A world in which all people can fully express themselves and their love, wherever they live.

OUR VISION
WELCOME

THIS YEAR SAW THE COMMUNITY ENTHUSIASTICALLY EMBRACE ITS PARADE, AUDIENCES RETURNING TO THE PARTY AFTER THE PREVIOUS YEAR’S SPLIT AND A MAJOR FOCUS ON STRATEGY, GOVERNANCE AND FINANCIAL MANAGEMENT THAT LAY THE GROUND FOR FUTURE PROFIT AND GROWTH.

OUR MISSION

We exist to develop the Sydney Gay and Lesbian Mardi Gras for the benefit of Sydney’s LGBTQI community, the enjoyment of a wider audience and as a global beacon of diversity, acceptance and LGBTQI pride.

MEMBER VALUE

CORE EVENTS EXCELLENCE

INCREASED ARTISTIC AND PRODUCTION EXCELLENCE WITHIN A FINANCIALLY CONSTRAINED ENVIRONMENT.

CORPORATE GOVERNANCE

BETTER DECISION MAKING, PLANNING AND BUDGETING AT ALL LEVELS OF THE ORGANISATION.

FINANCE & ASSET MANAGEMENT

RIGOROUS FINANCIAL PLANNING, MONITORING, RISK MITIGATION AND COST CONTROL.

PEOPLE ENGAGEMENT

OPEN AND CONSIDERED PROCESSES TO RECRUIT AND RETAIN TALENTED VOLUNTEERS.
HOW WE PERFORMED

CORE EVENTS EXCELLENCE

OUR KEY OBJECTIVE WAS TO INCREASE ARTISTIC AND PRODUCTION EXCELLENCE WITHIN A FINANCIALLY CONSTRAINED ENVIRONMENT.

- Parade attendance increased by 17% (Events NSW estimates)
- Implemented recommendations from Parade community consultation, including updated Parade entry criteria and improved artistic and thematic quality of Parade by engaging an experienced Parade Producer, Victor Petroff, and Consulting Artistic Director Ignatius Jones
- Secured community workshop to facilitate stronger NMG and community Parade entries and better Party scenic
- Introduction of Parade Entry Ticketing Scheme to assist community groups in funding their entries. This raised almost $6,000 for Parade entries
- Strengthened our relationship with NSW Police and government partners, implementing the Parade ‘Rainbow Zone’ and improved Start area, which achieved objectives of improved performance and experience of Start area and significant reduction of anti-social behaviour in Hyde Park
- Mardi Gras Party attendance up 6% on 2010
- Strong attendance at Fair Day and improved financial performance; profit more than doubled to $11,000
- Expanded complementary events during Season to attract both locals and visitors, including Beach Party and TOP produced through partnerships
- Harbour ’11 attendance up 21% on 2009 (most comparable year), as a result of growth in value of Harbour franchise by partnering with Johan Khoury Productions
- After years of freefalling margin decline, Sleaze attendance was down from 4,654 in October 2009 to 3,153 in October 2010 and the decision has been taken to retire the party for 2011
- Secured commitment from new NSW Government that our Major Event Hallmark Status and user pays exemption for the Parade will continue
- Further, a commitment that Destination NSW will continue to support Mardi Gras with performance-based investment dependent on increased visitation from a four-year event development strategy, to significantly increase the quality of the Parade quality and the Party

MEMBERSHIP & COMMUNITY

OUR KEY OBJECTIVE WAS TO BETTER LISTEN TO, INVOLVE AND CONSULT WITH OUR MEMBERS AND COMMUNITY.

- Membership numbers declined significantly from 2010 attributable to several causes:
  - changes to member benefits
  - Parade/Party split in 2010
  - Sleaze
  - complaints from spam election campaigning 2010
- As a result, the Board agreed to:
  - no longer include member email addresses on the public Member register to avoid large-scale emailing of members by anyone accessing the members’ register
  - reintroduce two tickets per member to key parties
  - reduce price of youth memberships to attract increased numbers of younger members
  - send advance copies of the Season Guide directly to members by post
  - a review of membership model, with the aim of growing membership. This is currently underway
- We undertook the ‘It’s your Parade’ consultation to reinvigorate community engagement with the Parade
- Member and community forums were run to consider fundraising opportunities and the future of Sleaze
- The Board put in place a community engagement program to match Board Directors with community organisations to build constructive relationships
- Creation of a community directory on the NMG website
- Increased leverage of NMG database for the benefit of community organisations
- Donated $15,000 to the Gay & Lesbian Rights Lobby
- Donated over $24,000 in complimentary tickets to community groups for their fundraising activities

SOME KEY NUMBERS

- Membership numbers declined significantly from 2010
  - changes to member benefits
  - Parade/Party split in 2010
  - Sleaze
  - complaints from spam election campaigning 2010
- As a result, the Board agreed to:
  - no longer include member email addresses on the public Member register to avoid large-scale emailing of members by anyone accessing the members’ register
  - reintroduce two tickets per member to key parties
  - reduce price of youth memberships to attract increased numbers of younger members
  - send advance copies of the Season Guide directly to members by post
  - a review of membership model, with the aim of growing membership. This is currently underway

* This was the 30th anniversary year
** Party was held one week after Parade
* Harbour held day after Parade

* 20,000
* 16,000
* 12,000
* 8,000
* 4,000

MARDI GRAS PARTY TICKETS

HARBOUR TICKETS

MEMBERS

- Full (1 year)
- Full (3 year)
- Concession
- Youth/U25
- Organisational
- Complimentary
- International
- Total

08/09 09/10 10/11
PEOPLE ENGAGEMENT
AS ONE OF THE LARGEST VOLUNTEER ORGANISATIONS IN AUSTRALIA OUR FOCUS IS ON CREATING OPEN PROCESSES TO ALLOW TALENTED VOLUNTEERS TO JOIN OUR WORKING GROUPS AND EVENT VOLUNTEER RANKS, AS WELL AS DEVELOPING AND RETAINING OUR VALUED AND LONG STANDING VOLUNTEERS.

• Almost 1,400 people volunteered for this year’s Sydney Gay & Lesbian Mardi Gras in a wide variety of specialist and generalist roles
• Opened up a wide range of the organisation’s volunteer working group positions to the community in order to secure the best talent and a more diverse volunteer work force. All leadership roles were open for merit-based recruitment
• Communicated and embedded our mission and values into recruitment and management practices, to engender a stronger sense of purpose amongst staff and volunteer teams
• Reviewed and assessed volunteer management practices to National Volunteering Australia standards, in order to improve these practices. We achieved Baseline Assessment result of 38% compliance in 2010. In 2011 we achieved an improved result of 58% compliance

As a result of our reviews, we implemented improvements to volunteer management in areas:
• HR policies and practices, including new policies in the areas of:
  • code of conduct
  • diversity and equal opportunities
  • recruitment and selection
  • volunteer policy
• better defined role descriptions to select people with the right talent
• advertising and welcoming new volunteers from community recruitment campaigns
• developing and conducting leadership training for working groups and team leaders for the first time
• updating and implementing new orientation programs for event volunteers
• introducing volunteer identification cards

CORPORATE GOVERNANCE
THE NMG BOARD CONTINUED TO IMPROVE THE OVERALL GOVERNANCE AND MANAGEMENT OF THE COMPANY AT ALL LEVELS, FROM BOARD TO MANAGEMENT TO STRATEGIC SUB-COMMITTEES TO VOLUNTEERS, TO ENABLE BETTER DECISION MAKING, PLANNING AND BUDGETING.

NEW MARDI GRAS HAS EMBRACED THE PRINCIPLES OUTLINED IN THE AUSTRALIAN STOCK EXCHANGE (ASX) ‘PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND BEST PRACTICE RECOMMENDATIONS’ AND CHARTS ITS PROGRESS AGAINST THOSE PRINCIPLES.

• Delineated operational and strategic decision making to ensure governance and management roles and responsibilities are clearly defined and understood through an approved RACI matrix
• Clearly documented the roles, responsibilities and conduct of the Directors, office holders and company management
• Continued to develop Board Associates; a program to nurture organisational skills and talent
• Strategic sub-committees were built on, or established (see page 10-11) in the areas of Audit & Risk, Nominations & Governance, Finance, Legal, Youth, Women, Strategy, Fundraising and Community Engagement
• Established a clear process for Board decision-making and the role of the sub-committees in providing informed recommendations to the board

The Nominations and Governance Sub-Committee conducted a review of the effectiveness of the current governance models and implemented the governance charter aligned to AICD NFP standards
• This sub-committee is also in the process of conducting the first Board effectiveness performance review.
• Agreed work plans and KPIs in line with the three-year strategic plan
• Reviewed and revised the company register of Delegations of Authority identifying contractual, financial and organisational approvals and signatories
• Agreed budgeting, accounting and reporting standards, processes and platforms to enable financial processing stability
**HOW WE PERFORMED**

**FINANCE AND ASSET MANAGEMENT**

Our key objective was to implement improvements to systems and controls, as well as measures aimed at lowering costs in order to support sustainable growth of the organisation and its assets.

- Implemented organisational expense reductions
- Developed new income streams in the form of merchandising, licensing events, food vending
- Increased level of donations, with significant increases from Fair Day, Drag Races and business donations
- Renegotiated contracts (broadcast, contract producers, venue hire, production) that realised savings in excess of $250,000
- Developed options for new Parade viewing revenue streams to be implemented in 2012
- Investigated and prepared necessary commercial documents for ROCO registration to acquire Deductible Gift Recipient status (DGR)
- Completed and communicated a three-year rolling strategic plan
- Reviewed and updated strategic plan to 2014
- Implemented a 14-month operational plan

**FINANCIAL & OPERATIONAL HIGHLIGHTS**

**OPERATIONAL HIGHLIGHTS**

- **FOCUS ON CORE DRIVERS: PARADE, FAIR DAY, HARBOUR, MARDI GRAS PARTY AND SPONSORSHIP**
  - Met or improved performance on all expense operating targets compared to 2010
  - Reduced risk by entering into co-production and licensing arrangements where possible
  - Did not enter into any new risky ventures or underwrite new festival events
  - Introduced new assets to diversify income sources – Parade viewing, licensing, merchandising
  - Did not meet budgeted ticket sales for Sleaze, Party or Harbour ‘11
  - Failure of Sleaze as fundraiser triggered expense reductions across all centres

**YEAR-ON-YEAR COMPARISON**

- Please refer to page 32, Statement of Significant Accounting Policies, Note 1b), Revenue for explanation of membership accounting treatment
- Entertainment, Security, Venue hire, Production expenses
- Insurances, Marketing, Administration, Occupancy & professional services

**FINANCIAL PERFORMANCE BY EVENT**

- 2010 result affected by Parade prior day, 2009 result was ($10.9K)
- Includes Parade operations, viewing, broadcast & workshop

**P&L HISTORY**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Result</td>
<td>$240K</td>
<td>$484K</td>
<td>$387K</td>
<td>($577K)</td>
<td>($133.6K)</td>
</tr>
<tr>
<td>% Total Expenses</td>
<td>7.2%</td>
<td>12.2%</td>
<td>9.0%</td>
<td>-12.0%</td>
<td>-3.4%</td>
</tr>
</tbody>
</table>
**SLEAZE**

* Sleaze adjusted means when all associated costs are deducted – for example, workshop, staffing, and marketing, which are all accounted for in other budgets.

**MARDI GRAS PARTY**

**FAIR DAY**

**WORKSHOP**

**SPONSORSHIP & GRANTS**

**FINANCE & ADMIN**

*This includes finance, administration, premises, staff and contractors’ costs.

**HARBOUR**

**PARADE, VIEWING & BROADCAST**

**FESTIVAL**

**MEMBERSHIP**

**MARKETING**

$800,000 $700,000 $600,000 $500,000 $400,000 $300,000 $200,000 $100,000 $0 -$100,000 -$200,000

07/08 08/09 09/10 10/11 11/12 (EST)
**2010-2011**

**THE 2010-2011 FINANCIAL YEAR HAS BEEN A KEY PERIOD IN THE ORGANISATION’S HISTORY, FOCUSING ON RESTORING CONFIDENCE AFTER THE 2010 PARADE/PARTY SPLIT AND TURNING THE BUSINESS AROUND.**

This year saw an improvement in financial performance which sets us on a path to sustained profitability and growth in the years to come.

As importantly, major progress has been made in transforming the organisation for the future across a broad range of strategic fronts: from our core events to community engagement and financial control, to brand and business planning.

We acknowledge it will take more than a year to recover from 2010’s loss and it will take more than producing the same events year on year to grow a sustainable and relevant Mardi Gras for years to come.

The big picture is that Mardi Gras is a community service organisation advancing the development and promoting the wellbeing of the LGBTQI community. We do this by providing a platform for this community to express itself through our annual cultural and arts festival events. We have the potential to grow into the major beacon for diversity and gay rights, on a global scale with a global brand.

The 2011 Mardi Gras provided an excellent example of how we can do this: marrying purpose, community and entertainment. The ‘Say Something’ campaign gave voice to our communities’ political agenda and encouraged the community to get involved like it had not done in many years. Marriage equality surfaced as a key focus and the Parade provided a platform for our community to engage with both key decision makers and the population at large on many issues.

A key change this year – and one which will be instrumental in ensuring that we stay true to our purpose and deliver great audience experience – has been the move to an organisational model based on professional staff working with volunteer based teams, with wider scope for operational decision-making and on the other hand an elected Board whose role is primarily that of long range strategy, governance, oversight and fundraising.

The Board’s role in this model is to ensure that the staff of New Mardi Gras is doing its job according to an agreed strategic plan. To help achieve this we have developed long-term priorities with a detailed three-year strategic plan. This moves the organisation away from a year on year replication to long-term transformation.

The Board’s remit is also to focus on a number of key areas, assisted increasingly by a range of specialist Board Sub-committees. These Board Sub-committees ensure that we recruit the best skilled talent to ensure the strategic direction of the company is focused and world class. These Sub-committees contribute at the highest level of the organisation, and recommend initiatives to the board for adoption and implementation.

**FINANCIAL CONTROL**

**WHilst we are still in a process of recovery, the change management program initiated with respect to our financial controls will give lasting stability.**

NMG’s goal is best practice financial management at all levels. The tireless work of the CEO, Treasurer and Finance Committee was supplemented by directors being regularly involved in all aspects of financial control this year. Openness and transparency were observed to allow for strategic planning. With the Audit and Risk Sub-committee contributing significantly as our independent, internal watchdog, tight controls mitigated significant risk. These principles have been adopted and will be followed through to deliver a stronger future for the organisation.

**FUNDRAISING**

**We engaged at a board level with all sides of politics and were instrumental in securing a commitment on funding from the incoming state liberal government.**

The Board will also take a leading role, through the Fundraising Sub-committee, in looking for new fundraising opportunities for NMG.

Of particular importance at present is putting in place Deductible Gift Recipient status for the organisation and the development of a donor program. New Mardi Gras is a worthy recipient of community largesse, as a non-profit organisation and a good cause.

The Board will be in the vanguard in making this case to individuals, businesses, organisations and government.

**GOVERNANCE & STRATEGIC PLANNING**

It was clear early on in the year that we needed to plan strategically rather than be reactive. The Board is responsible for developing a consistent achievable blueprint for NMG’s staff to work to. Our guiding principles are the core mission and vision of the organisation as well as the opportunities afforded Mardi Gras as one of the largest major events in the NSW and Australian calendar.

Defining who we are and what we stand for is key and this is being tackled root and branch, for example, through engaging a major strategic agency to work with us on defining and developing the NMG brands. Guided by this, we will set goals across three years related to delivering value to our Members and key stakeholders. Our Strategy Sub-Committee helps drive many of these initiatives, using individuals’ invaluable skills – talent which the organisation has not always been able to access.

Continuing on the work done in the 2009-2010 financial year, the Nominations and Governance Sub-committee implemented a board induction and assessment program to ensure all Directors were aware of their governance duties, and continued to refine their approach to sourcing top talent to sit on our Board and Sub-committees.
COMMUNITY ENGAGEMENT, WOMEN & YOUTH
WE ARE WORKING TO ENSURE THAT THE NEW MARDI GRAS BOARD IS HIGHLY ENGAGED WITH OUR DIVERSE COMMUNITY GROUPS AND IS AVAILABLE TO COMMUNITY MEMBERS.

To be able to steer the strategic direction of the organisation this engagement is vital, helping us identify issues and ideas concerning our organisation and events. Our recently established Community Engagement Sub-committee will spearhead even more strategies for greater engagement in the 2012 season.

Of key importance to the Board is engagement with women and with youth. The sold-out Women Say Something event and our volunteer numbers are examples of female engagement moving in the right direction, with almost 50% of volunteers now female. Our Vice Chairs, Siri May and Josh Keech, have undertaken to develop our Youth engagement approach, working with the Volunteer team, to increase youth participation at Mardi Gras. The establishment of the Women and Youth Board Sub-committees ensure these two areas of the organisation are being addressed with much-needed strategic input and initiatives.

MEMBERSHIP
OUR MEMBERS ARE THE BACKBONE OF OUR ORGANISATION, AND WE ACKNOWLEDGE THAT OUR NUMBERS HAVE BEEN DECLINING SINCE THE 2010 PARADE/PARTY SPLIT.

One of our key KPIs for the 2011-2012 financial year will be to steadily increase our membership rates. This will mean overhauling our membership program and ensuring that membership is fit for purpose.

Finally, on behalf of the Board we would like to ‘Say Something’ to the volunteers, staff and members of New Mardi Gras: thank you! Without your continued support, Mardi Gras would not be able to give visibility to issues such as bullying at schools and in the work place; victimisation in sport; marriage equality; diversity and acceptance within our own community and the wider population.

Time does not stand still. Expect change. We can reassure you that none of this will happen just for change’s sake, but to keep our organisation and events fresh and relevant for a new generation and new audiences.

We look forward to seeing you all for a spectacular Mardi Gras in 2012.

STEPH SANDS AND PETE URMSON
New Mardi Gras Co-chairs, on behalf of the Board
For this financial year we are reporting a loss of $133,678.

Above all, this loss is attributable to below target tickets sales, given the very tight control we have maintained on costs. The year’s ticket sales were less than budget by 35%, with roughly half of the shortfall coming from Sleaze and the remainder from Mardi Gras Party, Harbour ‘11 and Festival events.

The loss is also in spite of relatively good performance in terms of sponsorship in a tougher market, including a further major investment by Events NSW.

This has been a difficult year for a large number of event producers as discretionary consumer spending has been pared back. Nevertheless much of the performance is due to factors which are specific to New Mardi Gras and our events. Our 2011 budgeted ticket projections were clearly too optimistic given the effects of brand damage sustained in 2010 and ongoing difficult market conditions, and our budgets for 2012 reflect a more conservative stance.

The 2010 event was held on a new footprint (Dome and Forum), as changes to the traditional footprint were forced upon us, and would not have been our choice. We considered not holding the event at all; however we took the view at that late stage that we could deliver a profitable Sleaze with lower ticket prices on the smaller footprint. The result was disappointing and we have taken the decision to retire Sleaze in 2011 and instead focus our energies on delivering a more profitable and improved Mardi Gras Season.

It seems likely that it will take several years to win back partygoers and to develop new audiences to make up for those who perhaps have retired from the Party for good. It will require that we invest more in the artistic quality of the Party, and this is our primary focus in 2012.

At the same time we introduced new revenue streams in the form of merchandising, contributing over $46,000, and increased our efforts in regards to securing donations, primarily from bucket collections at our free events, as well as donations from businesses, contributing $72,000, almost double 2010’s contribution from donations.

We renegotiated a number of contracts to be more favourable in reducing expenses in the areas of Broadcast, fencing, toilets, contractors and other production expenses.

**FUTURE OPPORTUNITIES**

We can grow Mardi Gras in two ways – (i) organically, and, (ii) by long term transformation of the business. The key opportunities for us to improve on this performance are:

**SHORT TERM**

We can grow Mardi Gras by increasing the number of party ticket sales, reducing costs and cutting events that do not realise an acceptable margin. We plan to reinvent the Party in 2012 and make more creative use of the site to produce a better Party, and we will continue efforts to achieve a share from bar sales.

**1. INCREASED PARTY SALES**

Increased sales to both Mardi Gras Party and Harbour have the potential to dramatically improve financial performance.

Sales for both events went in the right direction this year and our surveying tells us that both had a high degree of audience satisfaction; however challenges persist, in particular:

- Mardi Gras Party in particular needs to draw in younger audiences
- Production standards have not kept pace with competing events, particularly in the mainstream musical festival market and this gap needs to be closed, indeed reversed
- Our key parties need to reflect a more diverse set of community audiences, niches and tastes
- We must also continue to expand our potential market by continuing to promote our events aggressively in interstate and international markets.

We intend to reinvent the Party, building on what we know works – high artistic and production standards, quality entertainment and programming that delivers to the diverse range of tastes that reflects our diverse communities and of course fun experience.

**2. MORE PROFITABLE PARTIES**

Revenue from our events is derived from ticket sales and bar revenues. Ticketing fees are a major cost of sale consideration with a significant effect on profitability.
We have gone a long way over the last year in returning to a sustainable model for NMG, but there is still a good deal of work to be done.

We enjoy both ticket and bar sales in the case of Fair Day and Harbour. In contrast we currently only get ticket revenue from Mardi Gras Party and Parade viewing, but hope to gain bar revenue from at least one of these in 2012.

We estimate there is the potential of up to $200,000 in additional profit from Mardi Gras Party from bar sales. We must do our best to profit from this. After all, NMG takes on the majority of the risk in producing the event.

We are now investigating our options within the Moore Park precinct, or moving elsewhere when our current agreement expires. As well as the benefit from more revenue, the expanded creative possibilities from a different site have the potential for a more attractive Party product.

Nevertheless we have developed our 2012 budgets assuming a similar size Party at the same venues and with the same arrangements. In the meantime we have commenced investigating options to achieve a greater financial return.

We are also reviewing our ticketing partnerships in order to see what potential there is for reducing ticketing costs as well as improving functionality, in particular the bundling of tickets.

3. NEW REVENUE SOURCES

Although there are many new revenue streams that might be pursued the most substantial area of opportunity lies with the Parade and donations/giving programs.

• Acquiring deductible gift recipient (DGR) status, to enable and incentivise tax deductible donations to the organisation.
• Similar events (such as Midsumma in Melbourne) have this and it provides significant new revenue opportunities for Mardi Gras at relatively low risk and resource investment
• Vending opportunities along the Parade route
• New Parade viewing opportunities

4. IMPROVED COMMERCIAL RELATIONSHIPS

We are in the process of renegotiating more favourable terms to reduce costs, as well as deliver easier and more effective outcomes for our members, customers and the organisation.

• A ticketing partnership to enable us to create a bundled Harbour & Party ticket, integration with other events, as well as reducing ticketing costs
• Media partnerships – we are pursuing a non-exclusive media partnership arrangement that we believe will lead to higher levels of community engagement and more extensive reach to our diverse and changing audiences. This includes print, digital, radio, TV and internet and social media
• Tourism partnerships – we will further develop our airline, hotel, tour operator and public transport relationships in order to make it easier to bring more locals and visitors to our events
• Strategic partnership with Destination NSW to build an investment case for Mardi Gras based on increased visitation.

LONG TERM

For the longer term the key to sustainable profits is to be nimble in adjusting to changing markets and to ensure that we have a clear view of what NMG exists to do. Our current work on brand is a key component of this.

We have also embarked on a strategic evaluation in partnership with Destination NSW that will see extensive research and feasibility testing of options we have identified whilst we implement the organic changes noted above.

Subject to this work, this could see an investment of a number of years to create a new format for our events that is self sustaining and not reliant solely on parties, and allowing us to raise funds based on better commercial terms.

We have gone a long way over the last year in returning to a sustainable model for NMG, but there is still a good deal of work to be done.

I would like to thank our Members, customers, sponsors, partners, supporters, the Board, our fabulous volunteers, and in particular the Working group teams and my talented and committed staff for your support and contribution as we continue to deliver on our mission and objectives.

MICHAEL ROLIK
CEO, New Mardi Gras
THE BOARD OF DIRECTORS IS TASKED WITH ENSURING THAT NEW MARDI GRAS STAFF IS PERFORMING ACCORDING TO AN AGREED STRATEGIC PLAN. IT FOCUSES ON A NUMBER OF KEY AREAS, ASSISTED INCREASINGLY BY A RANGE OF SPECIALIST BOARD SUB-COMMITTEES.

THESE BOARD SUB-COMMITTEES ENSURE THAT WE RECRUIT THE BEST SKILLED TALENT TO ENSURE THE STRATEGIC DIRECTION OF THE COMPANY IS FOCUSED AND WORLD CLASS; THEY CONTRIBUTE AT THE HIGHEST LEVEL OF THE ORGANISATION, AND RECOMMEND INITIATIVES TO THE BOARD FOR ADOPTION AND IMPLEMENTATION.

**BOARD SUB-COMMITTEES**

**STRATEGIC**

**ROLE**
Established in March 2011 to consider matters of a strategic nature and provides feedback on appropriate direction for the long and short term development of NMG. It provides the Board and the CEO with strategic direction and advice on a range of issues, from major event marketing to government relationships and commercial transformation.

**ACTIVITIES**
Developing change program with key stakeholders to take the organisation and the Festival forward for the next five years; brand strategy development; and implementing a strategic approach to managing relationships with Government.

**ACHIEVEMENTS 2010/2011**
The Sub-committee developed a structured approach to engaging key agencies to provide expertise on a range of subjects; it built an understanding of the key drivers for organisational change and, on the back of this, developed an agreed plan to support the CEO and staff in a change management process; it established Board strategic planning approaches and appointed key area owners; and it established a measured platform for brand strategy development.

**FUTURE PLANS**
The Sub-committee will support the CEO on matters of strategy development and implementation; it will develop stronger Government relationships at local, state and federal levels; it will continue to be involved in the brand management strategy; and it will develop an advisory board to the Sub-committee of nominated subject matter experts.

**FUNDRAISING**

**ROLE**
Established in January 2011 to evaluate the fundraising functions of the organisation.

**ACTIVITIES**
Evaluating effectiveness of fundraising events and activities; making recommendations to Board about future fundraising initiatives; planning and implementing fundraising strategies.

**2010/2011 ACHIEVEMENTS**
Thoroughly evaluated and risk profiled Sleaze; evaluated corporate diversity programs; devised and evaluated other fundraising events; and instigated the application for Deductible Gift Recipient (DGR) status for the organisation.

**FUTURE PLANS**
Further evaluate fundraising activities for the organisation, including donor programs and events.

**WOMEN**

**ROLE**
Established in March 2011 to increase the participation of women within all aspects of the organisation and the community at large.

**ACTIVITIES**
Finalising the Sub-committee charter; developing a 12-month strategic plan to define the goals and objectives that will provide the framework for Sub-committee activities; and encouraging community participation and engagement of high-profile community leaders to participate in the Sub-committee’s events and planned outcomes.

**2010/2011 ACHIEVEMENTS**
The Women Say Something Series hosted the inaugural event on 2 March 201, which was sold out.

**FUTURE PLANS**
The speaking series will be held every three to five months, with the next one planned for July/August 2011. The Sub-committee will also invite high-profile female community leaders to join its ranks.

**NOMINATIONS & GOVERNANCE**

**ROLE**
Established in October 2010 to identify and engage potential new talent for candidature for the Board of Directors, and to assist constitutional process.

**ACTIVITIES**
Evaluating and recommending changes to the Company’s Board Governance Guidelines specific to Board members and their activities; reviewing NMG’s policies and programs that relate to matters of Board operations, corporate responsibility, communications, behaviours and ethics; and advising on cross-community issues including public issues of significance to NMG and its stakeholders.

**ACHIEVEMENTS 2010/2011**
The Sub-committee developed and facilitated a new Board induction process, including a new Board governance charter, and position descriptions, and provided advice and assistance to the Chairs on Board operational process. It also developed and implemented an assessment and review process for the Board, and contributed to strategic development of succession planning.

**FUTURE PLANS**
The Sub-committee will continue to build on these achievements, with a focus on diversity and best practice in governance for the not-for-profit sector.
**FINANCE**

**ROLE**
To assist in discharging the Board’s financial oversight responsibilities. The Sub-committee provides oversight, assistance and advice on the financial activities of the organisation to ensure balance, transparency and integrity of financial information for both Board and management. Key areas of focus are the establishment of approved annual budgets and the monitoring of actual versus planned incomes and expenses throughout the year.

**ACTIVITIES**
Ensuring the NMG budget is aligned with NMG’s Strategic Plan and priorities; approving, monitoring and reviewing adjustments to budgets and the reallocation of resources; formulation of strategies to improve NMG’s financial position, including the approval and monitoring of the budget process; reviewing NMG’s financial performance against approved budgets; reviewing Capital Expenditure Budgets and Requests; reviewing cash holdings and cashflow requirements; advising the CEO on cash management matters; identifying and monitoring financial risk issues; monitoring tax exempt status compliance; considering and reviewing Board expenditure proposed by the CEO that is outside of the Board-approved annual budget; considering and reviewing the financial and accounting impact of significant contracts; investigation of any non-compliance of the Finance Policy and Procedures; reviewing significant accounting and reporting issues, including recent professional and regulatory pronouncements; overseeing and assisting in the periodic financial reporting process implemented by management; and reviewing the interim and annual financial statements before their release.

**ACHIEVEMENTS 2010/2011**
The 2011/12 budget was approved by the Finance Sub-Committee and ratified by the Board in May 2011. The budget was based on a principle of conservative estimates of core and essential activities, and was created in alignment with NMG core values and its Strategic Plan.

**FUTURE PLANS**
For any additional 2011/12 events or activities, a project-based approach will be used to revise the budget throughout the year based on a fully costed model of anticipated incomes and expenses.

**AUDIT & RISK**

**ROLE**
Review of NMG’s financial reporting processes and is responsible, on behalf of the company, for assuring that NMG’s organisational culture, capabilities, systems and processes are appropriate to protect the financial health and the reputation of NMG in all audit-related areas. The Sub-committee has unfettered access to all information, except personal information on staff and members, held by NMG, in whatever form, and reports directly to the Board through the Chair of NMG.

**ACTIVITIES**
Reviewing NMG financial reporting processes; reviewing internal controls; reviewing the external audit process; reviewing NMG process for monitoring; ensuring full compliance with laws and regulations; and meeting as required throughout the year, with no fewer than three formal meetings scheduled annually.

**ACHIEVEMENTS 2010/2011**
All members have attended all meetings in the year to 31 March 2011; all key activities were successfully pursued.

**FUTURE PLANS**
The Sub-committee will continue to monitor financial management processes and related internal control processes, including the process for the preparation and audit of the annual financial report of New Mardi Gras Limited.

**LEGAL**

**ROLE**
Established in 2011 to consider and manage legal issues formally, through the Executive of the organisation.

**ACTIVITIES**
Providing the Board and CEO with legal advice; ensuring that all individuals have an understanding of their roles and responsibilities and also that systems are in place and being followed; evaluating legal risks and opportunities that impact on the business of NMG; recommending ways forward in relation to legal issues faced by NMG; and providing advice to NMG as directed.

**ACHIEVEMENTS 2010/2011**
Over 50 key contracts for the Season were reviewed, with changes proposed. Mardi Gras Legal also assisted ACON and the Inner City Legal Centre conduct Project Blue during the Season. The impact was positive – a higher degree of safety, and lower numbers presented for medical treatment. The Project Blue team received a lot of feedback and numerous complaints about police conduct. This information has been collated to use for statistical data and to discuss with NSW Police on a broad level. No complaints were escalated to the point of being formally lodged with NSW Police.

**FUTURE PLANS**
Mardi Gras Legal continues to focus on the legal work of the organisation as it arises. Next year will see a more strategic approach, with the assistance of a greater pool of volunteers.
ORGANISATIONAL REVIEW

SPONSORSHIP
ROLE
NEW MARDI GRAS SPONSORSHIP ACTIVITY IS Managed BY EXTERNAL AGENCY MIXITUP, WORKING CLOSELY WITH OUR SENIOR MANAGEMENT TEAM.

ACTIVITIES
Developing partnership properties; managing delivery of benefits; delivery of revenue; giving commercial advice; and development of Mardi Gras activities.

2011 ACHIEVEMENTS
Sponsorship income for 2011 was $762,875, excluding value in kind. We proudly welcomed four new partners for the 2011 season: Google, Canadian Club, Firestick Wines and Pure Blonde; and we continued our rewarding partnerships with existing partners: Virgin Australia, Events NSW, City of Sydney, Mount Franklin, Gaydar.com.au, Foxtel and Atlantis. As well as this, we developed the inaugural Diversity Leadership Partnership with ANZ, and established Google’s Presenting Rights Partnership for Queer Thinking, featuring a Google-led panel discussion LGBT and Global: Supporting Diversity in an International Context.

FUTURE PLANS
We will further develop Mardi Gras activities to both enhance guest experience and partner value, focusing on event and brand enhancement and community engagement; and we will continue to work with our valued partners to ensure mutually beneficial outcomes.

VOLUNTEER WORKING GROUP
ROLE
THE VOLUNTEER WORKING GROUP INTERACTS WITH VOLUNTEERS, ENCOURAGING THEM TO ENGAGE MORE BROADLY WITH NMG, AND BUILDING THEIR ENTHUSIASM FOR VOLUNTEERING. THIS ALLOWS US TO MAINTAIN AN EFFECTIVE VOLUNTEER WORKFORCE.

ACTIVITIES
The Volunteer Working Group is managed by two Co-Chairs, who oversee three teams: Event Volunteer Coordinators, whose primary focus is the recruitment, supervision and well-being of event volunteers; Volunteer Services, who manage volunteer recruitment and systems, administer volunteer content on the NMG website, respond to volunteer enquiries and organise volunteer briefings; and The Learning and Development team, who revise existing training, introduce orientation and leadership training and develop training at volunteer briefings.

ACHIEVEMENTS 2010/2011
The volunteer database and mailing list was further developed, including the Volunteer Self Service module for online registration and maintenance via secure login online. In lieu of physical tickets, volunteer identification cards were created and distributed, to provide access to the Party; a ticketing policy allowing volunteers to accrue credits and increase entitlements was established. An ‘expression of interest’ recruitment and selection process was developed and implemented across online volunteer job boards and other recruiting and advertising websites. An orientation program was put together for new volunteers and the Working Group adopted a more consistent approach to volunteer briefing and training across events; training was developed for volunteers in leadership roles. The Working Group contributed to staging the Volunteer Thank You and Awards night; it also procured t-shirts for all events; and it focused on advocating an equitable approach to volunteer management across events. NMG’s volunteering brand gained a higher profile, with Working Group members giving interviews in community press and a spotlight on NMG volunteers in the Volunteer Voice newsletter.

FUTURE PLANS
The Volunteer Working Group recognises a greater need for volunteer recognition and retention. In the coming year, we will continue to review and develop new ways to recognise and retain our volunteers.

IT WORKING GROUP
ROLE
TO SUPPORT THE NMG OFFICE COMPUTER NETWORK, USING THE SERVICES OF VOLUNTEERS.

ACTIVITIES
User maintenance; PC hardware and software troubleshooting; advising on hardware and software purchasing; maintaining the email and file server; and running web development projects. External agency support is engaged only when IT problems exceed the workgroup skill base. During Season each member is rostered on a weekly basis; out of Season the work is on an ad hoc basis. The IT Working Group meets throughout the year to progress ongoing tasks and projects.

2010/2011 ACHIEVEMENTS
The IT Working Group created online applications for members, Fair Day stall holders, volunteers and Festival Entrants. For the 2011 Mardi Gras Season the IT Working Group completed 68 requests ranging from setting up new users to setting up new PCs. This Season saw online projects to allow for membership year changes and invoice emailing for Fair Day stalls.

FUTURE PLANS
For the 2012 season the ITWG is looking at adding functionality to allow members to renew regularly and using a cloud solution for email and other software.

MEDICAL
ROLE
THE MEDICAL TEAM PROVIDES A PROFESSIONAL, PRE-HOSPITAL LEVEL OF CARE FOR EVENT PATRONS THROUGHOUT THE MARDI GRAS SEASON.

ACTIVITIES
The team provides a non-judgemental and confidential service, treating conditions ranging from minor cuts and headaches to unconsciousness and intoxication.

ACHIEVEMENTS 2010/2011
This year’s Season saw the medical team attend five major venue-based events. From these, 2-3% of all patrons were treated by the team, which assessed and treated 400 event-goers. Nearly 100 medical volunteers gave their time to ensure the safety of our community.
MARKETING AND COMMUNICATIONS

ROLE
OUR PERMANENT HEAD OF MARKETING & COMMUNICATIONS, TOGETHER WITH INTERNS, CONTRACTORS AND A SMALL VOLUNTEER MARKETING & COMMUNICATIONS TEAM, IS RESPONSIBLE FOR ALL NMG’S MARKETING COMMUNICATIONS AND BRAND STRATEGY.

ACTIVITIES
Brand development and management; marketing planning; communications planning; tourism strategy; season creative; media partnerships; season guide; media planning; booking and creation of advertising; press releases; social media; event-based promotions; posters and postering; street banners; website; newsletters; liaison with tour operators; media enquiries and handling; and press conferences.

ACHIEVEMENTS 2010-11
This Season saw high levels of engagement with the Say Something campaign through social media, press and collateral. Special thanks are due to Kabi aka ethel yarwood enterprises, who came to NMG with the Say Something idea. There was a huge growth in online interest, including the Mardi Gras Facebook page, which registered 40,000 ‘likes’, and the 2011 season promo video on YouTube, which attracted over 120,000 views.

A program was developed for tour operators, offering incentives for selling on tickets to NMG and partner events; an additional Mardi Gras Season Guide was launched, aimed at interstate and international tourists, and reaching a circulation of 40,000; a small profit was generated from the Season Guide, after a loss in the previous two years; and on Parade Day, we dealt with over 280 media representatives from 72 different outlets.

FUTURE PLANS
We are currently planning a review of NMG’s media partnership program; a new CRM system is being developed, to sit behind membership, NMG’s social media strategy, newsletters and website; a major review of NMG’s brand strategy is underway, including, if funding can be realised, a major market research project to map our audience segmentation; a project is being put together to reinvent the Mardi Gras Party; and we will put together major interstate promotions for the 2012 Season, which, if successful, will be rolled out to international markets in 2012-2013.

MEMBERSHIP

ROLE
THE NMG MEMBERSHIP WORKING GROUP IS A VOLUNTEER GROUP WITHIN THE ORGANISATION WHICH ACTS AS A KEY ADVOCATE FOR MEMBERS. IT FOCUSES ON MEMBER COMMUNICATIONS, BENEFITS AND RENEWALS.

ACTIVITIES
Communications with members; seeking out views of members; reviewing member benefits, including benefits tied to specific events; making recommendations to the CEO and the Board for improvements to the membership program.

ACHIEVEMENTS 2010-11
Changes were made to the organisation’s Constitution, to allow a change to the structure of membership renewals. A new renewal system was instituted, allowing members to renew on a 12-month rolling membership rather than a fixed-date based system. Approvals were gained for recommendations from a White Paper presented to the Board, introducing a raft of new benefits for members.

Also, in January 2011, our longtime Chair and Co-Chair Matt Page decided to stand down from these roles, after several years of outstanding contributions including the White Paper for Membership.

FUTURE PLANS
NMG is investigating the development of a new benefits-based program, with a view to increasing the NMG membership base.

WORKSHOP

ROLE
TO PROVIDE A SPACE FOR ARTISTS AND THE LGBTIQI COMMUNITY TO COLLABORATE IN CREATING HIGH-QUALITY PROPS AND SCENIC FOR NMG EVENTS.

ACTIVITIES
Providing expertise and advice to members of the LGBTIQI community in the creation of their props, floats and scenic for Parade; building all props, scenic and floats for NMG’s Parade, Fair Day, Party and Harbour Party; sourcing materials; supervising volunteers; giving media interviews about workshop activities; daily operation of the premises.

ACHIEVEMENTS 2010/2011
This year saw the opening of a new workshop space for NMG at 107 Redfern Street – thanks to the support of the City of Sydney and the Lord Mayor Clover Moore, as well as sponsorship from Google. It has been two years since Parade entrants have had a workshop space in which to build floats, props and costumes, with the expertise of specialist staff on hand – and the hope in reintroducing this resource was to help raise the artistic standard of Parade entries. Feedback from community groups has been overwhelmingly positive and is reflected in the standard of their entries in the Parade. In addition, the space proved very useful in terms of providing media with good photo and filming for broadcast opportunities, and was frequently used as a site for media interviews throughout the Season. Local community members also showed interest, with around 70 people dropping in for conversation and to provide positive feedback.

The workshop was well-utilised by the LGBTIQI community, with ten community groups and approximately 85 people making use of the space to construct Parade props; as well as this, workshop staff fielded approximately 100 phone calls, providing design, sourcing or construction advice to community groups. Staff and a small team of dedicated volunteers also used the space to build seven NMG floats, as well as scenic for Harbour Party, Mardi Gras Party and Fair Day.

FUTURE PLANS
The Redfern Street site was only available for the 2011 Season. NMG is currently working on securing a workshop space in a different location for the 2012 Season.
**SEASON REVIEW**

**PARADE**

FOLLOWING EXTENSIVE COMMUNITY CONSULTATION, THIS YEAR NMG FOCUSED ON IMPROVING THE EXPERIENCE OF THE EVENT FOR PARADE ENTRANTS, VOLUNTEER AND AUDIENCES.

A new Parade criteria model, based on community and membership consultation, was developed and implemented, aligning Parade participation with community expectations; a new Parade Entry submission process saw increased collaboration between Entrants and the parade production team. The recruitment of a Consulting Artistic Director raised the quality of the Parade; he reformed the structure of the Parade train, worked with Entrants and garnered increased media attention; that in turn contributed to increased attendance and viewing on television.

Key components of the Party were: maintenance of four key venues (RHI, Hordern, Dome and Forum) to provide a range of styles; a strong program of local and international DJ talent including big names like Calvin Harris and Frankie Knuckles; high production standards; surprise guests. Alexis Jordan and Wynter Gordon were this year’s key guest performers, both attending Mardi Gras on the back of enormously successful hit singles. As always enormous efforts were made to bring in major artists, however without the budget to book and fly in major stars, NMG is highly dependent on leveraging acts touring Australia at Mardi Gras time and their goodwill in performing for a community fundraising event. Although this year’s Party numbers were well down on the parties that took place pre-2010, it delivered a significant profit and we have gone some way to restoring the party as a fundraising vehicle. Surveys point to a high level of satisfaction with the Party overall; however we have some key lessons about some of the community’s dissatisfaction and will be working very hard to overcome these in the year to come.

**MARDI GRAS PARTY**

THE CHALLENGE FOR MARDI GRAS PARTY WAS TO REGAIN AUDIENCE LOST WITH THE SEPARATION OF THE PARADE AND PARTY IN 2010. A KEY FOCUS WAS ON INTERSTATE MARKETS, ENSURING TRAVELLERS KNEW BOTH EVENTS WERE TO BE REUNITED ON 5TH MARCH 2011.

There were record bar takings and stall prizes generously donated by our sponsors. Very favourable weather meant that crowds of thousands on Bondi Beach were able to enjoy the spectacle that is Drag Races, hosted by Vanessa Wagner.

The Mardi Gras Gallery returned, with a $5000 cash prize from CAL awarded to Liam Benson for best artwork; and the visual arts program featured an eclectic mix of respected artists, including Fiona McGregor, Tina Fiveash, Jim Anderson, Ross Watson and Arlene Textaqueen. Team Sydney’s Mardi Gras Sports Festival grew in size and participation, with 23 events taking place across the Season. The focus was also put on youth, with a diverse range of fun events and activities, including the ever popular 21 Down, giving younger audiences a taste of the Mardi Gras experience.

**FESTIVAL**

THE 2011 FESTIVAL SAW THE STAGING OF OVER 120 EVENTS, RANGING ACROSS THE PERFORMING AND VISUAL ARTS, SPORTS, SOCIAL AND COMMUNITY EVENTS, AS WELL AS DANCE PARTIES AND NIGHTLIFE.

There were record bar takings and stall applications, with over 200 stalls being set up on the site; new amusement rides were introduced, and entertainment programming included both emerging and established community and commercial artists. The Main Stage entertainment featured showcases of performers who would later open shows as part of the Festival.

**FAIR DAY**

THIS YEAR’S ATTENDANCE – BASED ON ALL KEY METRICS INCLUDING BAR SALES – ECLIPSED 2010 FIGURES, MAKING IT THE LARGEST CROWD TO ATTEND THIS EVENT IN OVER A DECADE.

There were record bar takings and stall applications, with over 200 stalls being set up on the site; new amusement rides were introduced, and entertainment programming included both emerging and established community and commercial artists. The Main Stage entertainment featured showcases of performers who would later open shows as part of the Festival.

There was an enormous increase in fundraising – a rise of nearly $10,000, 38% higher than last year’s figures. This revenue growth was due to the implementation of a number of new fundraising measures: welcoming/fundraising teams were stationed at each entrance to the site as part of the ‘Say It with a Note’ campaign, and a raffle was held to encourage donations, with prizes generously donated by our sponsors. Very favourable weather no doubt also contributed to high attendances. Sydney City Council and the Newtown Police Local Area Command both gave very positive feedback on how the event was planned and run, commenting that this year’s Fair Day provided a blueprint on how similar events should be managed.
SLEAZE
SLEAZE: 2010 – THEMED “DECADENCE” – WAS HELD ON A CHANGED FOOTPRINT OF THE FORUM AND DOME ON 2ND OCTOBER.

This footprint allowed NMG to reduce costs and pass this on as much lower ticket prices. NMG also put in place a steep incentive for under-25s and other concessions and programmed the Dome to attract more women. Nevertheless sales were sluggish and NMG suffered a loss for a second year. A community consultation was held shortly after to discuss the future of this fundraiser and a decision was taken by the Board in May to retire Sleaze for at least one year.

HARBOUR ’11
After a bumper year in 2010 when Harbour took place on the day after the Parade our forecasts for this party, returning to its regular position on the Sunday before Parade, were for a lower turnout in 2011. Though this was the case, sales were well up on 2009 which in turn were much higher than our first party in 2008, and we are confident of future growth in this iconic party. This year’s party benefited from being a co-production with Johan Khoury Productions and their Daywash brand, particularly in terms of programming, entertainment and marketing.

DONATIONS TO NMG
DURING FEBRUARY 2011 WE MADE OUR FIRST STEPS TOWARDS A BUSINESS DONATION PROGRAM TO RECOGNISE THE CONTRIBUTION THAT MARDI GRAS EVENTS MAKE TO LOCAL BUSINESSES.

DONATIONS BY NMG
NMG DONATED COMPLIMENTARY TICKETS TO COMMUNITY GROUPS FOR THEIR FUNDRAISING ACTIVITIES INCLUDING LUNCHEON CLUB; AURORA, DYKES ON BIKE; ACON; BGFF, GLSC, GLRL; QUEERSCREEN; HARBOUR CITY BEARS; SYDNEY LEATHER PRIDE; TEAM SYDNEY; AND TWENTY 10 ASSOCIATION.

Cash donations given & revenue
- MCC Revenue raised from Party cloakroom takings = $5,458
- GLRL revenue raised from Harbour cloak taking = $530
- Donation to GLRL from Harbour = $15,000

We are very grateful to our first set of donors: Tool Shed Darlinghurst; Tool Shed Taylor Square; Hungry Jacks Oxford Street; and Johan Khoury Productions.

Key numbers for complimentary tickets donated to community organisations:

<table>
<thead>
<tr>
<th>EVENT</th>
<th>NUMBER DONATED</th>
<th>TOTAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLEAZE</td>
<td>67</td>
<td>$6,633</td>
</tr>
<tr>
<td>HARBOUR</td>
<td>2</td>
<td>$280</td>
</tr>
<tr>
<td>PARADE VIEWING</td>
<td>14</td>
<td>$966</td>
</tr>
<tr>
<td>MARDI GRAS PARTY</td>
<td>124</td>
<td>$16,740</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>124</strong></td>
<td><strong>$24,619</strong></td>
</tr>
</tbody>
</table>

PARADE ENTRY TICKETING SCHEME (PETS)
THE PETS INITIATIVE WAS INTRODUCED THIS YEAR, ALLOWING PEOPLE WHO BOUGHT MARDI GRAS PARTY TICKETS TO HAVE $10 OF THE PRICE OF THEIR TICKET GO TO A PARADE ENTRY OF THEIR CHOOSING THROUGH THE USE OF THE APPROPRIATE PETS CODE AT THE TIME OF PURCHASE.

The scheme was set up with the dual purpose of raising additional funds for Parade entries and also to stimulate additional sales to Mardi Gras Party through incentivising those entries to help publicise the Party and encourage participants, friends and family to head to the Party. Almost $6,000 was raised this year for eleven parade entries using the scheme, including Dr Mark’s Marching Academy, Sydney Stingers, Australian Marriage Equality, Harbour City Bears, Melbourne Pride Team and Hot Kandi. 729 tickets were sold under the scheme in total and the vast majority of those led to a successful claim by the entry that was the chosen beneficiary. In the past NMG has been able to support entries through the Community Grant Scheme. This was not possible in 2010/11 given the previous year’s financial performance; however it is hoped that NMG will be able to do this again in the future. The PETS scheme is seen as an additional fundraising mechanism and not a replacement for Grants.

In theory PETS allows many tens of thousands (up to $100,000) to be raised. We hope to see this happen in the future and are looking at ways that the scheme can be expanded to make it easier for entries to raise money from it.

NMG AWARD WINNERS
PARADE
OUR DISTINGUISHED PANEL OF JUDGES THIS YEAR WERE TONY KNIGHT, HEAD OF ACTING AT NIDA; JULIE MCCROSSIN, MEDIA PERSONALITY AND ORIGINAL ‘78ER; AND PETER EVERETT, TELEVISION HOST.

VOLUNTEERS
Best float
Black Dog Institute

Best choreography
Lifesavers with Pride

Best costume design
Gayola Crayons

Say Something
ACON Aboriginal Project

Judges’ choice
People with Disability Australia

Spirit of Mardi Gras
Winner: Johnny Knights
Commendation: Mike Whalley

Leader in Innovation
Winner: Blake Weti
Commendation: John Kinjiew

Outstanding Team Player
Winner: Trent Bourne
Commendation: Karla Burrows

Excellence in Service
Winner: Andrew Benie
Commendation: Martina Kainberger

Outstanding Volunteer in a Leadership Role
Winner: Pen Walker
Commendation: Eamonn Lorraine

Outstanding Leadership Team
Winner: Andy Endycott, Peter Springolo and Choon Tan
Commendation: Mark Cassone

Outstanding Volunteer in a Support Working Group
Winner: Darren Bruce
Commendation: Mark Cassone

Outstanding Volunteer in an Event Working Group
Winner: Dave Stevenson
Commendation: Eamonn Lorraine

Outstanding Volunteer in an Event Working Group
Winner: Dave Stevenson
Commendation: Eamonn Lorraine

Outstanding Volunteer in an Event Working Group
Winner: Dave Stevenson
Commendation: Eamonn Lorraine

Outstanding Volunteer in an Event Working Group
Winner: Dave Stevenson
Commendation: Eamonn Lorraine
THE TEAM

MICHAEL ROLIK
CEO
Michael has held this position with NMG since December 2009, after 15 years of volunteering with the Sydney Gay and Lesbian Mardi Gras in a variety of roles including Parade Start Director, Parade Co-chair, Sleaze Ball Co-chair, Parade Director, Treasurer and Board member. He has also worked in a range of senior management positions including a global talent management company, production management positions at the 2006 Doha Asian Games, plus working on the Sydney 2000 Opening Ceremony athlete’s parade. Most recently, he ran his own management consultancy working with corporate and not-for-profit sectors in Sydney, London and Hong Kong.

VICKTOR PETROFF
PARADE PRODUCER
With 19 large-scale, complex events under his belt, and 15 years of involvement with Mardi Gras Parade, Vicktor brings to his NMG role an invaluable depth of experience, which spans operations, broadcast, protocol, government relations, production as well as stage, volunteer and cast management of up to 10,000 people. Vicktor has worked on a diverse range of events from the Jeddah Economic Forum in Saudi Arabia to Sydney’s New Year’s Eve to the opening and closing ceremonies for the Olympic Games in Sydney, the Commonwealth Games in Manchester and the 15th Asian Games Doha in Qatar. Before his career in event management, Vicktor worked as a senior manager in the telecommunications sector.

SAM SWEEDMAN
FESTIVAL PROGRAM MANAGER
Sam joined the NMG team in 2009, bringing to the organisation a solid background and wealth of experience in the arts and events industries. He had spent eight years managing the production of events across multiple art forms, specialising in large-scale festivals. He has worked variously as a stage manager – across festivals, including Queensland Multicultural Festival; corporate productions and exhibitions; and theatre, notably with Indigenous company Kooemba Jdarra – and production co-ordinator – again, for a wide range of events including the Brisbane Queer Film Festival, at Brisbane Powerhouse. His particular focus on cultural development has stood him in good stead to develop the Queer Thinking and cultural program for NMG.

DAMIENTEAM
HEAD OF MARKETING AND COMMUNICATIONS
Damien began his career in TV production and enjoyed a spell as an economic researcher for the UK Labour Party before getting involved with digital media and marketing. He produced the very first internet strategy for the BBC, the first major European Union report on internet pornography and created business plans for a host of new digital TV channels in the UK, Europe and Asia, as well as project managing the roll-out of Vodafone Live! across Europe. Within months of arriving in Sydney, he got involved in marketing and communications for NMG, firstly as a volunteer and then as a staff member.

GORDON WHEATLEY
OFFICE MANAGER
Gordon started with NMG in August 2004, having worked in administration at Sydney Pride Centre. In the early days of NMG, there were just two staff members – the General Manager and Gordon. During his time with the organisation, Gordon has seen NMG grow from these humble beginnings into a small team of highly dedicated staff.

LIZA BAHAMONDES
EXECUTIVE AND PRODUCTION ASSISTANT
With ten years of experience as a senior manager and stylist in the fashion industry, Liza has brought a range of skills to her NMG role, including commercial, artistic and personnel management; and development of media and marketing strategies. For NMG, Liza provides support to the CEO and to the Festival Program Manager, as well as giving creative direction to the Youth Festival.

FOR DETAILS ON OUR BOARD MEMBERS, PLEASE SEE PAGE 24.
THANKS!

NEW MARDI GRAS SINCERELY
THANKS ALL THE VOLUNTEERS, STAFF, CONTRACTORS AND
PARTNERS WHO MAKE THE
SYDNEY GAY & LESBIAN MARDI
GRAS THE WONDERFUL EVENT
THAT IT IS.

NEW MARDI GRAS
BOARD
Catherine McCourt
Damon Hartley
David Wilson
Josh Keech
Lam Miller
Paul Savage
Peter Munro
Peter Urmson
Phil Kershaw
Siri May
Steph Sands

STAFF & CONTRACTORS
& OFFICE VOLUNTEERS
Andrew Berrie
Antony Read
Ben Mason
Brendan Doran
Damien Eames
Dan Nauthe
Enrica Roberts
Gordon Wheatley
Greg Segal
Greig Sheridan
Ian Mitchell
Ignatius Jones
Jane Becker
Jeff McBride
Katherine Sherrie
Volunteer Office Assistant
Production Manager, Fair Day
Season Office Assistant
Workshop Manager
Head of Marketing & Communications
EA to CEO (to February ‘11)
Parade Publicist
Office Manager
Sponsorship Managing Consultant
Telephones
Office Repairs
Consultant Artistic Director
Workshop Consultant
Mar Comms Consultant
Marketing Intern

Kathy Pavlich
Katrina Márton
Kirsty Dunstan
Lauren Strachan
Lewis Oswald
Liza Bahamondes
Michael Rolik
Nicole Gaff
Peita Dixon
Sam Sweedman
Stuart Couzens
Stuart Doherty
Tahlia Ross
Vicktor Petroff

Security & Risk Consultant
Executive Producer (to November ’10)
Season Receptionist
Season Office Assistant
Graphic Designer
EA to CEO and Production
Assistant (from March ‘11)
Chief Executive Officer
Parade Production Coordinator
Sponsorship Consultant
Festival Program Manager
Producer, Party & Harbour ‘11
Party Artistic Director
Parade Intern
Producer, Parade

AUDIT & RISK
COMMITTEE
Gerard Gooden
Liam Buckley
Patricia Lam
Steph Sands

FINANCE COMMITTEE
Damon Hartley
David Wilson
Phil Kershaw

NOMINATIONS
& GOVERNANCE
COMMITTEE
Michael Woodhouse
Paul Savage
Siri May
Stevie Clayton

FUNDRAISING
COMMITTEE
Catherine McCourt
David Wilson
Drew Simmons
Larry Singer
Peter Urmson
Phil Kershaw
Steph Sands

WOMEN’S COMMITTEE
Catherine McCourt
Janine Tennille
Liza Bahamondes
Siri May
Steph Sands

STRATEGY COMMITTEE
Michael Rolik
Paul Savage
Peter Urmson
Phil Kershaw
Steph Sands

MEDICAL
Medical Co-ordinator
Jen Masters

Medical Advisors
Chris Hughes-Gage
Drew Burgess
Kirsten Seipolt
Michael Davies
Michael McHugh
Michael Novy
Rita Farrugia
Robert Whitworth
Zimts Duckmanton

MARTKETING
AND
COMMUNICATIONS
TEAM
Alex Heard
Barry Clare
Grant Dowling
Jesse Matheson
Katie Hoskins
Megan Hauptfleisch
Stephen Clark
Venietta Slama
William Guesdon

PARADE
WORKING GROUP
Brandon Bear
Brenden Spencer
Cameron Dorrington
Darren Bruce
Dave Stevenson
Joel McKinnon
John Rae
Laura Jamieson
Michael Donnelly
Oliver Kohl

Volunteer Working Group
Co-chairs
John Kininjew
Michael Donnelly

Andrew Berrie
Antony Damianos
Danielle Lezzi
Darren Bruce
David Lewis
Eamonn Lorraine
Jen Carlin
John Riveral
Joshua Bowman
Nick Ellem
Nick Parker
Pen Walker

FAIR DAY
WORKING GROUP
Antony Read
Ben Cole
Blake Wet
Eamonn Lorraine
Iain Reid
Juliette Clement-Cuzin
Matthew Clark
Michael Keneford
Ryan Castillo

PARTY PRODUCTION
WORKING GROUP
Eamonn Lorraine
James Lee
Kristy Magill
Mark Cassone
Michael Donnelly
Nic Holland
Stuart Couzens
Tim Moyes

MEMBERSHIP
WORKING GROUP
Co-chairs
Drew Simmons
Matthew Page

Jeremy Sutton
Lex Van Netten
Michael MacPherson
Monty Marshall

SPECIAL
THANKS
TO ALL OUR VALUED PARTNERS, AND WE ARE GRATEFUL FOR OUR VALUED SUPPLIERS,
IN PARTICULAR THOSE WHO ENABLED FAVOURABLE TERMS TO SUPPORT US AS A NOT-
FOR-PROFIT ORGANISATION, AS WELL AS ANDY SCHOUTEN, BENJA HARNEY,
DAN MURPHY, DANIELLE HARVEY, DAVID JAGO, JOHAN KHOURY, JUSTIN DILOLLO,
KABI FROM ETHEL YARWOOD ENTERPRISES, LISA GRUBB, LIZ DODS, LYNNE O’BRIEN,
MELANIE MILLER, MIKEY KITAMURA, NERIDA GROTH, NIC PARKHILL, NICHOLAS SWEENEY,
PHILLIP DIMENT, ROB PARTOS, ROGER ROBERTSON, STEPHEN CRADDOCK,
STEVIE CLAYTON, TÉCHA NOBLE, THERESA FAMULARO, TIM BALL AND TONY KNIGHT.
ABN 87 102 451 785

FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2011
THE ENCLOSED FINANCIAL STATEMENTS COVER THE YEAR FROM 1 APRIL 2010 TO 31 MARCH, 2011.

**THIS YEAR NEW MARDI GRAS LTD (NMG) REPORTS A DEFICIT OF $133,678.**

**TOTAL GROSS PROFIT WAS $3.609M AGAINST A BUDGET OF $4.215M (AN UNFAVOURABLE VARIANCE OF $606K), AND TOTAL EXPENDITURE WAS $3.743M AGAINST BUDGETED $4.012M (A FAVOURABLE VARIANCE OF $269K).**

Ticket sales were $2.005m against budgeted sales of $3.075m, or less than budget by 35%. Roughly half of the shortfall came from Sleaaze Ball, with the remainder from Party, Harbour Party and Festival events.

We overestimated revenue across our major events, although a major effort was made to reduce costs. By far the most important factor affecting this year’s results was poor ticket sales performance.

Driving this significant loss reduction has been a targeted effort to:

- reduce costs, without impacting production values
- increase revenue from existing sources
- generate new revenue lines from existing events
- generate new revenue from new events, whilst minimising the risk of loss from these new events

Profit is a point of view, cash is in the bank. Whilst the result for 2011, from a profitability perspective, is unfavourable, accounting interpretations can yield different points of view.

**CASH POSITION AS AT 31 MARCH 2011**

**CASH POSITION AFTER RECEIVABLES & PAYABLES AS AT 31 MARCH 2011**

**BREAKDOWN**

**FESTIVAL**

Festival revenue decreased in 2011 as we were not prepared to take the risk of producing a headline touring act and many performances also experienced lower than expected sales due to market conditions.

An expanded loss-making Festival was a major factor in the bankruptcy of Sydney Gay and Lesbian Mardi Gras. Any perception that today’s Festival is a major financial liability to NMG is erroneous. We have a very clear policy to maintain the Festival as a low-risk part of what we do, aiming for a modest profit. The variance with 2010 figures is largely attributable to the one-off Spencer Tunick event; the major aim of this event was to increase visitation to Mardi Gras in a year where we expected visitation to be compromised by the Parade/Party split. We forecasted a modest profit but our ticket sales resulted in a loss.

**FAIR DAY**

Fair Day produced a modest surplus this year as opposed to a loss in 2010. Fair Day bucket collections were significantly higher this year, as were bar takings. These were both reflective of the large turnout. We would expect a similar break-even or small profit for Fair Day in good weather. We had wet weather insurance to mitigate the risk of poor attendance as a result of bad weather.

**Parade**

Considerable funds were invested in order to improve the world class production values of Parade. We also derived income from viewing, as well as introducing new revenue streams in vending and donations. We see room for growth in all three areas.
PARTIES

SLEAZE
This year’s Sleaze made a loss of $13,757 despite a significant change to the format – steeply reducing costs, allowing ticket prices to be lowered to increase demand and giving NMG a cut of the bar sales. However, if all associated costs are taken into account – for example, workshop, staffing, and marketing, which are all accounted for in other budgets – the real net effect of Sleaze 2010 was closer to a loss of approximately $100,000, and applying the same criteria to the previous three Sleaze parties would have made them losses as well. The 2011 result was disappointing and draws Sleaze to an end in its current format. The elimination of Sleaze for 2011 will allow NMG to focus resources at driving cost reduction, new revenue streams and new events in the context of the 2012 Season.

HARBOUR
The positioning of Harbour 2010 the day after the Parade gave us an exceptional result in ticket sales. Although Harbour 2011 was down on this, it was well up on 2009, which was in turn well up on 2008. It is the organisation’s view that co-producing this event helped in terms of marketing and production values which ensured that the event remained profitable in 2011 and on track to being a regular profitable franchise for NMG.

PARADE/PARTY
The Parade/Party split had a severe effect on ticket sales for Mardi Gras Party in 2010. The return of these events to the same evening had a limited amount of success that NMG is able to exist.Continued economic difficulty in our key overseas markets of USA, Europe and Great Britain and a sustained Australian Dollar will ensure that discretionary spending continues to be suppressed in the near future. A weaker economy will impact NMG attendance by both locals, interstate and overseas visitors and will make it challenging to rebuild reserves quickly. We expect a weak economic outlook to coincide with continued competition, increased costs and long-term challenges in attendance for major parties. Whilst NMG endeavors to remain focused on our mission and values by supporting the community, we have consciously set budget expectations for ticket sales at the levels achieved in the last two years and budgeted expenditure around those sales levels to increase the likelihood of a return to profitability in 2012. NMG is confident that we will continue to provide the world’s premier LGBTQI+ event with the support of our volunteers, staff, sponsors and key stakeholders and work in our partners long into the future.

Finally I would like to thank the many people and organisations who contributed to the 2011 Parade and Season and we look forward to supporting the Parade and Season in the future. It is only from your continuing long term support that NMG is able to exist.

PHIL KERSHAW
New Mardi Gras Treasurer

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sleaze</td>
<td>227,152</td>
<td>242,909</td>
<td>(15,757)</td>
<td>494,339</td>
<td>446,965</td>
<td>47,374</td>
</tr>
<tr>
<td>Harbour</td>
<td>351,168</td>
<td>321,829</td>
<td>29,339</td>
<td>514,752</td>
<td>376,994</td>
<td>137,758</td>
</tr>
<tr>
<td>Carnival - Post Parade</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>102,788</td>
<td>209,318</td>
<td>(106,530)</td>
</tr>
<tr>
<td>Mardi Gras Party</td>
<td>1,449,499</td>
<td>979,470</td>
<td>470,029</td>
<td>1,326,161</td>
<td>1,045,770</td>
<td>280,391</td>
</tr>
</tbody>
</table>

NMG has always welcomed support from individuals in the community and has received donations from a number of those individuals during 2011. You can donate to NMG when you renew your membership, or at any time, simply by contacting NMG. NMG is seeking to restructure itself to satisfy the requirements of the Australian Taxation Office to gain Donor Gift Recipient (DGR) status. This will allow donors to NMG to obtain income tax deductions in future. The ultimate giving commitment from any individual is the naming of NMG in their will through a bequest that will continue to support NMG into the future.

CONTRA
The value of Contra is a valuable resource which we have continued to utilise during 2011. Going forward we will continue to pursue services and products in kind as in many cases, particularly with partner sponsorships, contra is the most economic advantageous way for both parties to get the best out of the relationship.

MEMBERSHIP
The fall out from a difficult season in 2010, a substantial loss and an election campaign for PartM that did not endure NMG to our membership saw membership numbers decrease dramatically in 2011. However, against a decrease of overall memberships of 28%, three-year memberships increased by 62%.

In 2010 and prior years the amortisation of prepaid member income has had a large impact on the Membership income total that we have reported in the Profit & Loss Statements. In a business where cashflow is a priority, and with member benefits being primarily driven by Mardi Gras Season, we have decided to report Membership revenue in a much simpler and more transparent way.

New memberships and renewals received before Season will be brought to account as revenue during season. Three-year memberships which extend past the current season will be partially deferred on the balance sheet until each future season. Not only does this yield a simpler system that requires fewer resources and accounting, it actually reflects the revenue against the costs more accurately and complies with the Australian Accounting Standard AASB 1108.

I am also happy to report further work is in development to enhance the benefits of becoming and remaining a member.

LOOKING FORWARD
NMG still has significant cash reserves and has processes in place which are more focused on strong budget and cost controls which will allow NMG to maximise this cash position going forward. For example, NMG is investigating moving to a less expensive office space, in Elizabeth Street, which would be occupied in a co-location with ACON and other organisations.

The next couple of years continue to be critical to the operations of NMG.

CONTINUED economic difficulty in our key overseas markets of USA, Europe and Great Britain and a sustained Australian Dollar will ensure that discretionary spending continues to be suppressed in the near future. A weaker economy will impact NMG attendance by both locals, interstate and overseas visitors and will make it challenging to rebuild reserves quickly. We expect a weak economic outlook to coincide with continued competition, increased costs and long-term challenges in attendance for major parties. Whilst NMG endeavors to remain focused on our mission and values by supporting the community, we have consciously set budget expectations for ticket sales at the levels achieved in the last two years and budgeted expenditure around those sales levels to increase the likelihood of a return to profitability in 2012. NMG is confident that we will continue to provide the world’s premier LGBTQI+ event with the support of our volunteers, staff, sponsors and key stakeholders and work in our partners long into the future.

Finally I would like to thank the many people and organisations who contributed to the 2011 Parade and Season and we look forward to supporting the Parade and Season in the future. It is only from your continuing long term support that NMG is able to exist.

PHIL KERSHAW
New Mardi Gras Treasurer

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sleaze</td>
<td>227,152</td>
<td>242,909</td>
<td>(15,757)</td>
<td>494,339</td>
<td>446,965</td>
</tr>
<tr>
<td>Harbour</td>
<td>351,168</td>
<td>321,829</td>
<td>29,339</td>
<td>514,752</td>
<td>376,994</td>
</tr>
<tr>
<td>Carnival</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>102,788</td>
<td>209,318</td>
</tr>
<tr>
<td>Mardi Gras</td>
<td>1,449,499</td>
<td>979,470</td>
<td>470,029</td>
<td>1,326,161</td>
<td>1,045,770</td>
</tr>
</tbody>
</table>
INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

New Mardi Gras Limited is a company limited by guarantee and accordingly as at the date of this report none of the directors held an interest in the company.

RESULTS

The loss of the company for the financial year amounted to $133,678 (2010: $575,627 loss). No income tax expense / benefit has been calculated on the current year loss or the previous year’s loss as NMG has self assessed itself as income tax exempt.

OPERATING RESULT

The loss of the company for the financial year amounted to $133,678 (2010: $575,627 loss). No income tax expense / benefit has been calculated on the current year loss or the previous year’s loss as NMG has self assessed itself as income tax exempt.

FINANCIAL REPORT OF NEW MARDI GRAS LIMITED FOR THE YEAR ENDED 31 MARCH 2011 AND AUDITOR’S REPORT THEREON.

The principal activities of the company during the year were the organisation and coordination of an annual LGBTQI cultural and arts festival which produced events of celebration, commemoration and protest and engaged in other activities as a key part of advancing the community development and promoting the health and wellbeing of the gay, lesbian, bisexual, transgender, and queer community.

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

INFORMATION ON DIRECTORS

STEPHANIE SANDS (BOARD CO-CHAIR)
Steph brings a wealth of community experience to her current Board of Directors. She first served on the NMG Phoenix Board from December 2002 until July 2005, working two of these two years as Co chair of the organisation. She sits on the Audit and Risk, Strategic, Fundraising and Women’s Board Subcommittees, and has active involvement with the Membership and Medical Working Groups. She was an inaugural board member for the International Centre for Women Playwrights in 1995 and helped establish many small theatre groups in both regional NNSW and Sydney from 1988-1997. Professionally, Steph has over 14 years’ experience in digital marketing and communications, having worked for many leading international advertising agencies.

PETER URMSON (BOARD CO-CHAIR)
Peter is the CEO of the Online Marketing Group at Fairfax Media. He has a strong professional background in business management; he brings strong commercial attributes to the Board across areas of digital, marketing, and commerce. He has also sat on the Commercial Development Group, addressing new revenue and community opportunities. Additionally, Pete consults with the Head of Marketing on strategic direction and social media.

PHIL KERSHAW (TREASURER)
Phil is a Chartered Accountant, having accrued eleven years’ experience with Deloitte Touche Tohmatsu before holding senior positions, including Chief Financial Officer and Finance Director, in other organisations. Phil is also an experienced company director, having served on numerous Boards including publicly listed companies, superannuation trustee companies, joint venture companies, overseas companies and on a body corporate for a commercial property. Phil was appointed Treasurer of New Mardi Gras in August 2010. Phil was a Rigger and workplace trainer. In 2003 she joined the Mardi Gras Phoenix Board, and then later worked as Sponsorship Manager. She was reappointed to the Board in September 2010. Lynne has a Graduate Diploma of Arts Management, and a Master of Arts Management (AIM) Australian Institute of Music. She has three grown children and two grandchildren. Lynne left the Board in 2010 to continue her event work in Canberra.

NICHOLAS PARKER
Nick is a Director of Professional Services for a large global software company, specialising in project and risk management. Nick began volunteering for Mardi Gras as a Parade volunteer and later served as Director and Treasurer for NMG for the 2003 and 2004 Board terms. He regards the resurrection of Mardi Gras in 2003 as one of his proudest moments. Nick rejoined the NMG Board in May 2009 following five years on the NMG Audit and Risk Committee. He stepped down from the Board at the 2010 AGM to accept a full time senior executive position based in Europe.

TONY KNIGHT
Tony was a Director of NMG from October 2008 until August 2010. He is the Board Sponsor of Creative Operations, mainly assisting with the Festival, Parade, and Parties. Tony is an honours graduate of the University of Sydney, as well as the Drama Centre, London. Tony has worked for a number of theatre, film, and television organisations, both nationally and internationally, including Sydney Theatre Company and Channel 7. Tony is currently the Head of Acting at NIDA.

LYNNE O’BRIEN
Lynne has been volunteering in the LGBTQI Community for over 25 years, firstly in Canberra then moving to Sydney in 1995. She has over 30 years’ experience in all aspects of event design, production and management. She is a licensed rigger and workplace trainer. In 2003 she joined the Mardi Gras Phoenix Board, and then later worked as Sponsorship Manager. She was reappointed to the Board in September 2010. Lynne has a Graduate Diploma of Arts Management, and a Master of Arts Management (AIM) Australian Institute of Music. She has three grown children and two grandchildren. Lynne left the Board in 2010 to continue her event work in Canberra.

DAVID WILSON
David has been involved with Mardi Gras Fair Day for several years. He has participated in the Working Group as the Volunteer Coordinator and for the last three years on the Steering Group, helping to make this much loved day a sustainable, cost-neutral event. David has a Bachelor of Commerce (Accounting/ IT) and a Master of Commerce (Organisational Behaviour/IT). He has previously been a member elected Board member of a Superannuation Trustee company and has been employed in IT with several large multinational companies for many years.

CATHERINE MCCOURT
Catherine was appointed to the Board in 2011 after a period as a Board Associate. She has been involved in many community initiatives in Australia since arriving from the UK in 2001. Most recently Catherine was involved in a project addressing mental health awareness, tackling areas such suicide prevention, early detection of depression and bipolar as well as a program to help remove the stigma associated with mental illness. In her professional life, Catherine has worked as a Management Consultant for over ten years with organisations such as IBM (previously PWC) and currently holds the position of Vice President with Capgemini Australia. Catherine has a Bachelor degree in Business and Economics and an MBA from London Business School.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

DIRECTIONS’ REPORT

THE DIRECTORS PRESENT THEIR REPORT TOGETHER WITH THE FINANCIAL REPORT OF NEW MARDI GRAS LIMITED FOR THE YEAR ENDED 31 MARCH 2011 AND AUDITOR’S REPORT THEREON.

DIRECTORS’ NAMES

The Names of the Directors* in Office at Any Time During or since the End of the Year are:

STEPHANIE SANDS (Appointed 27 August 2008)
JOSHUA KEECH (Appointed 18 February 2009)
SIGRID (SIRI) MAY (Appointed 13 January 2010)
PHILIP KERSHAW (Appointed 15 July 2010)
PETER URMSON (Appointed 21 August 2010)
NICHOLAS PARKER (Appointed 15 May 2009, Resigned 21 August 2010)

DAMON HARTLEY (Appointed 21 August 2010)
KIRK MIDDLE (Appointed 25 June 2005, Resigned 3 June 2010)
TONY KNIGHT (Appointed 9 October 2008, Resigned 21 August 2010)

CATHARINE MCCOURT (Appointed 16 December 2010)
ROBERT PARTOS (Appointed 9 October 2008, Resigned 3 November 2010)
LYNNE O’BRIEN (Appointed 3 September 2009, Resigned 21 August 2010)
DAVID WILSON (Appointed 21 August 2010)

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

INFORMATION ON DIRECTORS

PHIL KERSHAW (TREASURER)
Phil is a Chartered Accountant, having accrued eleven years’ experience with Deloitte Touche Tohmatsu before holding senior positions, including Chief Financial Officer and Finance Director, in other organisations. Phil is also an experienced company director, having served on numerous Boards including publicly listed companies, superannuation trustee companies, joint venture companies, overseas companies and on a body corporate for a commercial property. Phil was appointed Treasurer of New Mardi Gras in August 2010. Phil was a Rigger and workplace trainer. In 2003 she joined the Mardi Gras Phoenix Board, and then later worked as Sponsorship Manager. She was reappointed to the Board in September 2010. Lynne has a Graduate Diploma of Arts Management, and a Master of Arts Management (AIM) Australian Institute of Music. She has three grown children and two grandchildren. Lynne left the Board in 2010 to continue her event work in Canberra.

NICHOLAS PARKER
Nick is a Director of Professional Services for a large global software company, specialising in project and risk management. Nick began volunteering for Mardi Gras as a Parade volunteer and later served as Director and Treasurer for NMG for the 2003 and 2004 Board terms. He regards the resurrection of Mardi Gras in 2003 as one of his proudest moments. Nick rejoined the NMG Board in May 2009 following five years on the NMG Audit and Risk Committee. He stepped down from the Board at the 2010 AGM to accept a full time senior executive position based in Europe.

TONY KNIGHT
Tony was a Director of NMG from October 2008 until August 2010. He is the Board Sponsor of Creative Operations, mainly assisting with the Festival, Parade, and Parties. Tony is an honours graduate of the University of Sydney, as well as the Drama Centre, London. Tony has worked for a number of theatre, film, and television organisations, both nationally and internationally, including Sydney Theatre Company and Channel 7. Tony is currently the Head of Acting at NIDA.

LYNNE O’BRIEN
Lynne has been volunteering in the LGBTQI Community for over 25 years, firstly in Canberra then moving to Sydney in 1995. She has over 30 years’ experience in all aspects of event design, production and management. She is a licensed rigger and workplace trainer. In 2003 she joined the Mardi Gras Phoenix Board, and then later worked as Sponsorship Manager. She was reappointed to the Board in September 2010. Lynne has a Graduate Diploma of Arts Management, and a Master of Arts Management (AIM) Australian Institute of Music. She has three grown children and two grandchildren. Lynne left the Board in 2010 to continue her event work in Canberra.

DAVID WILSON
David has been involved with Mardi Gras Fair Day for several years. He has participated in the Working Group as the Volunteer Coordinator and for the last three years on the Steering Group, helping to make this much loved day a sustainable, cost-neutral event. David has a Bachelor of Commerce (Accounting/IT) and a Master of Commerce (Organisational Behaviour/IT). He has previously been a member elected Board member of a Superannuation Trustee company and has been employed in IT with several large multinational companies for many years.

CATHERINE MCCOURT
Catherine was appointed to the Board in 2011 after a period as a Board Associate. She has been involved in many community initiatives in Australia since arriving from the UK in 2001. Most recently Catherine was involved in a project addressing mental health awareness, tackling areas such suicide prevention, early detection of depression and bipolar as well as a program to help remove the stigma associated with mental illness. In her professional life, Catherine has worked as a Management Consultant for over ten years with organisations such as IBM (previously PWC) and currently holds the position of Vice President with Capgemini Australia. Catherine has a Bachelor degree in Business and Economics and an MBA from London Business School.
SIGRID (SIRI) MAY
Professionally, Siri has played a key role in the GLBTQ community through her work in establishing the Young Women’s Project at ACON, assisting to build anti-homophobia programs in schools and her current role in HIV prevention. Siri has served as a member in the NSW Gay and Lesbian Rights Lobby, as a Director on the ACON Board and as an Australian Services Union delegate. She also holds a Bachelor of Economics and Bachelor of Social Sciences, and was awarded a place in the 2008 Same Same list of Australia’s top 25 most influential lesbians and gays.

ROBERT PARTOS
Rob was appointed to the Board in October 2008 and was Treasurer from 19 November 2008 until August 2010. Rob has a long involvement in Mardi Gras and has been a participant and volunteer for Mardi Gras for over 12 years. Rob currently works in a senior finance role at a telecommunications company and has over 20 years’ experience in finance. Rob holds a Bachelor of Economics from La Trobe University and a Graduate Diploma in Applied Finance and Investment from the Australian Securities Institute. He stepped down from the Board in November 2010 due to work commitments.

JOSHUA KEECH
Josh joined the Board in February 2009. During this time, he has overseen areas such as legal, youth and NMG’s police initiative Project Blue, as well as being the Board Sponsor for Parties. In the 2011 Season Josh also joined the Office of Board and the Chair of Mardi Gras Legal. Josh has been involved with Mardi Gras since 2003 as a volunteer and later went on to have an active role in the gay and lesbian lifesaving organisation Lifesavers With Pride. Josh is qualified as a solicitor, and has several tertiary degrees in law and business management. Professionally, Josh has spent several years working as a lawyer and is now employed in a managerial role in local government.

KIRK MUDDLE
Kirk has been involved with Mardi Gras since 2000, beginning as a Parade volunteer, moving through working groups, dealing with both Parade logistics and volunteers, until he was elected to the Board in 2005. Although his primary focus has been on Parade and volunteers, he also assisted with Sleaze in 2005 and Party in 2006. Kirk was Regional Property Manager for a furniture retailer, citing and developing stores in all stages. He is a registered property valuer in QLD. He stepped down after five years of Board service, as the longest continuous serving Director of NMG, in June 2010 to accept a full time senior executive position with Fenix Fitness based in Brisbane.

DAMON HARTLEY
Damon has long established strong community links and a long term background in administration and production, and recently event management training. Damon continues to stand for responsible and tight budgeting, transparency in communications, and the future relevance of NMG through constructive interaction with youth. He believes there is still much work to be done in all these areas.

INFORMATION ON BOARD ASSOCIATES

LIAM MILLER
Liam joined NMG as a Board Associate in December 2010 and has a strong background in entrepreneurship and business management. He was a UNSW Co-op Scholar, completing a Bachelor of Commerce in Accounting and Finance before starting his first business. He has since worked in a range of marketing, sales and general management roles and is currently the Founder and Managing Director for a health and fitness company. He has a strong history with volunteering and community initiatives for which he was awarded the Order of Australia Student Citizenship Award and appointed to the National Youth Roundtable and as Gold Coast Ambassador for the International Year of Volunteers.

PAUL SAVAGE
Paul has been a Board Associate with NMG since January 2011. Professionally, he has worked in Management Consulting as a Director of organisational strategy and transformation for over twelve years with a number of top tier consulting firms in EMEA, USA and Asia Pacific. Paul’s expertise sits firmly in guiding public sector and non government organisations through significant programs of change, strategy development and execution. Prior to moving to Australia five years ago Paul volunteered extensively with young people in some of Northern Ireland’s most underprivileged environments and provided counselling support for a youth suicide prevention organisation based in Belfast. Paul holds an Honours Degree in finance from the University of Ulster and an Masters degree in Human Resources and Change Management from the University of Salford, Manchester.

INFORMATION ON COMPANY SECRETARY

PETER MUNRO
Peter took on the role of Company Secretary in March 2010. Peter has Bachelor degrees in Law and Communications and is a solicitor qualified to practise in a number of jurisdictions. Peter is employed as an in-house counsel for one of Australia’s largest accounting firms.

DIRECTORS’ MEETINGS

<table>
<thead>
<tr>
<th>DIRECTORS’ NAME</th>
<th>NUMBER ELIGIBLE TO ATTEND</th>
<th>ACTUAL NUMBER ATTENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>KIRK MUDDLE</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>STEPHANIE SANDS</td>
<td>29</td>
<td>27</td>
</tr>
<tr>
<td>ROBERT PARTOS</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>TONY KNIGHT</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>JOSHUA KEECH</td>
<td>29</td>
<td>28</td>
</tr>
<tr>
<td>NICHOLAS PARKER</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>LYNEE O’BRIEN</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>SIRI MAY</td>
<td>29</td>
<td>22</td>
</tr>
<tr>
<td>PHILLIP KERSHAW</td>
<td>23</td>
<td>21</td>
</tr>
<tr>
<td>PETER URMSON</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>DAMON HARTLEY</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>DAVID WILSON</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>CATHERINE MCCOURT</td>
<td>9</td>
<td>5</td>
</tr>
</tbody>
</table>

LIKELY DEVELOPMENTS
Likely developments in the operations of the company and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the company.

ENVIRONMENTAL ISSUES
The company’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

OPTIONS
No options over unissued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the end of the year.

INDEMNIFICATION OF OFFICER
During or since the end of the year, the company has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums in respect of a contract insuring the directors of the company and officers against a liability incurred as such a director of officer to the extent permitted by the Corporations Law 2001.

Further disclosure required under section 300(9) of the Corporations Law is prohibited under the terms of the contract.

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

AUDITOR’S INDEPENDENCE DECLARATION
A COPY OF THE AUDITOR’S DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 IN RELATION TO THE AUDIT FOR THE FINANCIAL YEAR IS PROVIDED WITH THIS REPORT.
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE BOARD OF DIRECTORS:

PETER URMSON  
DIRECTOR  
SYDNEY  
07 July, 2011

STEPHANIE SANDS  
DIRECTOR  
SYDNEY  
07 July, 2011
In relation to our audit of the financial report of New Mardi Gras Limited for the financial year ended 31 March 2011, I declare that to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

b) No contraventions of any applicable code of professional conduct in relation to the audit.

PEROYS
AUDIT & ASSURANCE

GEORGE VOURANTONIS
PARTNER
PEROYS AUDIT & ASSURANCE
SYDNEY
07 July, 2011
We have audited the financial report of New Mardi Gras Limited (the Company), which comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies, other explanatory notes and the directors' declaration for the year ended 31 March 2011.

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This includes responsibility for the establishment and maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and to assist in the preparation and fair presentation of the financial report that is free from material misstatement. The directors are also responsible for selecting and applying the accounting policies and accounting estimates inherent in the financial report.

AUDIT APPROACH

We have conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The nature of an audit and the procedures selected are influenced by factors such as the use of professional judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

Whilst we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls or expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management of the Company.
INDEPENDENCE

AUDIT OPINION
In our opinion, the financial report of the Company is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view, in all material respects, of the financial position of the Company's financial position as at 31 March 2011, and its financial performance and cash flows for the year then ended on that date; and

(ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

WE ALSO REPORT THAT:
(a) the financial statements show a true and fair view of the financial result of fundraising appeals conducted during the year;
(b) the accounting and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and Regulations;
(c) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and Regulations; and
(d) at the date of this report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

We draw attention to the fact that as is common for organisations of this type, New Mardi Gras Limited derives a portion of its cash income from functions, subscriptions, and fundraising and it is not practicable for New Mardi Gras Limited to maintain an effective system of internal control over such transactions until their initial entry in the accounting records and bank accounts. Accordingly, our audit in relation to those activities was limited to amounts recorded and we have been unable to independently verify whether the amounts received from these sources have been properly accounted for. Our opinion is not qualified in respect of this matter.

PEROYS AUDIT & ASSURANCE

GEORGE VOURANTONIS
PARTNER
PEROYS AUDIT & ASSURANCE
SYDNEY
07 July, 2011
## Income Statement

### Statement of Comprehensive Income for the Year Ended 31 March 2011

<table>
<thead>
<tr>
<th>Revenue</th>
<th>2011 ($)</th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticket sales</td>
<td>2,008,299</td>
<td>2,389,090</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>762,875</td>
<td>835,343</td>
</tr>
<tr>
<td>Membership income</td>
<td>137,108</td>
<td>106,910</td>
</tr>
<tr>
<td>Stallholder fees</td>
<td>126,557</td>
<td>108,241</td>
</tr>
<tr>
<td>Sale of goods</td>
<td>125,369</td>
<td>134,307</td>
</tr>
<tr>
<td>Government grant revenue</td>
<td>-</td>
<td>19,545</td>
</tr>
<tr>
<td>Licence fees</td>
<td>64,789</td>
<td>60,811</td>
</tr>
<tr>
<td>Interest fees</td>
<td>23,061</td>
<td>43,815</td>
</tr>
<tr>
<td>Festival revenue</td>
<td>105,893</td>
<td>115,218</td>
</tr>
<tr>
<td>Contra revenue</td>
<td>369,973</td>
<td>386,457</td>
</tr>
<tr>
<td>Parade entry fees</td>
<td>16,323</td>
<td>17,817</td>
</tr>
<tr>
<td>Donations</td>
<td>71,600</td>
<td>33,729</td>
</tr>
<tr>
<td>Advertising income</td>
<td>1,600</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>1,529</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td>3,814,976</td>
<td>4,251,283</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2011 ($)</th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupancy costs</td>
<td>10,592</td>
<td>9,881</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>514,372</td>
<td>634,849</td>
</tr>
<tr>
<td>Amounts paid to contractors</td>
<td>514,876</td>
<td>448,461</td>
</tr>
<tr>
<td>Insurance</td>
<td>105,529</td>
<td>135,967</td>
</tr>
<tr>
<td>Venue hire</td>
<td>342,587</td>
<td>462,912</td>
</tr>
<tr>
<td>Amortisation of intangible software</td>
<td>8,777</td>
<td>12,027</td>
</tr>
<tr>
<td>Depreciation of property, plant &amp; equipment</td>
<td>26,011</td>
<td>20,934</td>
</tr>
<tr>
<td>Operating lease rental expenses</td>
<td>65,302</td>
<td>58,936</td>
</tr>
<tr>
<td>Marketing &amp; communications</td>
<td>201,660</td>
<td>186,088</td>
</tr>
<tr>
<td>Security</td>
<td>205,330</td>
<td>228,404</td>
</tr>
<tr>
<td>Entertainment</td>
<td>166,993</td>
<td>401,900</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>7,085</td>
<td>7,539</td>
</tr>
<tr>
<td>Cost of ticketing</td>
<td>84,879</td>
<td>148,195</td>
</tr>
<tr>
<td>Equipment hire</td>
<td>900,589</td>
<td>1,209,993</td>
</tr>
<tr>
<td>License expenses</td>
<td>113,708</td>
<td>143,210</td>
</tr>
<tr>
<td>Professional fees</td>
<td>42,782</td>
<td>46,013</td>
</tr>
<tr>
<td>Contra expenses</td>
<td>369,973</td>
<td>386,366</td>
</tr>
<tr>
<td>Donations</td>
<td>2,621</td>
<td>13,843</td>
</tr>
<tr>
<td>Other expenses</td>
<td>264,988</td>
<td>271,392</td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td>3,948,654</td>
<td>4,826,910</td>
</tr>
</tbody>
</table>

| Profit / (Loss) before income tax expense | (133,678) | (575,627) |
| Income tax expense                   | -         | -         |
| Profit / (Loss) for the year         | (133,678) | (575,627) |
| Other comprehensive income           | -         | -         |
| Income tax expense                   | -         | -         |
| Other comprehensive income, net of tax| -         | -         |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | (133,678) | (575,627) |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE ENTITY | (133,678) | (575,627) |
## Statement of Financial Position as at 31 March 2011

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>NOTES</th>
<th>2011 ($)</th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>4</td>
<td>1,303,607</td>
<td>909,193</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>5</td>
<td>375,212</td>
<td>184,532</td>
</tr>
<tr>
<td>Other current assets</td>
<td>6</td>
<td>75,899</td>
<td>72,893</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td></td>
<td>1,754,718</td>
<td>1,166,618</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non Current Assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>7</td>
<td>80,560</td>
<td>105,147</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>8</td>
<td>40,588</td>
<td>28,637</td>
</tr>
<tr>
<td><strong>TOTAL NON CURRENT ASSETS</strong></td>
<td></td>
<td>121,148</td>
<td>133,784</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>1,875,866</td>
<td>1,300,402</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Liabilities</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>9</td>
<td>782,528</td>
<td>182,223</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>10</td>
<td>191,635</td>
<td>82,798</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td></td>
<td>974,163</td>
<td>265,021</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td>974,163</td>
<td>265,021</td>
</tr>
</tbody>
</table>

| NET ASSETS                              |       | 901,703  | 1,035,381|

| Equity                                  |       | 901,703  | 1,035,381|
| Retained earnings                       |       | 901,703  | 1,035,381|
| **TOTAL EQUITY**                        |       | 901,703  | 1,035,381|

## Statement of Changes in Equity for the Year Ended 31 March 2011

<table>
<thead>
<tr>
<th>TOTAL EQUITY AT THE BEGINNING OF THE FINANCIAL YEAR</th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,035,381</td>
<td>1,611,008</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROFIT / (LOSS) FOR THE YEAR</th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(133,678)</td>
<td>(575,627)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR</th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>901,703</td>
<td>1,035,381</td>
</tr>
</tbody>
</table>

## Statement of Cash Flows for the Year Ended 31 March 2011

<table>
<thead>
<tr>
<th>CASH FLOW FROM OPERATING ACTIVITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from customers</td>
<td>3,267,460</td>
<td>3,991,458</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(2,873,955)</td>
<td>(4,511,285)</td>
</tr>
<tr>
<td>Interest received</td>
<td>23,061</td>
<td>43,815</td>
</tr>
<tr>
<td>Net cash from (used in) operating activities</td>
<td>416,566</td>
<td>(476,012)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOW FROM INVESTING ACTIVITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment for property, plant and equipment</td>
<td>(1,423)</td>
<td>(52,904)</td>
</tr>
<tr>
<td>Payment for intangible assets</td>
<td>(20,729)</td>
<td>(31,198)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(22,152)</td>
<td>(84,102)</td>
</tr>
</tbody>
</table>

| Net increase (decrease) in cash held               | 394,414  | (560,114)  |
| Cash at beginning of financial year                | 909,193  | 1,469,307  |
| Cash at end of financial year                       | 1,303,607| 909,193    |
NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements for New Mardi Gras Limited are prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group interpretations and the NSW Charitable Fundraising Act and Regulations.

The directors have elected under Section 334(5) of the Corporations Act 2001 to apply the following Accounting Standards in advance of their effective dates:

AASB 1053 Application of Tiers of Australian Accounting Standards; and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

These Accounting Standards are not required to be applied until annual reporting periods beginning on or after 1 July, 2013.

AASB 1052 establishes a differential reporting framework consisting of two tiers of reporting requirements for general purpose financial statements:

Tier 1 – Australian Accounting Standards

Tier 2 - Australian Accounting Standards – Reduced Disclosure Requirements.

AASB 2010-2 makes amendments to each Standard and Interpretation indicating the disclosures not required to be made by Tier 2 entities or inserting RDR paragraphs requiring simplified disclosures for Tier 2 entities.

The company complies with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board.

The adoption of these Standards has resulted in significantly reduced disclosures in respect of related parties and financial instruments. There was no impact on the current or prior year financial statements.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

(B) REVENUE

When grant revenue received is subject to an obligation to deliver economic value in the future directly back to the contributor, it is considered to be a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue from sale of goods (including sale of tickets) is recognised upon the delivery of goods to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

Revenue from members’ subscriptions revenue is recognised at the point in time when substantially all of the benefits are received by the members such that revenue is recognised when Mardi Gras Season occurs which is when members are able to receive the benefit of discounted tickets. Deferred membership revenue is carried forward for memberships extending to seasons 2012 and 2013. Whilst this is not a change in Accounting Policy, it is a change in interpretation of the Accounting Standard which has resulted in an additional $48,207 being brought to account as revenue in the year ended 31 March, 2011.

Revenue from donations is recognised when the company receives donations and records them in the books and records or where the company has an unconditional commitment from the donor, on an accrual basis. Revenue from contra revenue and expenditure is recognised when the company receives “in kind” goods and services from a number of individuals and organisations. When the contribution does not represent an asset at balance date, the company recognises an expense and associated revenue for these “in kind” goods and services in the financial report. Where the “in kind” goods and services represent an asset at balance date, both the asset and revenue are recognised in the financial report.

“In kind” contributes of goods and services received as revenue in the year in which the company receives the goods and services.

Revenue from sponsorship is recognised in accordance with the date the event occurs. Sponsorship not directly related to events is recognised over the period to which it relates.

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

All revenue is stated net of the amount of goods and services tax (GST).

(C) PROPERTY, PLANT AND EQUIPMENT

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

PLANT AND EQUIPMENT

Plant and equipment is measured on the cost basis. The company applies the tier 1 – Australian Accounting Standards accounting policy for plant and equipment which is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

DEPRECIATION

The depreciation amount of all fixed assets are depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

<table>
<thead>
<tr>
<th>CLASS OF FIXED ASSET</th>
<th>DEPRECIATION RATES</th>
<th>DEPRECIATION BASIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>20 % Straight Line</td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>20 % Straight Line</td>
<td></td>
</tr>
</tbody>
</table>

(D) INTANGIBLES

WEBSITE DEVELOPMENT COSTS

Website development costs are initially recorded at the purchase price and are amortised on a straight line basis over the period of three years. The balances are reviewed annually and any balance representing future benefits, the realisation of which is considered to be no longer probable are written off.
TRADEMARK AND DOMAIN NAME COSTS
Trademark and Domain Name costs are initially recorded at the purchase price and are amortised on a straight line basis over the periods of ten and two years respectively. The balances are reviewed annually and any balance representing future benefits, the realisation of which is considered to be no longer probable are written off.

(E) LEASES
Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

FINANCE LEASES
Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

OPERATING LEASES
Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduced the liability.

(F) GOING CONCERN
NMG will always be reliant on the support for its events from members, non members and sponsors. The directors believe that through tight budgetary controls and effective cash management, the company will continue to operate and provide services to its members, non members and the community as a whole.

(G) IMPAIRMENT OF ASSETS
Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicates that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(H) COMPARATIVE FIGURES
Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(I) EMPLOYEE BENEFITS
Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Contributions are made 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.

(CASH AND CASH EQUIVALENTS
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(K) TRADE AND OTHER RECEIVABLES
Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. An allowance for doubtful debts is made when there is objective evidence that NMG will not be able to collect the debts. Bad debts are written off when identified.

Receivables are recognised and carried at original invoice amount. The collectability of debts is reviewed on a regular basis and a specific provision is made for any doubtful debts where objective evidence that NMG will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement.

(L) TRADE AND OTHER PAYABLES
These amounts represent liabilities for amounts owing by NMG at year end for goods and services provided to NMG prior to the end of the financial year that are unpaid.

(M) GOODS AND SERVICES TAX (GST)
Revenues, expenses, assets, and liabilities are recognised net of the amount of GST except:

• when any services provided by the company are GST free sales or are export sales;
• when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
• trade receivables and trade payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority 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 taxation authority, are classified as operating cash flows.

NOTE 2:
CORPORATE INFORMATION
ABN 87 102 451 785

The financial report of new Mardi Gras Limited (NMG) for the year ended 31 March 2011 was authorised for issue in accordance with a resolution of the directors on 7 July 2011.

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

The nature of the operations and principal activities of NMG are included in the review of operations and activities in the Director’s report on pages 22 to 24. The Director’s report does not form part of this financial report.

The registered office and principal place of business is:

ADDRESS:
SUITE 6, 94 OXFORD STREET,
DARLINGTON NSW 2011
TELEPHONE: 02 9383 0900 02 9383 0966
EMAIL: NEWMARDIGRAS@MARDIGRAS.ORG.AU
WEB ADDRESS: WWW.MARDIGRAS.ORG.AU
NOTE 3: INCOME TAX
NMG has sought and received independent advice confirming that the company 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 years ended 31 March 2009, 31 March 2010 and 31 March 2011.

NOTE 4: CASH AND CASH EQUIVALENTS
Cash at bank earns interest at floating rates based on daily bank deposit rates for operating and investment accounts. The fair value of cash and cash equivalents is $1,303,607 (2010: $909,193).

NOTE 5: TRADE AND OTHER RECEIVABLES
Trade receivables are non interest bearing and are generally on 30 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. No allowance is required for this current year (2010: Nil) The amount of the allowance/impairment loss is measured as the difference between the carrying amount of the trade receivables and the estimated future cash flows expected to be received from the relevant debtors.

Other receivables represents income which has not been invoiced as at year end but accrued to match revenues with expenses incurred.

NOTE 6: OTHER CURRENT ASSETS
Prepayments include annual policies of insurance which are amortised over the life of the policy. Bonds & Deposits are non interest bearing and represent security deposits.

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

(A) MOVEMENTS IN CARRYING AMOUNTS
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

<table>
<thead>
<tr>
<th></th>
<th>2011 ($)</th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost or fair value</td>
<td>76,759</td>
<td>75,336</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(46,037)</td>
<td>(35,592)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>30,722</td>
<td>39,744</td>
</tr>
<tr>
<td>Leasehold Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost or fair value</td>
<td>77,827</td>
<td>77,827</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(27,989)</td>
<td>(12,424)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>49,838</td>
<td>65,403</td>
</tr>
<tr>
<td>TOTAL PLANT AND EQUIPMENT</td>
<td>80,560</td>
<td>105,147</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2011 ($)</th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant &amp; Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of the year</td>
<td>39,744</td>
<td>65,403</td>
</tr>
<tr>
<td>Additions</td>
<td>1,423</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(10,445)</td>
<td>(15,565)</td>
</tr>
<tr>
<td>Carrying amount at end of year</td>
<td>30,722</td>
<td>49,838</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>16,416</td>
</tr>
<tr>
<td>Additions</td>
<td>31,440</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(8,112)</td>
</tr>
<tr>
<td>Carrying amount at the end of the year</td>
<td>39,744</td>
</tr>
</tbody>
</table>
### Note 8: Intangible Assets

#### Reconciliation of Intangible Assets

**Note 8:** Intangible Assets

<table>
<thead>
<tr>
<th>Intangible Assets</th>
<th>2011 ($)</th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost or fair value</td>
<td>39,017</td>
<td>34,168</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(14,186)</td>
<td>(5,531)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>24,831</td>
<td>28,637</td>
</tr>
<tr>
<td>Trademarks &amp; Domain Names</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost or fair value</td>
<td>15,880</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(123)</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>15,757</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL INTANGIBLES</td>
<td>40,588</td>
<td>28,637</td>
</tr>
</tbody>
</table>

**Note 8:** Intangible Assets

<table>
<thead>
<tr>
<th>Software</th>
<th>Trademarks &amp; Domains</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of the year</td>
<td>28,637</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>4,849</td>
<td>15,880</td>
</tr>
<tr>
<td>Amortisation expense</td>
<td>(8,655)</td>
<td>(123)</td>
</tr>
<tr>
<td>Carrying amount at the end of the year</td>
<td>24,831</td>
<td>15,757</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of the year</td>
<td>9,465</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>31,198</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation expense</td>
<td>(12,026)</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at the end of the year</td>
<td>28,637</td>
<td>-</td>
</tr>
</tbody>
</table>

**Note 8:** Intangible Assets

<table>
<thead>
<tr>
<th>Current</th>
<th>2011 ($)</th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>627,784</td>
<td>32,880</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>12,634</td>
<td>22,867</td>
</tr>
<tr>
<td>Goods &amp; Services tax (net)</td>
<td>68,151</td>
<td>21,328</td>
</tr>
<tr>
<td>Other payables</td>
<td>73,959</td>
<td>105,148</td>
</tr>
<tr>
<td>TOTAL</td>
<td>782,528</td>
<td>182,223</td>
</tr>
</tbody>
</table>

**Note 10:** Other Current Liabilities

<table>
<thead>
<tr>
<th>Current</th>
<th>2011 ($)</th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership subscriptions paid in advance</td>
<td>51,635</td>
<td>82,798</td>
</tr>
<tr>
<td>Deferred income</td>
<td>140,000</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>191,635</td>
<td>82,798</td>
</tr>
</tbody>
</table>

**Note 11:** Members Guarantee

<table>
<thead>
<tr>
<th>Current</th>
<th>2011 (No)</th>
<th>2010 (No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full members</td>
<td>1,039</td>
<td>2,136</td>
</tr>
<tr>
<td>Full members 3 year</td>
<td>963</td>
<td>593</td>
</tr>
<tr>
<td>Concession members</td>
<td>169</td>
<td>170</td>
</tr>
<tr>
<td>Under 25 members</td>
<td>189</td>
<td>171</td>
</tr>
<tr>
<td>Organisation members</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Complimentary members</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>International members</td>
<td>342</td>
<td>665</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,712</td>
<td>3,746</td>
</tr>
</tbody>
</table>

**Note 8:** Intangible Assets

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

**Note 9:** Trade and Other Payables

Employee benefits comprising annual leave that are due and payable within 12 months, are recognised at undiscounted amounts.

**Note 10:** Other Current Liabilities

**Note 11:** Members Guarantee

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

The number of members at the end of the financial period were:
NOTES TO THE FINANCIAL STATEMENTS

NOTE 12: KEY MANAGEMENT PERSONNEL COMPENSATION

DETAILS OF DIRECTORS AND KEY MANAGEMENT PERSONNEL
THE NAMES OF DIRECTORS WHO HAVE HELD OFFICE DURING THE YEAR ARE:

KIRK MUDDLE
STEPHANIE SANDS
PETER URMSON
PHILLIP KERSHAW
ROBERT PARTOS
TONY KNIGHT
JOSHUA KEECH
NICHOLAS PARKER
LYNNE O’BRIEN
SIGRID (SIRI) MAY
CATHERINE MCCOURT
DAVID WILSON
 DAMON HARTLEY

All directors provide their services on a voluntary basis and do not, other than for reimbursement of expenses incurred, receive remuneration from the company. The Chief Executive Officer is considered to be the only other Key Management Personnel of the Company.

NOTE 13: AUDITOR’S REMUNERATION

AMOUNTS DUE OR DUE AND RECEIVABLE BY PERSONS

<table>
<thead>
<tr>
<th></th>
<th>2011 ($)</th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Of The Financial Report Of NMG</td>
<td>17,500</td>
<td>19,000</td>
</tr>
<tr>
<td>Other Services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>17,500</td>
<td>19,000</td>
</tr>
</tbody>
</table>

NOTE 14: EVENTS AFTER BALANCE SHEET DATE

There have been no items of significance subsequent to 31 March 2011, and as at the date of this report that would impact the results as outlined in this financial report.

NOTE 15: SEGMENT INFORMATION

NMG operates in one business and geographical segment being the organisation of events of celebration, education and commemoration to fight homophobia and discrimination and promote equality within Australia.

NOTE 16: RELATED PARTY TRANSACTIONS

There were no related party transactions in either year.

NOTE 17: CAPITAL AND LEASING COMMITMENTS

(8) OPERATING LEASE COMMITMENTS

Non cancellable operating leases contracted for but not capitalised in the financial statements:

<table>
<thead>
<tr>
<th></th>
<th>2011 ($)</th>
<th>2010 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>not later than one year</td>
<td>46,734</td>
<td>44,788</td>
</tr>
<tr>
<td>later than one year and not later than five years</td>
<td>94,785</td>
<td>145,404</td>
</tr>
<tr>
<td></td>
<td>141,519</td>
<td>190,192</td>
</tr>
</tbody>
</table>

The commitments relate to the lease of premises over a five (5) year term. Increases in lease commitments occur in line with a fixed percentage review of 4% at each anniversary of the commencement date being 1 March 2009.
**NOTE 18:**
**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events.

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

**NOTE 19:**
**CHARITABLE FUNDRAISING ACTIVITIES**

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

### Incomes Statement for each Fundraising Appeal for the Year Ended 31 March, 2011

<table>
<thead>
<tr>
<th>Appeal</th>
<th>Proceeds ($)</th>
<th>Costs ($)</th>
<th>Surplus ($)</th>
<th>Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising Appeals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair Day Bucket Collection</td>
<td>36,096</td>
<td>705</td>
<td>35,391</td>
<td>98.05%</td>
</tr>
<tr>
<td>Mardi Gras Parade Bucket Collection</td>
<td>4,445</td>
<td>4,000</td>
<td>445</td>
<td>10.00%</td>
</tr>
<tr>
<td>Drag Races Bucket Collection</td>
<td>850</td>
<td>-</td>
<td>850</td>
<td>100.00%</td>
</tr>
<tr>
<td>Medical Tent Bucket Collection</td>
<td>352</td>
<td>-</td>
<td>352</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>TOTALS FROM ALL FUNDRAISING APPEALS</strong></td>
<td>41,743</td>
<td>4,705</td>
<td><strong>37,038</strong></td>
<td><strong>88.73%</strong></td>
</tr>
</tbody>
</table>

### Balance Sheet for each Fundraising Appeal as at 31 March, 2011

<table>
<thead>
<tr>
<th>Appeal</th>
<th>Assets ($)</th>
<th>Liabilities ($)</th>
<th>Net Assets ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising Appeals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fair Day Bucket Collection</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mardi Gras Parade Bucket Collection</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Drag Races Bucket Collection</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Medical Tent Bucket Collection</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTALS FROM ALL FUNDRAISING APPEALS</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Notes to Fundraising for Charitable Purposes**

During the year ended 31 March, 2011, New Mardi Gras Limited (NMG) achieved a net surplus of $37,038 from fundraising activities defined under the Charitable Fundraising Act. NMG received income from four sources of activity; Fair Day Bucket Collections, Mardi Gras Parade Bucket Collections, Drag Races Bucket Collections and Medical Tent Bucket Collections. The gross proceeds from these activities are disclosed in Statement of Comprehensive Income (as part of “Donations”) and above and realised $41,743. The costs associated with these activities of $4,705 were for security of volunteer fundraisers and bucket collections.

The Mardi Gras Parade Bucket Collection was a new initiative with higher costs for security due to the nature of the event. The security issues, composition of the crowd and the inability to access most of the crowd meant that the proceeds of the bucket collection appeal fell significantly short of expectations. NMG will develop new plans for future years and increase proceeds.

Funds raised from Fundraising were applied to the production of the Mardi Gras Parade and other general operational purposes for the production of the Mardi Gras Season 2011.
1. The financial statements and notes, as set out on pages 27-37, 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 financial position as at 31 March 2011 and 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 Comprehensive Income (income statement) 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 (balance sheet) 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.

Peter Urmson
DIRECTOR
Sydney
07 July, 2011

Stephanie Sands
DIRECTOR
Sydney
07 July, 2011

THIS DECLARATION IS MADE IN ACCORDANCE WITH A RESOLUTION OF THE BOARD OF DIRECTORS.