed many of our plans for 2018's Mardi Gras season, and a stunning star-studded line-up of special guests joined us: Dannii Minogue, Samantha Jade, Trevor Ashley, Jordan Raskopoulos, Narelda Jacobs, Lord Mayor Clover Moore, Joel Creasey, Stereogamous, DJ Sveta and more.

MARDI GRAS DIGITAL TIMELINE

In 2018, Mardi Gras cherishes and celebrates four decades of defining moments for LGBTIQ Australians.

Launching for our 40th anniversary season, the Sydney Gay and Lesbian Mardi Gras Digital Timeline tells our story from the original 1978 march, showing how the Parade and Party became massive internationally renowned gay extravaganzas through the 1980s and 1990s, the community rallying to create 'New Mardi Gras' in the 2000s, to our recent kaleidoscopic, passionate and momentous Mardi Gras seasons in the 2010s.

Hosted on the Google Arts & Culture platform, each and every year's magical Mardi Gras moments are presented with photography, video, interviews and archival documents – including many rare items which were tucked away for decades.

Discover the fabulous history we've made together at mardigras.org.au/timeline



Photo: Ann-Marie Calilhanna

2018 Annual Report

MARDI GRAS EVENTS

MUSEUM OF LOVE & PROTEST



Photo: Jeffrey Feng

The signature event for our 40th anniversary celebrations, the Museum of Love & Protest was a stunning showcase of Mardi Gras creativity across four spectacular decades.

Presented in association with the National Art School, the two-week exhibition brought together original costumes, photographs, rarely seen film and video footage, iconic posters, storytelling, music and artifacts – highlighting the work of many amazing LGBTIQ Australian artists across the full history of the Mardi Gras Parade and wider festival.

Curated by Susan Charlton with theatrical design by Anna Tregloan, the Museum combined visual spectacle with opportunities to discover extraordinary stories from past Mardi Gras leaders and creators.

Mardi Gras members and special guests were invited to toast the exhibition on its opening night, where happy tears were shed as memories of very special Mardi Gras people and moments were conjured up. During the Museum of Love & Protest's two-week run, costume designer Rene Rivas' amazing pink gown was created with individual origami butterflies, each with Mardi Gras memories provided by visitors.

Many costumes seen fleetingly in the Parades of previous years were lovingly restored and beautifully presented so you can see up close the hard work which goes into each item. Costumes by Brenton Heath-Kerr, Ron Muncaster and Pip Playford were on loan from the Museum of Applied Arts and Sciences, joining costumes worn by Miss Ellaneous, Pauline Pantsdown, Bob Downe, Vanessa Wagner, Joyce Maynge, Peta Friend, AJ Brown, Ted Cook, Pisa Tufuga – and wigs by Maude Boate.



Photo: Jeffrey Feng



Photo: Jeffrey Feng

Photography, videography and graphic artworks were on display depicting iconic and unforgettable Mardi Gras moments. Participating photographers included William Yang, C. Moore Hardy, Mazz Image, Ann-Marie Calilhanna and Markham Lane. 1978 photographs include images by Sally Colechin, Geoff Friend and Branco Gaica. There were original artworks by David McDiarmid, and commissioned artists included Deborah Kelly, Gareth Ernst, Rene Rivas and Lewis Oswald.

The Museum of Love & Protest was completely FREE to visit - it was our gift to you for our 40th anniversary! We now hope to take elements of the exhibit on tour around regional New South Wales. Stay tuned for details.

FAIR DAY



Photo: Jeffrey Feng

PARADE

200 floats/groups - Close to 4 hours viewing time
 350 bikes - 178 vehicles and 15 pushables
 12,300 participants - An estimated 500,000 spectators!



Photo: Jeffrey Feng



Photo: Jeffrey Feng



Photo: Jeffrey Feng

What a spectacular sunny Fair Day back in Victoria Park! Thanks to everyone in our amazing line-up of entertainment on the ANZ Main Stage, including the NSW Police Band, the Swing Out Sydney dancers, the Sydney Gay & Lesbian Choir, Julie McCrossin, the 78ers band, Bob Downe, Cindy Pastel, Jordan Raskopolous, Shauna Jensen, Matthew Mit-cham, Mama Alto, Vanessa Wagner, Greg Gould, Mitzi Macintosh, Kira Puru, ASTA, Bogan Villea, and Miss First Nations winner Josie Baker.

It was an action-packed day in the Sports Village, ACON promoted their LGBTQI health & support services plus entertained our precious pooches with Doggywood, and the new Tropicana Bar featured DJs Beth Yen and GI Jode. When the Tropicana Bar closed, the dancing crowd joined hundreds of others in front of the ANZ main stage and Fair Day became a massive hand-in-the-air dance party for the final hours, with DJ mixes from Sveta and Kate Monroe. They were dancing the hot summer evening away in a truly special Mardi Gras moment and highlight of the 2018 season.

2018's Mardi Gras Parade was a spectacular evening of passion, pride and protest, with thousands of LGBTQI people and their champions from all across the globe uniting in creative self-expression and a celebration of diversity and equality.

The dazzling display of self-expression, reflection and celebration is sure to go down in history as one of the most iconic in its four-decade history.

Among this year's floats there were many paying tribute to the original Mardi Gras marchers, our 78ers, and our 40 year anniversary. Over 200 78ers from all over Australia made their way to Sydney to lead the Parade.

Marchers from all over the nation were out in force. Representing the beaches around Australia with the Surf Life Savers with Pride float, showing the world the Northern Territory's unique LGBTQI community, and celebrating the LGBTQI activist groups of Tasmania. From a global perspective, Sydney's Indonesian community group Selamat Datang GLBTQI brought to light the struggle for equality that people in other parts of the world are facing.

There were more tiered viewing platforms at Diamond Club in Taylor Square than ever before. Both the Diamond stands and Sideshow seating on Flinders Street were sold out weeks in advance. And for the first time, Rainbow Families had their own viewing stands to get their own great view of the Parade.

MARDI GRAS EVENTS

POOL PARTY



Photo: Andy Zuk

Every year Mardi Gras fills Sydney's sleekest poolside venue, creating a decadent event that's the epitome of summertime glamour. This year was no exception. Helping us make a splash at the Ivy Pool were DJs Tiny, Beth Yen, Matt Effect, Neil Singleton, Andrew Gibbons, Brett Austin and Amanda Louise.

QUEER THINKING



Photo: Ann Marie Callaghan

2018's Queer Thinking was hosted over two days at Carriageworks, featuring seven panels with over thirty speakers from all walks of LGBTQI life. On the line-up were queer writers, activists and community leaders Dr Sandy O'Sullivan, Jacob Boehme, Cherish Violet Blood, Brian Fuata, Sarah Maddison, Robyn Laverack, Nayuka Gorrie, Katherine Wolfgramme, Anna Hush, Tina Dixon, Roj Amedi, Kathryn Clark, Randa Kattan, Renee Dixson, Dino Dimitriadis, Dai Aoki, Daniel Monks, Zahra Stardust, Nell Schofield, Philippe Mangeot, Maxime Forest, Bridget Haire Lyle Chan, Julie McCrossin: in conversation with activists Betty Hounslow, Teddy Cook, Sally Rugg, Imam Nur Warsame and a musical performance by the Acacia Quartet.

The Saturday evening featured Trans Stories - our unforgettable co-presentation with Trans Sydney Pride featuring a range of stories from the transgender community. The speakers were AJ Brown, Chrissy Doyle, Lisa Freshwater, Peta Friend, Katherine Maver, Kaya Wilson and Colleen Windsor. Mama Alto and Karen Chant performed to rapturous applause.

mardigras.org.au

LANEWAY

Kissing farewell to an action-packed Mardi Gras season, this year's Laneway involved two floors of the Beresford Hotel, the laneway and the Flinders Hotel, and we packed each space with entertainment. On the line-up were awesome DJs and powerhouse vocalists including Starley, Samantha Jade, Barbara Tucker, Kitty Glitter, Hayley Maree, Wayne G, DJ Du Jour, Brett Austin, French Kiss, Amanda Louise, Troy Beman, DJ Argonaut, Estée Louder, James Smithers, Shaun J. Wright, Hannah Holland, DJ Nick Spurway and Beth Yen. Samantha Jade invited a couple of guys on stage for a very romantic marriage proposal which had the crowd cheering!

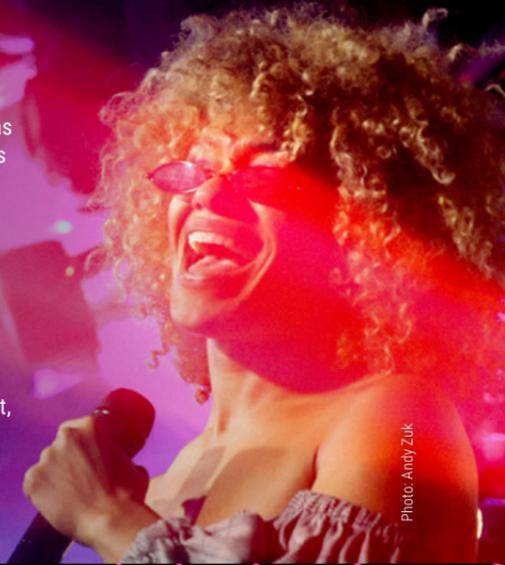


Photo: Andy Zuk

PARTY

2018's Party was the largest Mardi Gras Party in over a decade, hitting capacity at 14,800 and opening several spaces including the welcome return of The Dome.

Our superstar special guest Cher had appeared at the Parade where she'd seen an amazing drag queen Cher-themed show to welcome her, and at the Party she performed her hits All or Nothing, Strong Enough and Believe in the packed RHI before reappearing in her iconic fishnet body costume for the encore If I Could Turn Back Time. We worked with sound and vision engineers to ensure Cher's show could also be seen and heard in the Hordern and outside in the forecourt.

Also hitting the stage at the RHI during the night were Starley and Seann Miley Moore, and the midnight community show featured 40 of Australia's legendary Drag Queens and Trans Showgirls, along with Mardi Gras

legend Bob Downe with 25 dancers from the local community. Our international Party DJs were The Black Madonna, Hannah Holland, Kiddy Smile and Shaun J. Wright. Guests were also treated to sets by local DJ talent Alex Taylor, Annabelle Gaspar, Ben Drayton, Beth Yen, DJ Dan Slater, DJ Dan Murphy, Dom de Sousa, DJ Du Jour, DJ Gemma, GI Jode, James Smithers, Kate Doherty, DJ Kate Monroe, DJ Kitty Glitter, SEZZO SNOT, SIMONA, Stephen Allkins, DJ Sveta, Victoria Anthony, and YO! MAFIA. There were pop-up performances across the night from The Huxleys, The Evolutionary Dinner Party, Feralicious, Sheba Williams and Frankie Says.



Photo: Dan Gosse

SISSY BALL

Sissy Ball was a stunning new and exciting event for Mardi Gras 2018, focussing in on vibrant LGBTQI youth culture. Presented by Mardi Gras and Red Bull Music, Sissy Ball was held at Carriageworks and curated by local interdisciplinary artist and club icon Bhenji Ra.

Tickets sold out quickly for Australia's biggest-ever Voguing Ball – the ultimate showcase of style, precision and attitude, featuring many stunning showdowns and throwdowns, plus music by Yung Brujo, Quay Dash, Angel-Ho, Electric Fields and MikeQ. 10s 10s 10s across the board!



Photo: Ken Leanfore



Photo: Ken Leanfore



Photo: Ken Leanfore

“What a phenomenal night!! Ever since watching Paris is Burning as a teen and learning about vogue balls I’ve been obsessed. And now all these years later experiencing one in Sydney was a dream come true. Such an inspiring night. Well done to all involved” VENUS VAMP ON FACEBOOK

KOORI GRAS



Photo: Meg White

Koori Gras returned for a second year, with Mardi Gras and Moogahlin Performing Arts presenting a vibrant showcase of unique First Peoples culture and community at Carriageworks. Events included the Black Nulla Workshops for First Peoples queer performers, facilitated by Black Foot (Alberta Canada), performance artist Cherish Blood and local guest artists. Black Point was a community forum with dinner and drinks for local and interstate guests to discuss relevant issues and challenges for First Peoples' communities. The Speakers Platform was an international panel of influential thinkers and artists discussing queer performance from First Peoples' perspectives. Finally, the Black Nulla Cabaret was a party starring Nana Miss Koori, Miss Ellaneous, First Nations Divas Jo Jo, Jose Baker and Destiny Has Arrived, plus international guest performances from First Nations artists Cherish Blood and Lacey Hill.

QUEER ART AFTER HOURS

Queer Art After Hours returned after last year's hugely successful inaugural event. The Art Gallery of New South Wales became a giant showcase with queer art around every corner. On the main stage MCs Fancy Piece hosted a line-up of Sydney's cutting-edge queer musicians, DJs and performers including Marcus Whale, Rainbow Chan, Brendan de la Hay, DJ Yung Brujo, DJ Ayebatonye, and performance collective Gang of She. Elsewhere in the Gallery was a tongue-in-cheek art tour with Verushka Darling, a life drawing class with dominatrix Mistress Tokyo, and coffee cup readings with artist Nicole Barakat. There were beguiling pop-up appearances by The Huxleys too. Queer Art After Hours was fun, fabulous, vibrant, vivacious and FREE!



Photo: Jeffrey Feng

MARDI GRAS AT SEYMOUR CENTRE



Photo: Ann-Marie Callihanna

The Seymour Centre became a Mardi Gras Festival hub with a new-look performance program of theatre, cabaret, play readings and live music. Highlights included a new production of the contemporary Australian classic Strangers in Between by Tommy Murphy starring Simon Burke, live music in the courtyard with Hollow States, Rachel Maria Cox and Chicks With Picks, the return to Australia of Sydney drag legend Mitzi Macintosh in her first ever one-woman show A Lifetime in Lipstick, and a full day of new play readings by LGBTQI writers with the Siren Theatre.

TREVOR ASHLEY'S MARDI GALA



Trevor Ashley's variety gala was part concert, part chat show and ALL fun! His special guests were the amazing showman Todd McKenney, uber-diva Paul Capsis, pop-queen and jungle-queen Casey Donovan, the crown prince of comedy Joel Creasey and the legend herself, Carlotta. Together with a 14-piece orchestra, the Mardi Gras season kicked off right with this night of laughs, music and fabulousity at the Sydney Opera House Concert Hall.

mardigras.org.au

FAMILY FUN DAY

Premiering for our 2018 season was an event to give rainbow families a fun-filled treat to remember. Luna Park went rainbow, featuring unlimited rides all day and an amazing kid's dance party in the Crystal Palace. Mardi Gras legend Kate Monroe and Oxford Street favourite Victoria Anthony were spinning tracks at the kids' disco, while drag queens Coco Jumbo and Hannah Conda delighted everyone from young to old with their fabulous lip-syncing performances. Tickets sold out and we're looking forward to doing it again in 2019! Family Fun Day was presented in partnership with Medibank and supported by IVF Australia.



Photo: Ann-Marie Callihanna

CEO REPORT



Photo: Ann-Maire Callihanna

40 Amazing Years of Evolution! What a Year! What a History!

This year we slowed our pace a little, gathered together, and stood in solidarity to honor the incredible community and amazing people that have worked so hard for social justice and 40 years of the Sydney Gay and Lesbian Mardi Gras. We paid homage to our 78ers and our vibrant senior LGBTQI community and learnt from their incredible stories of activism.

Before sitting to write the CEO report this year, I took a romp back through 40 Years of Mardi Gras Annual Reports. What struck me about those annual reports was how many years of Mardi Gras all promoted to be the biggest and best yet!

So I have been pondering this - what makes a great Mardi Gras year. Is it the year where every party sells out? Is it the biggest street parade of all time? The biggest profit? The biggest number of shows? Is it the year that Cher ACTUALLY came to Sydney?

Or is a great year in fact just like our 40th - a year where we saw a groundswell of activation from within our community, reuniting community and bringing voices of activism bubbling back to the surface of creativity and debate? The year that gender diversity reined true across our programs and we saw young people engaging with our past and taking to the stage with new forms of creative activism? The year we saw over 200 78ers gather again from across Australia and take to the streets, the stages,

the microphones and the media megaphones.

The transformation of Mardi Gras is a project we begin anew every season and does not have an end in sight. It is not a vision to be the biggest, or make the most money. It requires diverse teams of many minds, dedicated to working together - listening to our community and then being brave enough to take the lead on strategic change. We must continue to transform our programs and our festival to remain relevant - and to take the lessons of our past with us, inspiring us as we change lives.

This is my second year as CEO and I was honored to work with the dedicated new SGLMG Board and the extraordinary team of staff already making impactful progress. It is a privilege to be one of the caretakers of this extraordinary organisation and I strongly believe that Mardi Gras has a great future. In many ways, the organisation is more important than before, in this conservative political world dominated by doubts and fears. It is vital that our community has powerful platforms for protest, where we can come together to celebrate diversity, showcase creativity and voice refreshing alternative views. It might be the smallest of voices that make the biggest impact.

Our staff and Board worked closely with our community and partners to celebrate our LGBTQI identity and the power and beauty



Photo: Jeffrey Feng



Photo: Jeffrey Feng

of diversity. What many remember about Mardi Gras is the extraordinary passion the organisation invokes in our diverse community. From the passionate dedicated volunteers, contractors and staff who give enormous amounts of their time and energy, to the creative innovation of our artists, producers and creative teams who weave their creative brilliance across our parades and festivals.

Engagement with the community continues to be a priority for Mardi Gras and there is much work to be done in this space. We were delighted to support over 100 community events across Sydney in our 40th Mardi Gras Festival. Our wonderful First Nations partnership with Koori Gras placed Aboriginal programming front and centre in our Festival and this year Koori Gras formed part of our Festival program at Carriageworks alongside Queer Thinking and Sissy Ball our sassy Vogue Ball. Our Luna Park Rainbow Family event saw rainbow families gather and take over Luna Park in a fun-filled day of high pitched squeals and delight and for the first time we produced a dedicated Rainbow Families viewing area along the Parade route.

I would like to acknowledge all the past staff, members, volunteers and Boards of Mardi Gras over the last 40 years and thank them for their tireless commitment to making this planet a fairer, more inclusive place.

And now we turn to the 41st, taking Mardi Gras into the future with a strong, sustainable, diverse and spectacular festival of events. Surely it'll be the best yet!

CREATIVE DIRECTOR REPORT

What a wonderful privilege it was to work on the 40th anniversary of Mardi Gras - to look back on the evolution of four remarkable decades and see what we have achieved and how far we had come. It was an amazing opportunity to retell and share the history, stories and images from our past through the many events the Mardi Gras team created this year. With friends, family and colleagues coming together from all over the world and across Australia to celebrate this amazing milestone, and all to the backdrop of marriage equality, the pressure was certainly on.

The 2018 Mardi Gras was certainly big - with over 100 sensational events, spectacular celebrations, fabulous community events, wild parties and of course the sensational Cher, ensuring the 2018 party will go down in history as one of the best.

Our signature event was the Museum of Love & Protest at the NAS Gallery, celebrating 40 years of love, protest, diversity, acceptance,

humour, pride, family, passion and creativity. The Museum's stunning theatrical design over two floors enabled visitors to discover or remember the extraordinary achievements, costumes, stories, artists, communities, photographs, rarely seen film footage and posters of Mardi Gras.

Over the middle weekend of the festival, we transformed Carriageworks into an amazing new Mardi Gras hub featuring Koori Gras, over thirty speakers sharing their thoughts and stories at Queer Thinking, the sensational Trans Stories and the inaugural Sissy Ball.

Mardi Gras created four special floats in the Workshop for the 40th anniversary Parade that highlighted and celebrated some of those key-defining Parade moments, costumes and floats. The Evolutionary Dinner Party, a wonderfully surreal dinner party procession, featured iconic Mardi Gras costumes worn by 40 dinner guests, pink butterfly chairs, a giant hot pink Mardi Gras champagne bottle,

the 2018 Evolutionary poster that became a table and Fred Nile and Pauline Hanson's heads on platters that were served up for dinner in Taylor Square. The Lesbian Marching Girls featured 80 women in homage to all who have marched before or are marching again and brought back some of those highlights to showcase the commitment and talent of these fabulous women. The Remembrance Butterflies was a tribute to those who have died of AIDS/ HIV related illnesses and featured a sea of 60 stunning butterfly puppets covered in red glitter that soared their way up Oxford Street. The final float, Thank You from the Bottom of Our Hearts celebrated 40 years of Mardi Gras volunteers.

Thank you everyone who helped in making the 2018 Mardi Gras so special, exciting and fun. We aimed to highlight our amazing evolution, momentous achievements, extraordinary individuals and wonderfully diverse communities in the best possible way we could - we hope we delivered.



Photo: Jeffrey Feng



Photo: Hamid Mousa



Photo: Hamid Mousa

BOARD COMMITTEES

78ERS

In December 2017, 159 78ers were given Mardi Gras Life Membership as a special way of kicking-off the massive celebration of our past 40 years of history. To further strengthen our connections with the 78ers, this year also saw the establishment of the Mardi Gras 78ers Committee.

Six well known activists, who contributed to those momentous events of 1978, have been elected to the Committee by 78er Life Members via postal vote. Working alongside the staff and Board, the Committee provides a forum for all 78ers who wish to engage with Mardi Gras as we look to the 41st anniversary and beyond.

MEMBERS:

Giovanni Campolo-Arcidiaco | CO-CHAIR
John Hannaford | CO-CHAIR
Shane Brown
Ross Duffin
Helen Gollan
Betty Hounslow
Diane Minnis
Kate Rowe

SOCIAL JUSTICE

The Social Justice Committee brings together diverse voices to provide oversight and strategic direction for Sydney Gay and Lesbian Mardi Gras on matters of social justice.

Together we have developed a three-year Social Justice Strategic Document and through this have initiated work on a Reconciliation Action Plan, begun a review of Mardi Gras' accessibility plans and investigated how we can support LGBTQI organisations in the Asia-Pacific region.

This is an exciting first step for this new Committee that shows Mardi Gras' ongoing commitment to being a proactive participant in the social justice space.

MEMBERS:

Robyn Kennedy | CO-CHAIR
Jesse Matheson | CO-CHAIR
Matt Akersten
Shawn Dern
Alastair Lawrie
Rick Macourt
Kimberley Olsen
Cate Thomas

MEMBERSHIP

The Membership Committee has recently been revamped with a number of new talented volunteers, which brought on board additional wealth of skills and enthusiasm. This will help us define and implement new strategies to deliver in the key areas of the Committee's scope.

Beside opportunities to improve existing administrative processes and communication channels, the Committee will work in identifying additional membership benefits and ways to improve engagement, so that our Members can be proud champions of SGLMG.

Aspects we feel very strongly about are diversity and inclusion so that less represented demographics can feel more comfortable in engaging with the Organisation.

The Committee has also in scope review of the Constitution to identify any required changes for compliance and improvements to better reflect changes in our community.

Your input is pivotal to our work and we aim to create more opportunities throughout the year to engage and contribute.

MEMBERS:

Giovanni Campolo-Arcidiaco | CO-CHAIR
Kat Dopper | CO-CHAIR
Matt Akersten
Laura Ashley
Rob Beetson
Alexander Lamarque
Eve Lichtnauer
Alli Sebastian Wolf
Jake Shavikin
Robyn Wilson

GOVERNANCE AUDIT & RISK COMMITTEE

The Governance Audit & Risk Committee (GAR), is the Board Committee which is charged with providing advice to the Board with respect to the Company's systems and processes and ensuring that they are appropriate to protect the financial health and the reputation of the Company.

GAR reviews the financial reporting processes, the system of internal controls, the external audit process, and processes for monitoring, mitigating and reporting the risks faced by the organisation.

GAR is the main conduit of communication between the organisation and the external auditor and it monitors auditors' findings and recommendations with regard to the Company's performance in all audit and risk-related areas, ensuring that appropriate advice is provided to the Board and the Company so that they can take corrective action when deficiencies are identified.

MEMBERS:

Phil Kershaw | CO-CHAIR
Stacey Dowson | CO-CHAIR
Sarah Morgan
Alisdair Campbell
Kevin Frohbus

PUBLIC FUND

The Mardi Gras Parade & Festival Gift Fund, (the Public Fund) was established in 2012 and manages donations from the public under Mardi Gras Arts Limited status as a Deductible Gift Recipient (DGR).

The Public Fund Committee has independent responsibility for the management of monies received by the organisation as donations and the dispersal of those funds to Mardi Gras Arts projects.

Since its inception the Public Fund has raised over \$158,000 through bucket shaking, direct giving and the new Mardi Gras 40th Foundation Circle.

This year the Public Fund released \$40,000 in co-funding with the City of Sydney to create artists Matthew Aberline and Maurice Goldberg's inflatable art work which was on display at Taylor Square until 1 September 2018.

The Public Fund continues to grow, and after donations and grants received during the year ended 30 June, 2018, stands at \$118,636. As the organisation continues to grow its charitable fundraising, the Public Fund Committee will contribute to create a long term sustainable organisation through stronger investment strategies and programmes to maintain the stewardship of monies donated to the organisation.

MEMBERS:

Damien Hodgkinson | CHAIR
John Hannaford
Mark Orr
Steph Sands

PEOPLE AND CULTURE

2018 season was one of the most successful with a range of talented employees, contractors and volunteers engaged to deliver events across the season.

Building on these successes, People and Culture Committee are undertaking a comprehensive review of Sydney Gay and Lesbian Mardi Gras' governance policies to uphold and maintain a high standard of working culture for staff, volunteers and the Board.

This work includes a review of organisational policies, the refinement of Board and Committee induction process and the development of succession planning framework to ensure continuity between seasons.

We look forward to continuing this good work in 2019.

MEMBERS:

John Hannaford | CHAIR
Fran Bowron
Samuel Day
Jesse Matheson
Aidan Read

STRATEGIC PLANNING

During the year, the Board commenced development of a new, three-year Strategic Plan. The Strategic Plan will set out a refreshed vision and statement of values, as well as a clear articulation of our goals and strategic priorities for the three-year period commencing in 2018/19.

The Strategic Plan will act as an overarching policy framework, ensuring the alignment of our activities and operations with the directions and commitments set out in the Plan.

The Strategic Plan will be released in October 2018.

MEMBERS:

Robyn Kennedy | CHAIR
Brandon Bear
Terese Casu
Kate Wickett

FUTURE DEVELOPMENT

While we take time to reflect on an amazing season, it is also important to think about the future. The organisation has been working hard to ensure unity, stability and financial security in order to continue to provide for our communities.

The board has committed to an ongoing process of mapping our skills and experience and engaging support through our Board Associate and Committee programs. Board Associates have added to the rich diversity and breadth of knowledge around the board table for a number of years, and the organisation is excited to continue working with people who bring unique perspectives to governance conversations. We are also excited to continue working with committees, this year our committees contributed to several important processes including developing changes to the membership model and establishing links with LGBT community groups.

We are proud to launch our Strategic Plan, a document which sets our high level goals for the next three years. This document, which has been taken to staff, board and community consultation, outlines our vision, values and objectives. The new plan has an increased focus on diversity, supporting artists, community access and social justice. We are confident that this document will ensure that all our staff and volunteers are working together towards our vision of global leadership in the promotion of diversity, inclusion, equity and social justice through culture, creativity and collaboration.

We are excited to showcase our new values and strategic directions that have been refined not only to reflect the work that the organisation has been doing over the last few years, but to respond to feedback from community that we should increase our focus in some areas – especially developing a social justice presence and developing sustainable practices in relation to our place in the environment.

The new plan, which will form the basis of operational plans and help guide executive decision making calls out the diversity in our communities, and reflects the important place Sydney Gay and Lesbian Mardi Gras has in developing arts and culture and providing a platform for the multitude of voices and stories that LGBTQI people have to share. We are particularly proud to call out the life-changing nature of our festival. While many people reading this would be acutely aware of how important this event is, naming one of our values as 'Changing Lives' ensures that the future of this organisation is reminded that all our work, and all our decisions should be geared towards ensuring that we continue to meet this lofty goal.

For forty years this organisation has never stood still – it's impossible when you are working to lead the pack. As we look forward to our future, both near and far, we have no intention to rest on our laurels now. The communities we work with and for continue to change, and the challenges we face at home and overseas still remain. For this reason, we have developed a plan that rejects complacency, calls for action and requires us to listen closely to our members and stakeholders. We hope you will join us on this journey through sharing your ideas with us, becoming a member and contributing to our decision making process, or simply by being part of what we do.

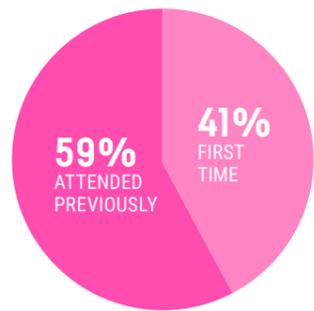
MARDI GRAS

AT A GLANCE

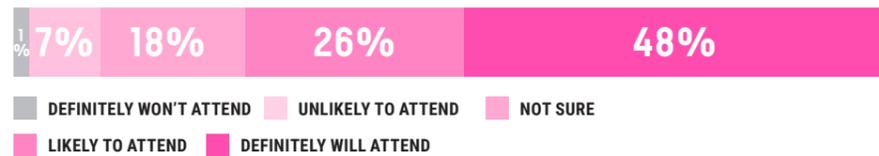


* 500,000 Parade; 80,000 Fair Day; 15,490 Party; 7,000 Museum of Love & Protest; 3,800 Queer Art After Hours; 3,000 Laneway; 2,000 Side Show; 1,700 Diamond Club; 1,400 Sissy Ball; 700 Pool Party; 640 Family Fun Day; 550 Queer Thinking.

Attended Previously vs First Time Event Experience 89% rated their experience as good or very good



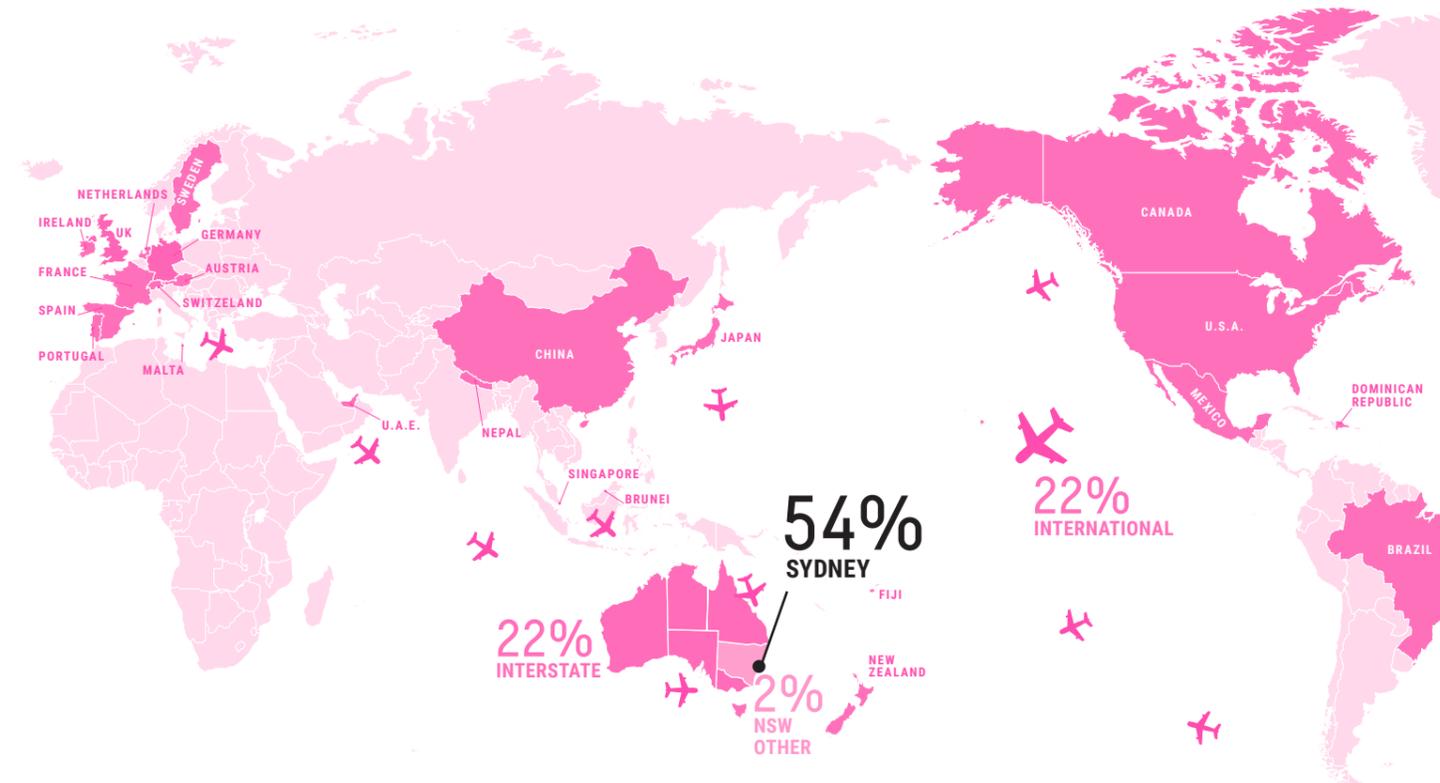
Likelihood to Attend in 2019 74% are likely or will attend in 2019



2018 SGLMG Parade F2F Survey

2018 SGLMG Parade online Survey

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



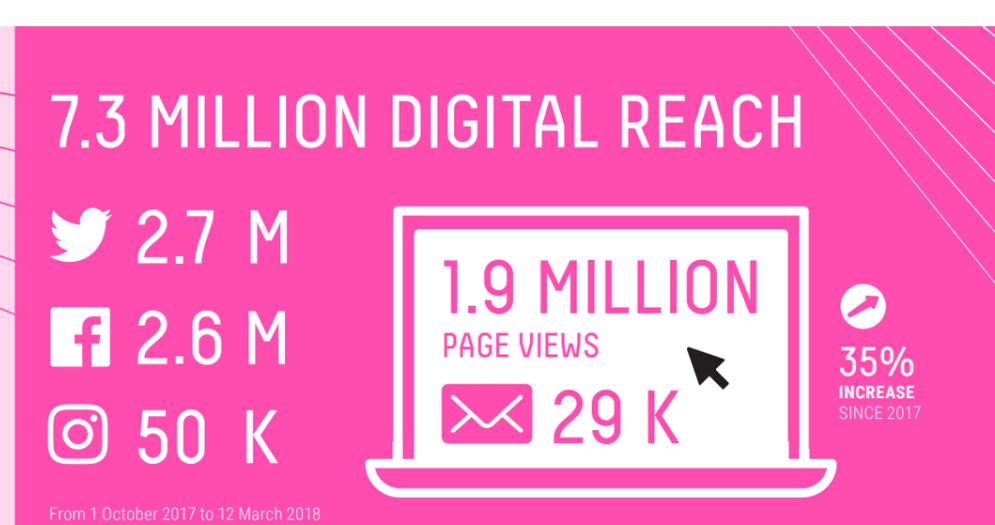
44% of our attendees come from interstate or overseas
Mardi Gras is a key tourist destination as the largest LGBTQI festival of its kind in the world

Based on 2018 Ticketing data

40 YEARS OF EVOLUTION

275 large street banners were on display in the City of Sydney

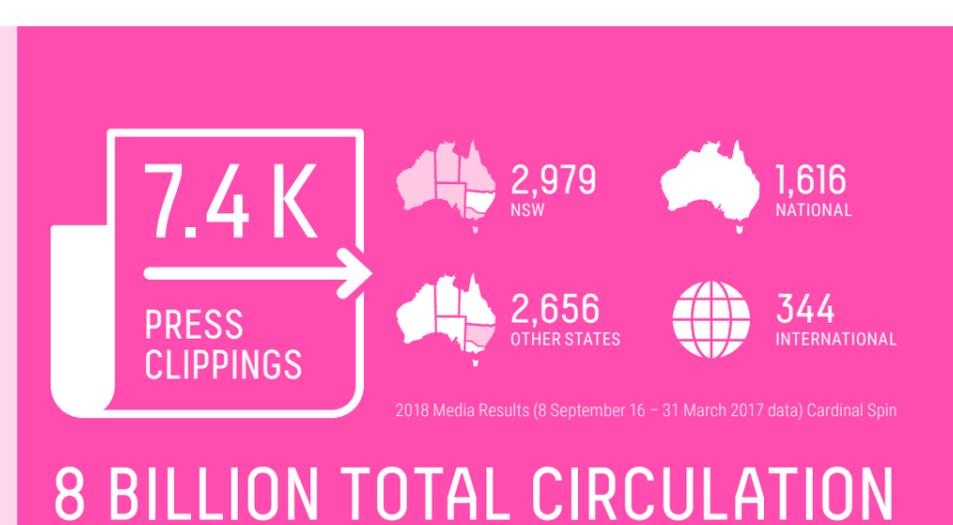
From 12 February to 4 March



2018 Annual Report



mardigras.org.au



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COMMUNITY

Connecting with our LGBTQI communities is vital, not just during our own Mardi Gras season, but all year around. SGLMG now has a full-time Community Liaison Manager who helps promote key events, campaigns, news and special offers to our members and wider networks. We aim to cherish our LGBTQI communities and help keep our neighborhoods informed and empowered.

For 2018, Mardi Gras staff consulted with a number of community focus groups and alumni who advised on our 40th anniversary celebrations.

We spoke out against the public vote on same-sex marriage and took to the streets to promote the YES campaign. We applauded the resounding YES survey result and passing of marriage equality into law at last.

In the past year Mardi Gras has also been visible at the Melbourne's Midsumma Carnival, the Parramatta Pride Picnic, Newcastle Pride, Sydney's Pride Festival, the First Nations Rainbow launch, the Aurora Ball, Wear it Purple Day, and the City of Sydney's LGBTQI picnic day in Harmony Park. A merry band of Aussies even raised the Mardi Gras banner at WorldPride in Madrid and the CEO attended the Interpride Conference in Indianapolis USA.



Photo: Jeffrey Feng

40 YEARS OF LOVE

Maurice Goldberg and Matthew Aberline's bright, bold, sassy and sensational inflatable installation celebrated 40 years of Mardi Gras! On display in Taylor Square for two months, the artwork was created with the support of the City of Sydney. Lord Mayor Clover Moore was there with the artists to launch it with us on the 1st of July, before we toasted 40 years of Mardi Gras with our members and many 78ers at the Beresford Hotel.



Photo: Jeffrey Feng

HONOURING OUR 78ERS

We acknowledge that Mardi Gras is built on the backs of those that came before us and that our history is our strength.

Our aim is to better support, celebrate and champion our pioneering 78ers each and every year.

Mardi Gras provides up to \$10,000 for the 78ers Float to lead the Parade up Oxford Street behind the First Nations float. For 2018's very special 40th anniversary event we were also pleased to provide \$5,000 towards 78ers experiencing financial hardship to help cover costs for travel across Australia to come to Mardi Gras. For those wanting to be spectators, we also set aside a dedicated viewing space on the Parade Route with easy access to toilets as well as complimentary travel back to Central station after the Parade.

Many more 78ers were keen to join us at the Party this year. Our usual allocation of 20 complimentary Party tickets was drawn out, and an additional 80 discounted \$45 tickets were offered. They wanted the Party spaces to be more accessible this year so many more seating options were made available in various Party spaces, including in the Hordern, the RHI and outside.

We were so pleased to support the 78ers activation at Fair Day and provide a dedicated marquee for the group to share their important history with Fair Day visitors and invite them to provide a welcome message to the 80,000 attendees there on the day.

In 2018 we also started a 78ers Committee to help form tighter bonds between Mardi Gras and 78ers. There are now 159 78er 'Lifetime Members' of Sydney Gay and Lesbian Mardi Gras who don't have to pay any annual fees. More will be added at this year's AGM.

ANZ MARDI GRAS COMMUNITY GRANTS

In 2018, ANZ and Sydney Gay and Lesbian Mardi Gras launched the inaugural ANZ Mardi Gras Community Grants program that provided grants of up to \$10,000 to LGBTQI not-for-profit community organisations, charities and individuals across Australia. The program is the only national grants program of its kind in Australia, and is dedicated to supporting LGBTQI causes, culture and communities.

2018 ANZ MARDI GRAS COMMUNITY GRANTS RECIPIENTS

- Assisting Your Life to Achieve (WA)
- Cairns Transgender Adult Support Group (QLD)
- Dexter Rosengrave (TAS)
- Dughutti Elders Council (NSW)
- First Nations Rainbow (NSW)
- Gay and Lesbian Singers of WA (WA)
- Headspace (VIC)
- Leichhardt Community Group (NSW)
- Minus18 (VIC)
- Perth Pythons Hockey Club (WA)
- Queensland AIDS Council (QLD)
- Residency Projects (VIC)
- Robert Bernard French (NSW)
- Samuel Leighton-Dore (QLD)
- STARTTS (NSW)
- Ten Forty Matrix Inc. (NSW)
- Twenty10 (NSW)
- Working It Out (TAS)

GOOGLE MARDI GRAS PARADE GRANTS

The Google Mardi Gras Parade Grants program is designed to fund and support a diverse range of community ideas and provide grants to individuals, community groups and not-for-profit organisations. In 2018 the program was able to support 31 parade entries with grants of up to \$5,000.

2018 GOOGLE MARDI GRAS PARADE GRANTS RECIPIENTS

- Aqualicious Masters Swimming Inc
- Australian Lesbian and Gay Archives
- Bentstix Hockey
- Cairns Tropical Pride
- Colours of Our Community
- Departure Lounge
- Different Strokes Dragon Boat Club
- Ethel Yarwood Enterprises
- Evolution of Dance and Divas
- Flying Bats
- FOBGAYS
- Free Gay n Happy
- Glitterati
- In Memory of Carmen Rupe
- Inner City Legal Centre
- Itty Bitty Titty Committee
- Mature Age Gays
- NSW Trans Youth Alliance
- People with Disability Australia
- Selamat Datang GLBTQI
- SM&M The Other 39ers
- Sydney Rangers
- Sydney Silverbacks
- Tasmanian Gay & Lesbian Rights Lobby
- The Incredigays
- The Kirby Institute
- Trans Sydney Pride
- Trikone Australasia
- Twenty10
- Wonder Mama & The Warriors of Love

Photo: Jeffrey Feng



VOLUNTEERS



Photo: Hamid Mousa

The 40th anniversary Sydney Gay and Lesbian Mardi Gras season involved a workforce of over 1,700 committed, talented and wonderful volunteers.

Notable moments included the Mardi Gras 40 launch at the Sydney Opera House steps, the Museum of Love & Protest at the National Arts School, the fabulous Fair Day crew, Queer Art After Hours, Queer Thinking, and of course the spectacular Parade, unforgettable Party and Laneway.

Thank you so very much to everyone who joined our volunteer ranks this year. You are our lifeblood and you all made an extraordinary contribution.

WANT TO GET MORE INVOLVED?

Sydney Gay and Lesbian Mardi Gras relies on thousands of volunteers to make our world famous festival and events the success that they are year after year.

Volunteering with us is a wonderful way to meet new people, learn new skills, share and contribute to Mardi Gras, learn about our communities and have a great time while making a difference.

We offer invitations to social events and functions, a chance to be recognised in the annual Sydney Gay and Lesbian Mardi Gras Awards, discounted and complimentary tickets to our events, plus products and services offered by our partners from time to time.

Our volunteer opportunities are wide-ranging and varied – from event operations, to information technology, to human resources and logistics. You may need experience for some volunteer opportunities, while for others we'll provide all the training that you'll need.

Make sure you check our website at mardigras.org.au/volunteer for volunteer opportunities during Mardi Gras 2019.

When you volunteer with us, you'll be making a difference for our organisation and the community as a whole.

VOLUNTEERS OF THE YEAR



The volunteers of the year for 2018 are **Shane Farr** and **Gus Little**.

The most outstanding volunteers of the season were awarded at the annual Mardi Gras Awards. The recipients have shown leadership, teamwork, innovation and service. They embody every one of the organisation's values.

AWARDS



Mardi Gras recognises excellence across our spectacular 40th anniversary season of events, honouring the individuals and groups among us who go above and beyond.

LIFETIME ACHIEVEMENT AWARD

The Lifetime Achievement Award for 2018 was awarded to: **Leonard Watson**.

FAIR DAY AWARDS

BEST FOOD STALL FOOD
Kapamilya Eatery

BEST STANDARD STALL
Bourke Street Wax

BEST SPORT STALL
Sydney Womens Baseball League

BEST COMMUNITY STALL
People with Disability Australia

SPECIAL COMMENDATIONS
Glitoris, Relationships Australia and Sydney Roller Derby League Incorporated

FAIR DAY STALL OF THE YEAR
Sydney Local Health District incorporating Breastscreen

PARADE AWARDS

BEST CHOREOGRAPHY
Sydney Queer Irish

RON MUNCASTER AWARD FOR BEST COSTUME
40 Years of Colour

BEST FLOAT DESIGN
Free Gay and Happy

SPECIAL COMMENDATIONS
Australians for Equality
Australian Marriage Equality
People with Disability Australia
Trans Sydney Pride
Queer Planetears
Bentstix Hockey Club
Broken Heel Festival

THE RON AUSTIN AWARD FOR FABULOUS PARADE ENTRY
SM&M the Other 39ers

WORKFORCE AWARDS

EXCELLENCE IN INNOVATION
Paul Truscott

EXCELLENCE IN LEADERSHIP
Rocky Talantou

EXCELLENCE IN SERVICE
Rachel Smith

EXCELLENCE IN TEAMWORK
Felix Wark

ICARE AWARD
Hayley Wyndham

BEST SHOP WINDOW

A new award for outstanding storefront windows on Oxford Street or King Street during Mardi Gras 2018.
WINNER: Daly Male

THE MARDI GRAS WORKSHOP

In season 40, the Mardi Gras Workshop produced 13 floats, along with assisting the First Nations and the 78ers groups. The Workshop also produced props and scenic for Fair Day and Party.

This year the Mardi Gras Workshop Costume department designed and produced 190 costumes including the 'Lemons' Lesbian Marching Girls Group, the stunning AIDS Memorial butterflies, and recreating iconic Peter Tully, Brenton Heath-Kerr and Philippa Playford costumes for the parade and a recreation of the Captain Cook costume and 'Gingham Woman' for The Museum of Love and Protest.

The Workshop crew is made up of highly skilled artisans and artists that come from carpentry, welding, sculpture, painting, scenic and costume-making backgrounds.

MARDI GRAS WORKSHOP CREW FOR SEASON 40

Liz Carter | WORKSHOP PRODUCTION MANAGER
Leah LeLash | HEAD OF COSTUME

Simon Stratton	Mark Smith
Andy Broadley	Mick Teixeira
Graham Reed	Grant Freeland
Matina Moutzouris	Joshua Gray
Aesha Henderson	Lisa Bergan
Aron Dosiak	Shannon Riggs
Gemma O'Nions	Ang Sinnet
Dan Vulletich	Ramie Moussa
Tano Russo	Dave Rae
AnSo Ridelaire	Sarah Lording
Tiffany Porto	Kathrin Davis
Callum Robinson	Craig Featherstone

Across the season the workshop were lucky to have 20 volunteers from the arts and events sector who assisted with the production of scenic and costume in one of our busiest years.



Photos: Kathrin Davis

BOARD & STAFF

BOARD OF DIRECTORS

Brandon Bear | CO-CHAIR
Kate Wickett | CO-CHAIR
Jesse Matheson
Giovanni Campolo-Arcidiaco
Kat Dopfer
John Hannaford
Robyn Kennedy
Christopher Brooke | TREASURER
Sam Day | BOARD ASSOCIATE
Damien Hodgkinson | CO-CHAIR 31 August 2017
James Brechney 7 November 2017
Silke Bader 23 September 2017

COMPANY SECRETARY

David Sellin
Tai Phan 1 December 2017

MEDICAL

Jem Masters
Alan O'Riordan
Hayley Wyndham
Rachel Smith
Rick Stone
Simon Hooper
Mark Koh
Robert Whitworth-Guy
Michael Novy
Zintis Duckmanton
Ron Boyd

FAIR DAY

Shane Farr
Gus Little
Eric Nair

PARADE

Sarah Pearce
Kim Williams
Laura Fazzolari
Liz Dods
Frank Iannilli
Warren Bishop
Darren Kelly
Leonard Watson
Peter Moody
Terry Everit
Joel McKinnon
Adrian Hinder
Louis Hudson
Damon Hartley
Daniel Lester

STAFF

Terese Casu | CEO
Greg Clarke | CREATIVE DIRECTOR
Carrie Bond | FINANCE & ADMINISTRATION MANAGER
Rebecca O'Donnell | FINANCE CONSULTANT
Joanne Bonomo | FINANCE ASSISTANT
Samantha Swain | OFFICE COORDINATOR
Sam Hartland | VOLUNTEERS MANAGER
Bel West | VOLUNTEERS COORDINATOR
David Harris | PARTNERSHIPS MANAGER
Jason Dixon | PARTNERSHIPS COORDINATOR
Charlie Cox | PARTNERSHIPS COORDINATOR 5 January 2018
Grant Gillies | MARKETING MANAGER
David Gillett | MARKETING MANAGER
Matt Akersten | SOCIAL MEDIA MANAGER & COMMUNITY LIAISON
Bianca Blancato | MARKETING COORDINATOR
Joel De Sá | GRAPHIC DESIGNER
Grant Lowe | PARADE PRODUCER
Emily Santiago | PARADE COORDINATOR
Matt Higgins | FAIR DAY & PARTY PRODUCER
Brock Taffe | EVENT COORDINATOR
Charlie Murphy | ASSOCIATE PRODUCER

MUSEUM OF LOVE & PROTEST

Susan Charlton | CURATOR
Anna Tregloan | DESIGNER
Vania Contreras | PRODUCER
Tim Bishop & Katherine Wolframe | CONSULTANTS

CREATIVE CONTRACTORS

Sveta Gilerman | DJ Talent Booker
Luke Nutley | DJ Talent Booker
Jonny Seymour | DJ Talent Booker
Hugh O'Connor | Float Designer
George Savoulis | Float Designer
Virginia Ferris | Choreographer
Vincent Rommelaere | Season Promo Reel
Bluesoap | Web Developers

CONTRACTORS

Mothership Events | PRODUCTION FOR PARADE, FAIR DAY, LANEWAY, SISSY BALL, SIDESHOW & DIAMOND CLUB
Fourthwall | PRODUCTION FOR PARTY
Cardinal Spin | PR

PARTNERSHIPS



Photo: Ann-Marie Callihanna

Mardi Gras partners continue to highlight their diversity and inclusion initiatives, and show support for the broader community through meaningful engagement with their staff within the LGBTQI space.

In a year when LGBTQI social justice was at the forefront of public discourse, Partnerships at Mardi Gras grew significantly as businesses came together with the community to support Marriage Equality and celebrate our achievements.

At Mardi Gras, we partner with businesses demonstrating a commitment to supporting their own LGBTQI staff and customers, while sharing our vision of equality and diversity. These generous partnerships provide vital support that furthers our ability to create innovative and engaging programs, and to broaden our message of equality. By developing and fostering strong relationships with government and businesses, Mardi Gras is able to provide significant subsidies which increase accessibility and community involvement in the festival.

With a record number of partners during our 40th anniversary year, dedicated partnership staff provided a comprehensive program of benefit delivery that kept partners engaged and creatively integrated to the festival. Mardi Gras cash income rose by 31% in comparison to 2017 with a combined government and corporate investment of \$2,870,909. Contra investment from both government and corporate support rose by 22% to \$726,562.

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 2018.

Mardi Gras celebrated our fourth fantastic year with ANZ as Principal Partner, whose involvement as a sponsor is now in its twelfth year. Celebrating Australia's victory in passing Marriage Equality, ANZ's #SoMuchYay campaign honoured our community's achievements across Australia. Importantly, our partnership with ANZ also launched the ANZ and Mardi Gras Community Grants Program which supports a diverse array of LGBTQI projects and causes nationally at a grassroots level.

Broadcast partner SBS continued its integral support of Mardi Gras, with the broadcast available nationally via SBS On Demand and SBS free-to-air TV, reaching 1.4 million people.

In 2018 Mardi Gras collaborated with Red Bull to co-present the inaugural Sissy Ball, and with Medibank to create the Family Fun Day at Sydney's iconic Luna Park.

Mardi Gras welcomed back Major Partners: Medibank, Qantas, The Star and Holden, and new Major Partners: Wella Professionals, Netflix, Vodafone, Red Bull, Google, AccorHotels, Absolut, Myer and Tinder.



Photo: Jeffrey Feng

Mardi Gras received a record 8 billion engagements in the media this year due to our fabulous publicist, Cardinal Spin, and collaborative partnerships with: KIIS 1065, Star Observer, JOY FM, BuzzFeed, Cosmopolitan, DNA magazine and of course, SBS.

Mardi Gras official Supporters and Suppliers for 2018 were: ACON, IVFAustralia, Lush, Australia Post, Minter Ellison, Woolworths Group, SKYN, Gayle, Sparkke, HPG and IGLTA.

Mardi Gras would also like to thank the important contribution made by our Festival and Venue Partners: Queer Screen, Art Gallery NSW, Sydney Opera House, Moogahlin Performing Arts, Playbill Venues, Luna Park, The University of Sydney, Carriageworks, the National Art School, Seymour Centre and Trans Sydney Pride.

Each year Mardi Gras works with numerous production companies and suppliers to deliver the festival. In 2018 we'd like to thank Fourth Wall, Mothership Events, Hamiltons Hospitality, Pink Media and Playbill Venue Management for their incredible work during Sydney Gay and Lesbian Mardi Gras.

PRINCIPAL PARTNER



STRATEGIC SPONSOR



GOVERNMENT PARTNER



BROADCAST PARTNER



MAJOR PARTNERS



MEDIA PARTNERS



OFFICIAL SUPPORTERS AND SUPPLIERS



FESTIVAL PARTNERS



FINANCE REPORT

For the financial year ended 30 June 2018, the organisation is pleased to report a net operating surplus of \$61,252. This result includes \$282,218 in community grants and support presenting an operating surplus before grants of \$343,470.

In 2017 we announced the completion of Stage 1 of our transformation programme. The organisation now has \$721,570 in liquid reserves to support our on-going operations, it is with this knowledge that the organisation committed to a new programme of community grants and support funded from both operational surpluses and corporate partnership programmes. The underlying result of \$343,470 exceeds our original budget for the season of \$80,567 and reflects the organisations strong focus on cost management and community investment.

KEY PERFORMANCE INDICATORS

• **Revenue** for the year was \$7,562,858 a positive variance to budget of \$1,355,357 and a significant improvement on 2017 of \$2,143,521.

This improvement in revenue was driven by three major factors:

1. Ticket revenue was \$2,824,489 an improvement on budget of \$966,279 and on 2017 of \$927,926. This variance was driven principally by ticket sales for the main party which were \$775,384 ahead of budget. The average ticket price for the main party increased 15.4% from \$130.89 to \$151.12.

2. Sponsorship was \$2,850,495, a positive variance to budget of \$110,495 and a significant improvement on 2017 of \$864,184. Corporate sponsorship remains a key part of our overall funding programme, that allows us to present the biggest LGBTQI night time Parade in the world, support our community grant programmes and fund a number of free events for community including Fair Day and the Museum of Love and Protest.

3. License fees were \$829,673 compared to budget of \$528,171 improvement of \$307,968 on 2017. The improvement was driven by an increase in the level of participation by stall holders at Fairday and across the Festival programme.

• **Cost of Sales (Events)** was \$5,157,845 compared to a budget of \$3,947,407 a variance of \$1,210,438 to budget and \$1,858,805 on 2017. The increase in Cost of Events over budget was driven principally by the increased costs of the main party.

- The main party costs exceeded the original budget by \$931,543. These cost increases relate principally to artist fees including headliner talent "Cher", production costs, and the expanded party footprint which increased sales capacity to 14,500 tickets. These cost increases were fully funded by the increased ticket sales. Refer note above.

This year the organisation added two additional free events as part of the 40th anniversary celebrations. These events were funded from commercial sponsorships as free events.

- This year's launch event at Sydney Opera House in celebration of our 40th anniversary was important to mark the significant history of SGLMG and light the Opera House sails in the rainbow colours that was beamed across the world. The Opera House cost \$230,864 in line with budget but significantly greater than costs incurred in 2017 of \$25,781 being a non-anniversary year that was presented in the MG workshop.

- This year we also presented the Mardi Gras Museum of Love & Protest at the National Art School. This was the signature event of 2019 that celebrated 40 years of Mardi Gras and community history which came in under budget at \$145,449.

Cost of Sales have continued to increase over the last 3 years reflective of the increased costs of security, and target hardening for terrorism mitigation to ensure audience and participant safety.

Note: There is a variance between Cost of Sales in our management presentation and Cost of Sales in the financial statements as audited, the difference principally relates to the accounting treatment of contra expenses which are split between marketing contra and products and services contra sponsorship.

These costs, in line with budget, have been allocated in Expenses in management accounts and fully allocated to Cost of Sales in the financial report.

• Gross Profit was \$2,405,013 an improvement of \$144,916 on budget and \$284,716 on 2017. The improvement in Gross Profit is partly due to an increase in revenue see note above, and the reallocation of event costs to Expenses. Please refer to the additional note above in respect to the allocation of contra expenses to Cost of Sales in the Financial report.

• Expenses were \$2,351,729 an increase on budget of \$164,575 and a significant increase on 2017 of \$403,027. The majority of the increase in Expenses relates to staffing of \$145,691 over budget including the new part time roles of Parade Producer, Partnership Coordinator and Designer.

PARADE SEGMENT

Overall Parade operations produced a surplus of \$83,758 a positive variance of \$111,064 compared to 2017. This improvement was driven by additional commercial revenue in workshop which had a positive variance of \$142,446. Included in Parade costs is \$77,400 in community grants and support for non -corporate parade participants through the Google sponsorship partnership.

MARDI GRAS WORKSHOP

For several years Mardi Gras has not had access to a permanent or continuing workshop space and has resorted to short term warehouse rental opportunities as they arise. Often confirmation on short term warehouse leasing comes late in the year making it difficult to accommodate community access.

Short Term Outcomes - Management are now focusing on extending the workshop

capacity during 2019 season to provide additional community support including weekends and after hours. These additional costs will be reflected in the budget for 2019 season.

Long Term Outcomes - Management have applied for financial support from the City of Sydney to conduct a feasibility study for a permanent Mardi Gras Workshop with committed community access. The feasibility study will investigate sustainable business models and potential out of season income streams to ensure a viable 10 year plan.

BUDGET TO ACTUAL

For the year ended 30 June 2018	Budget FY18	Actual FY18	VARIANCE TO BUDGET	Actual FY17	Variance FY17
	\$	\$	\$	\$	\$
INCOME					
TICKET SALES	1,858,210	2,824,489	966,279	1,896,563	927,926
LICENSES & FEES	528,171	829,673	301,502	521,705	307,968
SPONSORSHIP & GRANTS	2,740,000	2,850,495	110,495	1,986,311	864,184
BAR SALES	92,364	137,011	44,647	89,270	47,740
MEMBERSHIP FEES	52,500	85,649	33,149	31,346	54,303
DONATIONS	85,997	72,075	(13,922)	37,676	34,399
OTHER INCOME	34,660	31,872	2,788	35,290	(3,418)
CONTRA INCOME	821,175	731,594	(89,581)	821,176	(89,582)
TOTAL INCOME	6,213,077	7,562,858	1,355,357	5,419,337	2,143,521
COST OF SALES					
LICENSE & TICKETING FEE	(122,880)	(162,277)	(39,397)	(108,291)	(53,986)
VENUE COST	(403,432)	(437,785)	(34,353)	(348,420)	(89,365)
INFRASTRUCTURE COST	(889,556)	(833,118)	56,438	(674,700)	(158,418)
ENTERTAINMENT COST	(410,700)	(933,405)	(522,705)	(230,312)	(703,093)
PRODUCTION COST	(622,517)	(727,347)	(104,830)	(498,305)	(229,042)
SECURITY COST	(214,624)	(251,440)	(36,816)	(200,680)	(50,760)
PERSONNEL COST	(738,688)	(1,033,749)	(295,061)	(643,403)	(390,346)
OTHER EXPENSES	(276,834)	(524,166)	(247,332)	(335,876)	(188,290)
MARKETING OVERHEAD	(268,176)	(254,558)	13,618	(259,053)	4,495
TOTAL COST OF SALES	(3,947,407)	(5,157,845)	(1,210,438)	(3,299,040)	(1,858,805)
GROSS PROFIT	2,265,670	2,405,013	144,916	2,120,297	284,716
EXPENSES					
ADMINISTRATION OH	(209,789)	(328,410)	(118,621)	(179,586)	(148,824)
OCCUPANCY OH	(79,114)	(82,984)	(3,870)	(65,181)	(17,803)
EMPLOYEE BENEFITS EXPENSE	(1,034,887)	(1,180,579)	(145,692)	(835,187)	(345,392)
PROFESSIONAL SERVICES	(56,489)	(43,443)	13,046	(61,872)	18,430
CONTRA ADMIN EXPENSES	(806,875)	(716,313)	90,562	(806,876)	90,563
TOTAL EXPENSES	(2,187,154)	(2,351,729)	(164,575)	(1,948,702)	(403,027)
OTHER INCOME	2,051	7,968	(5,917)	2,185	5,782
NET PROFIT/LOSS	80,567	61,252	(25,573)	173,780	(112,528)

CELEBRATION SEGMENT

Celebration events produced a surplus of \$194,896 a negative variance of \$121,804 on 2017 driven by the increased costs of entertainment. These cost increases relate to headliner entertainment cost including "Cher" of \$749,349 inclusive of production costs, and the expanded party footprint which increased capacity to 14,500.

It should be noted that the presentation of the 2018 lead talent Cher was fully funded from ticket sales and no sponsor funding was obtained. NSW Government contributed an additional \$80,000 for Parade Promotion which included Cher's appearance and performance on Parade.

The organisation received some public criticism in respect to the pricing structure at the main party. The average main party price increased 15.4% from \$130.89 to \$151.12. The majority of party tickets were sold below the average price with only 3,000 tickets of 14,500 being sold at the final release price.

The organisation maintained the early release and member pricing structure of \$99 with members getting first option on the final release.

FESTIVAL SEGMENT

Festival operations produced a loss of \$97,893 a positive variance to 2017 of \$50,669. Included in Festival was community grants and support of \$45,000.

FINANCE REPORT
CONTINUES ON PAGE 26

COMMUNITY SEGMENT

Community generated a loss of \$119,509 compared to 2017 (\$32,974) a negative variance of \$152,456. The variance mainly related to \$154,818 in community and support grants. The Mardi Gras Public Fund and City of Sydney contributed \$120,000 to the creation of the 40th inflatable arts installation at Taylors Square and \$34,818 to a number of organisations during the Marriage Equality debate. These funds were used to promote the campaign as well as support organisations promoting and supporting mental health during the Marriage Equality debate.

78ER SUPPORT

In addition to travel assistance, over \$20,000 was committed to 78er parade development and celebrations. The majority of this expenditure sits in the over all Parade budget and the Museum of Love and Protest special 78ers celebration event.

In the current Financial Year we also negotiated a grants partnership with ANZ to provide support to LGBTQI communities across Australia. Of the total budget of \$140,000 Mardi Gras contributed \$40,000 and ANZ contributed \$100,000. A total of \$100,000 was allocated to 18 LGBTQI Community projects. Administration expenses include developing a grants web portal for future grant administration.

COMMUNITY GRANTS AND SUPPORT

As part of Stage 2 of the organisations transformation Mardi Gras has now delivered over \$400,000 in community grants and support funded by corporate partnerships with Google and ANZ and from its own surpluses.

RECIPIENT	\$
Community Parade Grants	77,400
78ers Travel assistance to attend 40th Anniversary	5,000
Performance Space Queer Artists Development Program	10,000
Koori Gras First Nations Program - Mooghalin Performing Arts.	15,000
Seymour Centre - Queer new writing program and Queer Performance Program	20,000
Taylors Square Public Art - 40th Celebration	120,000
Marriage Equality Support	34,818
TOTAL	282,218

PERFORMANCE BY SEGMENT

EVENT	FOR THE YEAR ENDED 30 JUNE 2017					FOR THE YEAR ENDED 30 JUNE 2018					
	REVENUE	COST OF EVENTS	GROSS PROFITS	OVERHEADS	NET RESULTS	REVENUE	COST OF EVENTS	GROSS PROFITS	OVERHEADS	NET RESULTS	VARIANCE
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
PARADE											
PARADE	1,789,400	(790,531)	998,869	(965,714)	33,155	1,826,786	(815,080)	1,011,705	(1,030,320)	(18,615)	(51,770)
PARADE VIEWING	455,129	(358,686)	96,443	(102,858)	(6,415)	556,433	(388,590)	167,843	(153,870)	13,973	20,388
WORKSHOP	381,890	(388,790)	(6,900)	(47,146)	(54,046)	776,796	(619,023)	157,773	(69,373)	88,400	142,446
SUBTOTAL	2,626,419	(1,538,007)	1,088,412	(1,115,718)	(27,306)	3,160,014	(1,822,693)	1,337,321	(1,253,563)	83,758	111,064
CELEBRATION											
PARTY	1,454,275	(1,041,524)	412,751	(133,687)	279,064	2,239,193	(1,931,543)	307,650	(167,927)	139,723	(139,340)
LANEWAY	164,842	(91,769)	73,073	(35,436)	37,637	204,645	(93,476)	111,169	(55,996)	55,173	17,536
SUBTOTAL CELEBRATION	1,619,117	(1,133,293)	485,824	(169,123)	316,701	2,443,838	(2,025,019)	418,819	(223,923)	194,896	(121,804)
FESTIVAL											
FAIR DAY	624,127	(366,635)	257,492	(282,478)	(24,986)	693,718	(348,832)	344,886	(336,580)	8,306	33,292
FESTIVAL	481,187	(258,645)	222,542	(346,118)	(123,576)	1,122,723	(736,823)	385,900	(492,099)	(106,199)	17,377
SUBTOTAL	1,105,314	(625,280)	480,034	(628,596)	(148,562)	1,816,441	(1,085,655)	730,786	(828,679)	(97,893)	50,669
COMMUNITY											
GRANTS	24,417		24,417	(2,440)	21,977	50,889	(218,929)	(168,040)	(3,486)	(171,526)	(193,503)
MEMBERSHIP	44,070	(2,461)	41,609	(30,639)	10,970	91,675	(5,549)	86,126	(34,109)	52,017	41,047
SUBTOTAL	68,487	(2,461)	66,026	(33,079)	32,947	142,564	(224,478)	(81,914)	(37,595)	(119,509)	(152,456)
TOTAL	5,419,337	(3,299,041)	2,120,296	(1,946,516)	173,780	7,562,858	(5,157,845)	2,405,013	(2,343,760)	61,252	(112,528)

*Note immaterial adjustment from Other Income in Membership \$7,678 2018 (\$2,185 in 2017)



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

Financial Report
 For the year ended 30 June 2018

DIRECTORS' REPORT

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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 2018 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.

Name	Date appointed	Date Retired	Board Meetings	
			A	B
Brandon Bear	24 August 2014		14	15
Jesse Matheson	12 November 2016		15	15
Kat Dopper	12 November 2016		10	15
Giovanni Campolo-Arcidiaco	23 September 2017		11	12
John Hannaford	23 September 2017		12	12
Robyn Kennedy	23 September 2017		12	12
Kate Wickett	23 September 2017		10	12
Christopher Brooke	30 January 2018		5	5
Damien Hodgkinson	19 August 2014	31 August 2017	2	2
Silke Bader	23 March 2016	23 September 2017	3	3
James Brechney	24 August 2014	7 November 2017	7	7

A – Number of meetings attended during the year

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. Phillip Kershaw is Chair and Stacey Dowson is the Co-Chair of the Governance Audit and Risk Committee during the reporting year.

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

- Name**
- Phillip Kershaw (Independent Co-Chair)
- Stacey Dowson (Independent Co-Chair)
- Sarah Morgan (Independent Member)
- Alisdair Campbell (Independent Member)
- Brandon Bear (Board Advisory Member)
- Christopher Brooke (Board Advisory Member)

DIRECTORS' REPORT

Damien Hodgkinson (retired) is a non-executive director of Ceramic Fuel Limited (CFU), a litigation management and manufacturing business that was listed on the on the Australian Stock Exchange Limited until March 2018. None of the current directors, who were directors during this financial year of SGLMG, are currently directors of any publicly listed companies, nor have they had any such roles in the last 3 years.

Name	Qualifications	Experience	Special Responsibilities
Brandon Bear	Bachelor of Arts, University New England	Board Member for 5 years, Board Associate for 18 months, Fifteen years of experience in small not for profit governance in youth & community sector.	Co-Chair, Governance Audit and Risk Committee, Strategic Planning Committee, People and Culture Committee
Jesse Matheson	Bachelor of Communications (Journalism), University of Technology, Sydney. Graduate Certificate in Public Policy, University of Sydney	Board member for 19 months. Former Chair of SGLMG Membership Committee. 10 years volunteer experience across SGLMG working groups. 2 years Secretariat experience for public & NFP Boards.	Social Justice Committee (Co-Chair), Membership Committee (Chair), People & Culture Committee, 78ers Creative Working Group (Co-Chair)
Kat Dopper	Bachelor of Education	Board member for 19 months, Executive Event Producer for many brands and charities plus larger organisations such as Destination NSW & the City of Sydney, Founder and Director of Heaps Gay.	Membership Committee (Co-Chair), Funding Committee
Giovanni Campolo-Arcidiaco	BA in Italian Literature and Theatre History, Diploma in Internet and Multimedia, PRINCE2 Practitioner	Board member for 9 months; Membership Director of the Sydney Gay & Lesbian Business Association for 2 years; President of Queer Screen (Mardi Gras Film Festival) for 4 years.	Membership Committee (Co-Chair), 78ers Committee
John Hannaford	Master of Business Administration (currently obtaining) Charles Sturt University, Bachelor of Business (Management) Charles Sturt University, Certificate IV Training and Assessment, Certificate IV Frontline Management	Board member for 9 months, SGLMG Event Fundraising Manager for 5 years, SGLMG Volunteer for 10 years.	People and Culture (Chair), Public Fund Committee, 78ers Committee, 78ers Creative Working Group (Co-Chair)
Robyn Kennedy	Bachelor of Arts, University of NSW	Board member for 9 months, over 30 years' experience in social policy, planning and program development in both public and not for profit sectors. Expertise in funding of not for profits. A 78er (participant in first Mardi Gras).	Strategic Planning Committee (Chair), Social Justice Committee (Co-Chair)

DIRECTORS' REPORT

Information on Directors (continued)

Name	Qualifications	Experience	Special Responsibilities
Kate Wickett	Bachelor of Laws and Legal Practice, Law Flinders University, Graduate Diploma Communications (Public Relations), RMIT University, Master of Business Administration, Business, Monash University	Board member for 9 months, Midsumma Festival Board for almost four years, Board Associate for 12 months.	Co-Chair, Strategic Planning Committee, Funding Committee
Christopher Brooke	Bachelor of Economics (Accounting) - Flinders University, Master of Business Administration - University of Adelaide, Fellow CPA Australia, Fellow Institute of Chartered Secretaries and Administrators (London), Graduate Australian Institute of Company Directors, Justice of the Peace	Board member for 5 months, Board member of Aids Council of South Australia – 5 Years.	Treasurer, Governance Audit and Risk Committee
Damien Hodgkinson (retired)	Registered Liquidator Chartered Accountant	Board member for 4 years Chartered Accountant for 29 years. Managing Director of DEM Australasia.	Co-Chair, Budget Working Group, Public Fund Committee, Governance Audit and Risk Committee
Silke Bader (retired)	BA Business	Board member for 1 year Publisher, CEO and Editor In Chief for LOTL Magazine since 1999.	Membership Committee
James Brechney (retired)		Board member for 5 years DIY Rainbow, Previously executive and board member of ALSA, Northside Broadcasting Co-Operative.	Events Committee, Development Committee

Interests in the shares and options of the Company and related bodies corporate

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

Company Secretary

Tai Phan

Tai Phan was appointed as Company Secretary on 26 October 2016 and resigned on 30 January 2018.

David Sellin

David Sellin was appointed as Company Secretary on 30 January 2018.

DIRECTORS' REPORT

Short-term and Long-term Objectives

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

- Continue to organise and co-ordinate events of celebration, commemoration and protest; and engage in other activities as part of the lesbian, gay, bisexual, transgender, queer and intersex LGBTIQI 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 organisation's 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.

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.

DIRECTORS' REPORT

Principal Activities

The principal activities of the Group during the year were the organisation and co-ordination of an annual LGBTIQI 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 LGBTIQI community.

SGLMG is also the parent entity of MGA which forms part of the consolidated group. MGA activities during the year were the organisation of fundraising activities and 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 organisational 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 wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

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

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

DIRECTORS' REPORT

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 2018, the total amount that members of SGLMG are liable to contribute if SGLMG is wound up is \$2,560 (2017: \$2,125).

Auditor's Independence Declaration

A copy of the auditor's declaration under subdivision 60-C of the Australian Charities and Not-for-Profits Commission Act 2012 in relation to the audit for the financial year is provided with this report.

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 2018, 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.



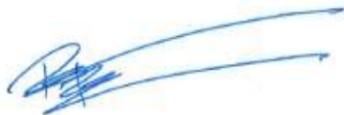
Ernst & Young



Daniel Cunningham
Partner
21 August 2018

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

Director



Brandon Bear

Director



Christopher Brooke

Dated this 21st August 2018

Independent Auditor's Report to the Members of Sydney Gay and Lesbian Mardi Gras Limited

Report on the Financial Report

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 2018, 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 2018 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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
21 August 2018

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Ticket sales	2,824,489	1,896,563
Sponsorship	2,850,495	1,986,310
Membership income	85,649	31,346
Stallholder fees	156,829	138,709
Sale of goods	137,011	89,270
Festival revenue	623,044	344,175
Contra revenue	731,594	821,176
Parade entry fees	49,800	38,822
Donations	72,075	37,676
Other income	<u>31,872</u>	<u>35,290</u>
	<u>7,562,858</u>	<u>5,419,337</u>
Cost of sales	<u>5,761,359</u>	<u>3,863,010</u>
Gross profit	<u>1,801,499</u>	<u>1,556,327</u>
Occupancy costs	14,558	16,003
Employee benefits expense	1,272,370	915,858
Insurance	61,489	54,117
Amortisation of intangible software	3,855	914
Depreciation of property, plant and equipment	21,066	23,781
Bad debt expense	3,145	-
Operating lease rental expenses	68,426	49,178
Marketing & communications	106,688	189,318
Professional fees	43,442	61,872
Other expenses	<u>139,856</u>	<u>71,862</u>
	<u>1,734,895</u>	<u>1,382,903</u>
Results from operations	<u>66,604</u>	<u>173,424</u>
Interest income	674	2,185
Finance costs	<u>(6,026)</u>	<u>(1,829)</u>
Net finance income / (cost)	<u>(5,352)</u>	<u>356</u>
Net profit before income tax expense	<u>61,252</u>	<u>173,780</u>

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Profit before income tax expense / (income tax benefit)	61,252	173,780
Income tax benefit / (income tax expense)	<u>-</u>	<u>-</u>
Profit for the year attributable to members of the group	61,252	173,780
Other comprehensive income	-	-
Income tax benefit / (income tax expense)	<u>-</u>	<u>-</u>
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>
Total comprehensive profit for the year, net of tax	<u>61,252</u>	<u>173,780</u>
Total comprehensive profit attributable to members of the group	<u>61,252</u>	<u>173,780</u>

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 2018

	Notes	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	7	522,204	603,033
Trade and other receivables	8	273,822	141,062
Inventories	9	800	800
Prepayments	10	1,525	-
Other current assets	11	<u>17,710</u>	<u>-</u>
TOTAL CURRENT ASSETS		<u>816,061</u>	<u>744,895</u>
NON-CURRENT ASSETS			
Property, plant and equipment	12	69,574	56,249
Intangible assets	13	<u>23,539</u>	<u>11,985</u>
TOTAL NON-CURRENT ASSETS		<u>93,113</u>	<u>68,234</u>
TOTAL ASSETS		<u>909,174</u>	<u>813,129</u>
CURRENT LIABILITIES			
Trade and other payables	14	94,491	63,037
Other liabilities	15	-	67
Employee benefits liabilities	16	<u>35,944</u>	<u>32,538</u>
TOTAL CURRENT LIABILITIES		<u>130,435</u>	<u>95,642</u>
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>130,435</u>	<u>95,642</u>
NET ASSETS		<u>778,739</u>	<u>717,487</u>
EQUITY			
Issued capital		-	-
Retained earnings		<u>778,739</u>	<u>717,487</u>
TOTAL EQUITY		<u>778,739</u>	<u>717,487</u>

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Retained Earnings \$	Total Equity \$
As at 1 July 2017	717,487	717,487
Profit for year	<u>61,252</u>	<u>61,252</u>
Total comprehensive profit for the year	<u>61,252</u>	<u>61,252</u>
Balance at 30 June 2018	<u><u>778,739</u></u>	<u><u>778,739</u></u>
	Retained Earnings \$	Total Equity \$
As at 1 July 2016	543,707	543,707
Profit for year	<u>173,780</u>	<u>173,780</u>
Total comprehensive profit for the year	<u>173,780</u>	<u>173,780</u>
Balance at 30 June 2017	<u><u>717,487</u></u>	<u><u>717,487</u></u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
OPERATING ACTIVITIES			
Receipts from customers		8,188,748	5,100,500
Payments to suppliers and employees		(8,214,425)	(5,057,315)
Interest Paid		(6,026)	-
Interest received		<u>674</u>	<u>2,185</u>
Net cash flows from (used in) operating activities	24	<u>(31,029)</u>	<u>45,370</u>
INVESTING ACTIVITIES			
Purchase of intangible assets		(15,409)	-
Purchase of property, plant and equipment		<u>(34,391)</u>	<u>(20,193)</u>
Net cash flows used in investing activities		<u>(49,800)</u>	<u>(20,193)</u>
Net increase (decrease) in cash and cash equivalents		(80,829)	25,177
Cash and cash equivalents at beginning of financial year		<u>603,033</u>	<u>577,856</u>
Cash and cash equivalents at end of financial year	7	<u><u>522,204</u></u>	<u><u>603,033</u></u>

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 2018

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 2018 were authorised for issue in accordance with a resolution of the directors on 21 August 2018.

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 2018 comprise the Company and its controlled entity (together referred to as the 'Group' and individually as 'Group entities'). The Group is a not-for-profits 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 a not-for-profits 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 Australian Charities and Not-for-Profits Commission Regulation 2013.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 21 August 2018.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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.

(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.

(vii) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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 22).

(ii) Lease payments

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

(l) Income tax

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

(m) Finance income and finance costs

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

(n) Going Concern

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

(o) 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 2020 and future years. For the year ended 30 June 2018, 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 to.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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.

	2018	2017
	\$	\$
Note 7: Cash and cash equivalents		
Cash at bank	<u>522,204</u>	<u>603,033</u>
	<u>522,204</u>	<u>603,033</u>

(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 \$100,238 (\$2017: \$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".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Note 8: Trade and other receivables		
Trade receivables	240,694	141,060
Goods & service tax	<u>17,583</u>	<u>-</u>
	258,277	141,060
Accrued income	15,543	-
Other receivables	<u>2</u>	<u>2</u>
	<u>273,822</u>	<u>141,062</u>

Trade receivables are non-interest bearing and are generally on terms of 30-90 days. During the year \$3,145 of debt was written off (2017: \$0)

(a) Impaired receivables

As at 30 June 2018, no debts were considered impaired

(b) Past due but not impaired

As at 30 June 2018, trade receivables of \$24,833 (2017: \$36,176) 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:

Up to 3 months	50,498	-
Over 3 months / under 6 months	165,363	-
Over 6 months	<u>24,833</u>	<u>36,176</u>
	<u>240,694</u>	<u>36,176</u>

(c) Not past due and not impaired

The current trade receivables of \$215,860 (2017: \$104,884) and current other receivables of \$0 (2017: \$0) are not past due. Based on the credit history, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

(d) Other receivables

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

Note 9: Inventory

Inventory – At cost	<u>800</u>	<u>800</u>
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Inventory comprises of auction items held for re-sale. As at 30 June 2018, inventory of \$0 (2017: \$0) was written off as obsolete.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Note 10: Prepayments		
Prepayments	<u>1,525</u>	<u>-</u>
Note 11: Other current assets		
Bonds & deposits	<u>17,710</u>	<u>-</u>
	<u>17,710</u>	<u>-</u>

(a) Impaired other current assets

As at 30 June 2018, no other current assets were impaired.

(b) Past due but not impaired

As at 30 June 2018, no other current assets were past due.

(c) Other current assets

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

Note 12: Property, plant and equipment

Plant and equipment

Cost or fair value	278,550	244,160
Accumulated depreciation	<u>(208,976)</u>	<u>(187,911)</u>
	<u>69,574</u>	<u>56,249</u>
Leasehold improvements		
Cost or fair value	77,827	77,827
Accumulated depreciation	<u>(77,827)</u>	<u>(77,827)</u>
	<u>-</u>	<u>-</u>
Net property, plant and equipment	<u>69,574</u>	<u>56,249</u>

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant & equipment	Leasehold improvements	Total
	\$	\$	\$
2018			
Opening net book amount	56,249	-	56,249
Additions	34,391	-	34,391
Depreciation charge	<u>(21,066)</u>	<u>-</u>	<u>(21,066)</u>
Closing net book amount	<u>69,574</u>	<u>-</u>	<u>69,574</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Note 13: Intangible assets		
Software		
Cost or fair value	68,639	53,230
Accumulated amortisation	<u>(56,161)</u>	<u>(53,230)</u>
	<u>12,478</u>	<u>-</u>
Trademarks and domain names		
Cost or fair value	18,877	18,877
Accumulated amortisation	<u>(7,816)</u>	<u>(6,892)</u>
	<u>11,061</u>	<u>11,985</u>
Net intangible assets	<u>23,539</u>	<u>11,985</u>

Movements in carrying amounts

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

	Software	Trademarks & Domain Names	Total
	\$	\$	\$
2018			
Opening net book amount	-	11,985	11,985
Additions	15,409	-	15,409
Amortisation charge	<u>(2,931)</u>	<u>(924)</u>	<u>(3,855)</u>
Closing net book amount	<u>12,478</u>	<u>11,061</u>	<u>23,539</u>

Note 14: Trade and other payables

	2018	2017
	\$	\$
Trade payables	68,791	49,388
Other payables	<u>25,700</u>	<u>13,649</u>
	<u>94,491</u>	<u>63,037</u>

Note 15: Other liabilities

CURRENT		
Membership subscriptions paid in advance	<u>-</u>	<u>67</u>
	<u>-</u>	<u>67</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Note 16: Employee benefits liabilities		
Liability for superannuation	5,088	-
Liability for annual leave	<u>30,856</u>	<u>32,538</u>
	<u>35,944</u>	<u>32,538</u>

Note 17: Member guarantee

SGLMG is incorporated with the liability of members limited by guarantee. In accordance with the SGLMG constitution, the liability of each member 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:

	2018	2017
	No.	No.
Friends with benefits	-	31
Friends	2,060	1,912
Friends with benefits, 3 year	-	12
78ers	159	40
Concession	154	-
Friends overseas	<u>187</u>	<u>130</u>
	<u>2,560</u>	<u>2,125</u>

Note 18: Key management personnel

Key management personnel compensation

Key management personnel compensation	<u>-</u>	<u>-</u>
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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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 19: Contingencies

As at 30 June 2018, there were no other contingent assets or liabilities

Note 20: Events after balance sheet date

There have been no items of significance subsequent to 30 June 2018, and as at the date of this report that would impact the results as outlined in this financial report.

Note 21: Related party transactions

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

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

Directors receive reimbursement for expenses incurred during the normal carry out of duties in attending board meetings, or SGLMG events.

These transactions are carried out on an 'arms-length' basis. The company has an established process for ensuring transparency for related party transactions.

Total reimbursements and outlays to directors and related companies amounted to \$nil (2017: \$182)

Note 22: Commitments

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

	2018	2017
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
within one year	68,425	68,425
later than one year and not later than five years	<u>-</u>	<u>-</u>
	<u>68,425</u>	<u>68,425</u>

There is an intercompany revolving loan facility provided to MGA of up to \$350,000. The facility is currently drawn to \$112,214 and allows further draw-downs to fund the workshop each season.

Note 23: 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Note 24: Reconciliation of profit to net cash inflow from operating activities		
Profit for the year	61,252	173,780
Interest expense	(674)	(2,185)
Depreciation and amortisation	24,921	24,695
Bad debt expense	3,145	-
Provisions	22,408	-
Change in operating assets and liabilities:		
(Increase) / decrease in trade and other receivables	(132,760)	16,366
(Increase) / decrease in other prepayments	(1,525)	-
(Increase) / decrease in other current assets	(17,710)	3,924
Increase in other non-current assets	(24,879)	-
(Decrease) / increase in trade and other payables	31,454	(187,410)
Increase in employment benefits	3,406	18,489
Decrease in other liabilities	<u>(67)</u>	<u>(2,289)</u>
Net cash inflow / (outflow) from operating activities	<u>(31,029)</u>	<u>45,370</u>

Note 25: Charitable fundraising activities

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

Income Statement for each Fundraising Appeal for the year ended 30 June 2018

	Proceeds	Surplus	Margin
	\$	\$	%
Fundraising Appeals			
- Fair Day Bucket Collection	36,149	36,149	100%
- Medical Tent Bucket Collection	863	863	100%
Totals from all Fundraising Appeals	37,012	37,012	100%

Notes to Fundraising for Charitable Purposes

During the year ended 30 June 2018, Sydney Gay and Lesbian Mardi Gras Ltd ("SGLMG") achieved a net surplus of \$37,012 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 \$37,012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 26: Information relating to Sydney Gay and Lesbian Mardi Gras Ltd (the Parent)

	2018	2017
	\$	\$
Total assets	739,471	694,934
Current liabilities	22,723	40,081
Total liabilities	22,723	40,081
Retained earnings	666,981	654,852
Profit of the Parent entity	49,767	113,178
Total revenue of the Parent entity	7,024,552	5,142,263

DIRECTORS' DECLARATION

The directors of the Group declare that:

1. The consolidated financial statements and notes, as set out on pages 12-32, 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 2018 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 21st day of August 2018

Director

Christophe Brooke



MARDI GRAS ARTS LTD
ABN 41 158 800 018

Financial Report
For the year ended 30 June 2018

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DIRECTORS' REPORT

The directors present their report together with the financial report of Mardi Gras Arts Ltd (“MGA”) for the year ended 30 June 2018 and auditor’s report thereon.

List of Directors and Term of Office

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

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

Name	Date appointed	Date Retired	Board Meetings	
			A	B
Brandon Bear	24 August 2014		6	7
Jesse Matheson	12 November 2016		7	7
Kat Dopper	12 November 2016		4	7
Giovanni Campolo-Arcidiaco	23 September 2017		5	6
John Hannaford	23 September 2017		5	6
Robyn Kennedy	23 September 2017		5	6
Kate Wickett	23 September 2017		2	6
Christopher Brooke	30 January 2018		6	6
Damien Hodgkinson	19 August 2014	31 August 2017	1	1
Silke Bader	23 March 2016	23 September 2017	1	1
James Brechney	24 August 2014	7 November 2017	1	1

A – Number of meetings attended during the year

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

Damen Hodgkinson (retired) is a non-executive director of Ceramic Fuel Limited (CFU), a litigation management and manufacturing business that was listed on the Australian Stock Exchange Limited until March 2018.

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

Interests in the shares and options of the Company and related bodies corporate

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

Company Secretary

Tai Phan

Tai Phan was appointed as Company Secretary on 26 October 2016 and resigned on 30 January 2018.

David Sellin

David Sellin was appointed as Company Secretary on 30 January 2018.

DIRECTORS' REPORT

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 of the Company against a liability incurred as such by an officer or auditor.

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 2018, the total amount that members of MGA are liable to contribute if MGA is wound up is \$1,729 (2017: \$1,382).

Going Concern

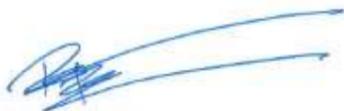
The accounts have been prepared on a going concern basis. MGA has received an undertaking from the immediate parent entity, Sydney Gay and Lesbian Mardi Gras Ltd that the immediate parent entity will support MGA to meet its debts as and when they fall due for a minimum period of twelve months from the date of signing of the 2018 financial reports for MGA.

Auditor's Independence Declaration

A copy of the auditor's declaration under subdivision 60-C of the Australian Charities and Not-for-Profits Commission Act 2012 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 21st day of August 2018

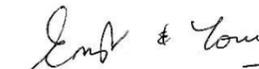
Director



Christopher Brooke

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 2018, 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
21 August 2018

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Donations	9,466	2,990
Management and service fees	1,597,722	1,218,464
Other income	<u>536,642</u>	<u>275,690</u>
	<u>2,143,830</u>	<u>1,497,144</u>
Cost of sales	<u>568,676</u>	<u>339,291</u>
Gross profit	<u>1,575,154</u>	<u>1,157,853</u>
Occupancy costs	14,558	16,003
Employee benefits expense	1,228,566	885,207
Insurance	242	(1,455)
Amortisation of intangible software	2,931	-
Depreciation of property, plant and equipment	12,570	6,425
Operating lease rental expenses	68,426	49,178
Professional fees	22,470	44,905
Amounts paid to contractors	74,558	25,629
Other expenses	<u>129,790</u>	<u>71,508</u>
	<u>1,554,111</u>	<u>1,097,400</u>
Results from operations	<u>21,043</u>	<u>60,453</u>
Net finance costs	<u>(9,559)</u>	<u>(11,978)</u>
Net profit before income tax expense	<u>11,484</u>	<u>48,475</u>

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

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Profit before income tax expense (income tax benefit)	11,484	48,475
Income tax benefit (income tax expense)	<u>-</u>	<u>-</u>
Profit for the year attributable to members of the entity	11,484	48,475
Other comprehensive income	-	-
Income tax benefit (income tax expense)	<u>-</u>	<u>-</u>
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>
Total comprehensive profit for the year, net of tax	<u>11,484</u>	<u>48,475</u>
Total comprehensive profit attributable to members of the entity	<u>11,484</u>	<u>48,475</u>

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	2	158,869	267,807
Trade and other receivables	3	33,115	4
Prepayments	4	<u>1,525</u>	<u>-</u>
TOTAL CURRENT ASSETS		<u>193,509</u>	<u>267,811</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	56,495	36,975
Intangible assets	6	<u>12,478</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS		<u>68,973</u>	<u>36,975</u>
TOTAL ASSETS		<u>262,482</u>	<u>304,786</u>
CURRENT LIABILITIES			
Trade and other payables	7	<u>90,129</u>	<u>55,562</u>
TOTAL CURRENT LIABILITIES		<u>90,129</u>	<u>55,562</u>
NON-CURRENT LIABILITIES			
Loans	8	<u>110,362</u>	<u>198,717</u>
TOTAL NON-CURRENT LIABILITIES		<u>110,362</u>	<u>198,717</u>
TOTAL LIABILITIES		<u>200,491</u>	<u>254,279</u>
NET ASSETS		<u>61,991</u>	<u>50,507</u>
EQUITY			
Retained earnings		<u>61,991</u>	<u>50,507</u>
TOTAL EQUITY		<u>61,991</u>	<u>50,507</u>

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Retained Earnings \$	Total Equity \$
As at 1 July 2017	50,507	50,507
Other comprehensive income	-	-
Profit for year	<u>11,484</u>	<u>11,484</u>
Total comprehensive profit for the year	<u>11,484</u>	<u>11,484</u>
Balance at 30 June 2018	<u>61,991</u>	<u>61,991</u>
As at 1 July 2016	2,032	2,032
Other comprehensive income	-	-
Profit for year	<u>48,475</u>	<u>48,475</u>
Total comprehensive profit for the year	<u>48,475</u>	<u>48,475</u>
Balance at 30 June 2017	<u>50,507</u>	<u>50,507</u>

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
OPERATING ACTIVITIES			
Receipts from customers		760,491	1,527,260
Payments to suppliers and employees		<u>(821,930)</u>	<u>(1,373,338)</u>
Net cash flows from operating activities	11	<u>(61,439)</u>	<u>153,922</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(32,090)	(18,596)
Purchase of intangibles		<u>(15,409)</u>	<u>-</u>
Net cash flows used in investing activities		<u>(47,499)</u>	<u>(18,596)</u>
Net increase in cash and cash equivalents		(108,938)	135,326
Cash and cash equivalents at beginning of financial year		<u>267,807</u>	<u>132,481</u>
Cash and cash equivalents at end of financial year	2	<u><u>158,869</u></u>	<u><u>267,807</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Statement of Significant Accounting Policies

Corporate information

The financial statements of Mardi Gras Arts Ltd ('MGA') for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 21 August 2018.

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 *Australian Charities and Not-for-Profits Commission Regulation 2013*.

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-profits 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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.

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 a 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 a 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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) Intangibles

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Statement of Significant Accounting Policies (continued)

(m) 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.

(n) 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 2018 financial reports for MGA.

(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 AASB15 and AASB16 on the entity for the year ended 30 June 2018 and future years. For the year ended 30 June 2018, there is no financial impact and effect.

	2018	2017
	\$	\$

Note 2: Cash and cash equivalents

Cash	<u>158,869</u>	<u>267,807</u>
	<u>158,869</u>	<u>267,807</u>

(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 \$100,238 (\$2017: \$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".

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

Note 3: Trade and other receivables

Goods & services tax	-	2
Trade receivables	<u>33,115</u>	<u>2</u>
	<u>33,115</u>	<u>4</u>

(a) Impaired receivables

As at 30 June 2018, no debts were considered impaired.

Note 4: Prepayments

Prepayments	<u>1,525</u>	-
	<u>1,525</u>	-

Note 5: Property, plant and equipment

Plant and equipment

Cost	78,170	46,079
Accumulated depreciation	<u>(21,675)</u>	<u>(9,104)</u>
	<u>56,495</u>	<u>36,975</u>
Net property, plant and equipment	<u>56,495</u>	<u>36,975</u>

Movement in carrying amounts

Movement in the carrying amounts of plant and equipment between the beginning and the end of the current financial year.

	Plant & equipment	Total
	\$	\$

2018

Opening net book amount	36,975	36,975
Additions	32,090	32,090
Depreciation	<u>(12,570)</u>	<u>(12,570)</u>
Closing net book amount	<u>56,495</u>	<u>56,495</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Note 6: Intangible assets		
Software		
Cost	15,409	-
Accumulated amortisation	<u>(2,931)</u>	<u>-</u>
	<u>12,478</u>	<u>-</u>
Net Intangible assets	<u><u>12,478</u></u>	<u><u>-</u></u>

Movements in carrying amounts

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

	Software	Total
	\$	\$
2018		
Opening net book amount	-	-
Additions	15,409	15,409
Amortisation	<u>(2,931)</u>	<u>(2,931)</u>
Closing net book amount	<u><u>12,478</u></u>	<u><u>12,478</u></u>
	2018	2017
	\$	\$

Note 7: Trade and other payables

Trade payables	46,773	18,024
Other payables	<u>43,356</u>	<u>37,538</u>
	<u><u>90,129</u></u>	<u><u>55,562</u></u>

Note 8: Loans

Parent entity revolving loan	<u>110,362</u>	<u>198,717</u>
	<u><u>110,362</u></u>	<u><u>198,717</u></u>

On 1 November 2014, MGA entered into a revolving loan facility of up to \$350,000. The facility is currently drawn to \$110,362 and is due to terminate on 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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 9: Contingencies

As at 30 June 2018, there were no other contingent assets or liabilities.

Note 10: Events after balance sheet date

There have been no items of significance subsequent to 30 June 2018, and as at the date of this report that would impact the results as outlined in this financial report.

	2018	2017
	\$	\$
Note 11: Reconciliation of profit / (loss) to net cash inflow from operating activities		
Profit for the year	11,484	48,475
Depreciation and amortisation	15,501	6,425
Change in operating assets and liabilities:		
(Increase) / decrease in trade and other receivables	(33,111)	2,498
(Increase) / decrease in prepayments	(1,525)	-
Increase / (decrease) in trade and other payables	34,567	(96,003)
Increase / (decrease) in other liabilities	<u>(88,355)</u>	<u>192,527</u>
Net cash inflow from operating activities	<u><u>(61,439)</u></u>	<u><u>153,922</u></u>

Note 12: 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 \$1,729 (2017: \$1,293) in the event MGA is wound up.

Note 13: Key management personnel

Key management personnel compensation

Key management personnel compensation	<u>-</u>	<u>-</u>
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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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 14: Related party transactions

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

(a) Workshop

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

(b) Management services

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

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6-18, 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 2018 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 21st day of August 2018

Director

Christopher Brooke

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

Report on the Financial Report

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 2018, 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 2018 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Daniel Cunningham
Partner
Sydney
21 August 2018

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, 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 made the 40th anniversary of Sydney Gay and Lesbian Mardi Gras Season.

THANK YOU TO ALL OUR 40TH FOUNDATION CIRCLE MEMBERS:

Michael Ebeid
Susan Harben
Damien Hodgkinson
Brooke Horne
Robyn Kennedy
Michael Rolik
Tom Snow
Gordon Williams



SEE YOU NEXT YEAR!

Join us for 2019's
Sydney Gay and Lesbian Mardi Gras Festival

FESTIVAL

15 February – 3 March 2019

FAIR DAY AT VICTORIA PARK

SUNDAY 17 FEBRUARY 2019

PARADE AND PARTY

SATURDAY 2 MARCH 2019

LANEWAY

SUNDAY 3 MARCH 2019