TOGETHER WE TRANSFORMED PASSION INTO MOMENTUM!

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

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

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

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

THE SUN CAME OUT FOR FAIR DAY

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

Over 70,000 LGBTQI people and their friends picnicked and frolicked in Victoria Park, where they enjoyed a wide variety of stalls, on-stage entertainment, games and food, along with plenty of surprises.

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

QUEER THINKING’S THOUGHTFUL MOVES

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

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

MARDI GRAS ON THE HARBOUR

Not just one party, but a series of unique events at Mrs Macquarie’s point, overlooking the world’s most spectacular harbour view. Tina Arena performed her hits in a very special show, Queer Screen joined us for a 25th anniversary screening of In Bed With Madonna, and the Sydney Gay and Lesbian Choir led us all in a sing along with the Mamma Mia movie.
MOMENTOUS MARDI GRAS 2016!

APOLOGIES TO THE ORIGINAL 1978 MARDI GRAS PROTESTERS

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

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

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

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

THE SPECTACULAR MARDI GRAS PARTY

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

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

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

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

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

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

OUR PARADE SPARKLED ON SBS AND STREAMED LIVE ONLINE

Our Parade shone brightly on SBS, with its Sunday night highlights package hosted by Magda Szubanski, Tom Ballard, Patrick Abboud and Faustina Agolley attracting 240,000 viewers. SBS’s crew were welcomed in the Parade itself with their debut float, and the entire Parade was available to view live online from anywhere in the world, with commentary by our friends at JOY 94.9.
THE 2016 SEASON WAS A VIBRANT DEMONSTRATION OF THE AMAZING TRANSFORMATIVE POWER OF OUR COMMUNITIES - A REMINDER, AS WE REFLECT ON ALL THAT HAS BEEN ACHIEVED OVER THE YEARS, THAT EVERY SMALL STEP FORWARD JOINS WITH ALL THE OTHER SMALL STEPS TO CREATE EQUALITY.

MOMENTUM.

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

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

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

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

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

2016 delivered some positive results of our transformation journey.

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

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

We had a change of CEO and several key staff.

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

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

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

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

- Our volunteers, staff, working groups and committees who are the life-blood of the organisation. No amount of thanks is ever quite enough. They are amazing and extraordinary human beings.
- Destination NSW as our strategic partner giving support and acknowledgement of the huge contribution we bring to NSW through visitors, both interstate and overseas.
- Our government partner, City of Sydney, who supports the Parade and community conversations and believes as much as we do that Sydney Gay and Lesbian Mardi Gras is an essential part of the rich, colourful fabric of the city.
- Our corporate sponsors, in particular our Principal Partner ANZ, who recognise that supporting Mardi Gras shows their employees and their customers that they truly embrace and support diversity.
- We were thrilled to celebrate 10 years of partnership with ANZ – truly stronger together.

We thank all of our members, supporters, volunteers, staff, suppliers, sponsors, local and state government departments and all of you that care about Sydney Gay and Lesbian Mardi Gras. The future depends on you continuing to care and help us work together to achieve a sustainable and relevant future.

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

Each of us can make a difference, and together we are making change. We’ve proved that time and again; let’s keep the momentum going as we continue to Create Equality.
This season there were over 1300 members of Team Mardi Gras. Our Team included many returning volunteers and people volunteering with us for the very first time. A brief overview of this season’s achievements include:

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

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

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

GARY RYAN IS OUR VOLUNTEER OF THE YEAR 2016

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

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

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

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

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

Thank you Gary and Congratulations!

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

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

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

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

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

**Ongoing Volunteer Opportunities:**
We also have ongoing volunteer opportunities in a variety of leadership, professional and skilled roles.

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

JOIN US AT MARDIGRAS.ORG.AU/VOLUNTEER
The extended Mardi Gras family of Volunteers, Parade entrants, Fair Day and Festival participants, staff, board and community supporters came together at Sydney’s Beresford Hotel to celebrate the spectacular 2016 season at the Sydney Gay and Lesbian Mardi Gras Awards.

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

**WORKFORCE AWARDS**
- Excellence In Innovation: Frank Iannilli
- Excellence in Service: Alison Jaffee
- Excellence In Leadership: Shane Farr
- Excellence in Teamwork: Ty Owen
- I-Care Award: Peter Moody
- Volunteer of the Year: Gary Ryan
- Achievement Awards: Luke Nutley, Dino Dimitriades, Scott Foster, ISEC, Fair Play

**LIFETIME ACHIEVEMENT AWARD:**
Rene Rivas – Mardi Gras Parade costume designer

**FAIR DAY AWARDS**
- Best Commercial Food Stall: The Smoothie Company
- Best Commercial Stall: Medibank
- Best Community Stall: Wear It Purple
- Stall of the Year: Female Tradies

**PARADE AWARDS**
- Best Choreography: The University of Sydney
- Best Costume Design: Lady Business
- Best Float Design: Sydney Queer Irish
- Best Individual Entrant: Bronnie Takes A Ride
- Ron Austin Award for Fabulous Parade Entry: Tropical Fruits Inc, Harbour City Bears
- Special Commendations: Gay Tradies, GLADD – Gay & Lesbian Association of Doctors & Dentists, NSW State Emergency Service

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

PARTNERSHIPS continue to play an extremely important role in providing support for Mardi Gras events and operations and by supplementing event and membership income through cash and contra investments.

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

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

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

For the 2016 season, SGLMG celebrated a significant milestone – our 10th anniversary with our principal partner – ANZ! Starting with a small team in 2007, we have grown together enjoying 10 years of great partnership with the ANZ team and look forward to many more!

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

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

SBS returned as our Broadcasting Partner covering the spectacular floats and costumes from the Parade including commentary and interviews with celebrity guests and stories from the Parade participants about the messages behind the floats that covered topics that affect the LGBTQI communities. We also worked closely with our Media Partners GuideToGayDotCom, DNA, Star Observer, SameSame, OxLive, Joy 94.9 and our communications agency, Cardinal Spin to deliver the right combination of messages to the millions of Mardi Gras supporters in Australia and throughout the world.

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

In summary, to produce a festival the size of Mardi Gras requires many different types of partnerships … and we are proud of our association with each and every one of our partners.
Sydney Gay and Lesbian Mardi Gras helps community groups throughout the year by sharing the use of our facilities, donating event tickets for fundraising, by direct cash donations and/or contra support.

**CASH DONATIONS**

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

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

Bobby Goldsmith Foundation and NSW Gay & Lesbian Rights Lobby each received $1,745 raised through cloakroom services at events.

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

**COMMUNITY GRANTS**

SGLMG donated a total of $10,096 to the following community groups to help create their Parade floats:

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

**MEMBERSHIP**

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

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

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

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

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

Spread the word about Sydney Gay and Lesbian Mardi Gras membership – find out more at www.mardigras.org.au/membership
SYDNEY GAY AND LESBIAN MARDI GRAS (SGLMG) BOARD
For the full list of directors, refer to Directors’ Report in the Annual Report

COMPANY SECRETARY
Refer to Directors’ Report in the Annual Report

MARDI GRAS ARTS (MGA) BOARD
For a full list of directors, refer to Directors’ Report in the Annual Report

COMPANY SECRETARY
Refer to Directors’ Report in the Annual Report

TEAMS
Governance Audit & Risk Committee
Liam Buckley (Chair of Committee)
Steph Sands (Independent Member)
Stacey Dowson (Independent Member)
Sarah Morgan (Independent Member)
Grant McKinnon (Independent Member)
Alisdair Campbell (Independent Member)

Accreditation
Eamonn Lorraine

Fundraising Team
John Hannaford (Manager)
Mark Traves
Carrie Holland

Festival Team
Kate Gaul
Thomas Murphy

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

Harbour
Tony McGrath (Contractor Production)

Laneway - Skilshow - Diamond
Event Production - Mothership Events

Lip Sync Duela
Steph Sands (Producer and Creative Director)
John Hannaford (Fundraising)
Eamonn Lorraine (Operations)
Dave Stevenson (Production)
4412 (Contractor Production)
Sam Hartland (Everything else)
Deb Hambly (Production)
Peta Miller (Fundraising)

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

Parade Production
Mothership Events

Party Creative Team Working Committee
George Savoulis (Lead)
Steph Sands
Sarah Morgan
Brett Nolan (Ripley)
Luke Nutley
Mitchell Woodcock

Mardi Gras Medical
Jem Masters
Drew Burgess

Workshop
Liz Carter (Workshop Manager)
Matina Moutzouris (Contractor)
Ciaran Alcorn (Contractor)
Aesha Henderson (Contractor)
Graham Reed (Contractor)
Leah Benson (Contractor)
Andy Broadley (Contractor)
Toby Freeman (Contractor)
Simon Stratten (Contractor)
Angela Sinnett (Contractor)

Volunteers Team
Sam Hartland (Workforce Manager)

Membership Working Group
Brandon Bear
Silke Bader
Cameron Darling
James Dowson
Russell Weston

Gender Trailblazers (replaced Intersex and Transgender Working Group)
Caitlin Hall

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

Sponsorships and Partnerships
mixitup
Pink Media Group

STAFF
Michele Bauer (Interim CEO)
Rebecca O’Donnell (Finance Manager)
Sam Hartland (Volunteer Manager)
Thomas Murphy (Finance and Administration Assistant)
David Watson (Marketing and Communications Manager)
Lewis Oswald (Creative Director)
Nicole Donelan (Management Accounts)
Liz Carter (Workshop Manager)
Anthony Russell (Parade Producer)
Emily Santiago (Parade Coordinator)
Dino Dimitriadis (Queer Thinking Producer)
Scott Foster (Partnerships Manager)
Sophie Woollett (Partnerships Coordinator)
Sam Sweedman (Partnerships Support)

CONTRACTORS
Natalie Behjan (Graphic Design)
Jessie Morabitc (Graphic Design)
Luke Nutley (Talent Manager)
Tony McGrath (Party and Harbour Producer)
TREASURER’S REPORT

This year’s financial result of a consolidated surplus including Mardi Gras Arts Ltd of $183,068, is the culmination of the two years of extensive restructuring of the organisation and the reassessment of the strategy of every major event to build a sustainable organisation. This result is in line with our strategic financial objective of targeting surpluses of 5% of gross revenue.

This year showed a significant improvement on budget $61,964 for the year ended 30 June 2016 of $121,104 or 195.4% largely driven by an increase in revenue of 6.8%.

<table>
<thead>
<tr>
<th>Performance to Budget</th>
<th>($) Budget</th>
<th>($) Actuals</th>
<th>($) Variance</th>
<th>(%) Percentage</th>
</tr>
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<tbody>
<tr>
<td>Ticket Sales</td>
<td>1,771,738</td>
<td>1,903,644</td>
<td>131,906</td>
<td>7.4</td>
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<tr>
<td>License &amp; Ticketing Fees</td>
<td>474,573</td>
<td>493,866</td>
<td>19,293</td>
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<td>Sponsorship</td>
<td>1,823,760</td>
<td>1,880,025</td>
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<td>Sale of Goods</td>
<td>65,739</td>
<td>106,756</td>
<td>41,017</td>
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<td>Membership Income</td>
<td>50,050</td>
<td>34,992</td>
<td>(15,058)</td>
<td>-30.1</td>
</tr>
<tr>
<td>Donations</td>
<td>20,000</td>
<td>72,826</td>
<td>52,826</td>
<td>264.1</td>
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<tr>
<td>Other Income</td>
<td>13,500</td>
<td>61,810</td>
<td>48,310</td>
<td>457.9</td>
</tr>
<tr>
<td>Contra</td>
<td>545,758</td>
<td>481,000</td>
<td>(64,758)</td>
<td>-12.3</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>3,346,323</td>
<td>3,477,215</td>
<td>(130,892)</td>
<td>-3.9</td>
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<tr>
<td>Gross Profit</td>
<td>1,421,795</td>
<td>1,571,204</td>
<td>149,409</td>
<td>10.5</td>
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<tr>
<td>Administration</td>
<td>522,551</td>
<td>282,709</td>
<td>238,842</td>
<td>45.9</td>
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<tr>
<td>Marketing &amp; Communications</td>
<td>183,533</td>
<td>299,936</td>
<td>(116,403)</td>
<td>-63.4</td>
</tr>
<tr>
<td>Occupancy Costs</td>
<td>47,866</td>
<td>75,310</td>
<td>27,444</td>
<td>57.3</td>
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<tr>
<td>Employee Benefits Expense</td>
<td>531,118</td>
<td>728,839</td>
<td>(297,721)</td>
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<td>Professional Fees</td>
<td>74,963</td>
<td>36,404</td>
<td>38,559</td>
<td>51.4</td>
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<tr>
<td>Total Expenses</td>
<td>1,359,831</td>
<td>1,388,136</td>
<td>28,305</td>
<td>2.1</td>
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<tr>
<td>Net Surplus/Deficit</td>
<td>61,964</td>
<td>183,068</td>
<td>121,104</td>
<td>195.4</td>
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</table>
**Key Performance Indicators**

- Ticket revenue for the year was $1,903,644 an improvement on budget of $131,906 but a decrease on 2015 of $211,056 driven by the restructuring of the Harbour event.
- Membership income was only $34,992 a decrease on budget of $15,058 but an improvement on 2015 of $10,840.
- The new membership programme to drive membership was not activated in the financial year, and is currently being finalised with the Membership Committee.
- Donation income was $72,826 compared to budget of $20,000 and an improvement on 2015 of $10,217.
- Overall revenue performance was $5,048,419 an improvement on budget of $280,301 of 5.9% and on 2015 of $320,482.

- This improvement was largely driven by an increase in sponsorship of $238,488 which was driven by commercial float builds at workshop.
- The costs of sales was $3,477,215 compared to budget of $3,346,323 a increase in cost of $130,892 and an increase in the cost of sales on 2015 of $384,288.
- This resulted in an improvement in Gross Profit against budget of $149,409, but a decrease on 2015 of $63,806.

- Overhead operating expenses showed the greatest improvement of $339,533 on 2015 and in line with budget with a modest improvement of $28,305.
- Overall operating surplus was $163,068 compared to a budgeted surplus of $61,964 and an improvement of the restated deficiency for the 12 months to 30 June 2016 of $92,659.

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**Performance by Event Segment**

1 July 2015 to 30 June 2016

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($ Revenue)</td>
<td>($ Cost of Events)</td>
</tr>
<tr>
<td>PARADE PARADE</td>
<td>1,402,670</td>
<td>720,122</td>
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<tr>
<td>PARADE VIEWING</td>
<td>452,969</td>
<td>246,950</td>
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<tr>
<td>WORKSHOP GENERAL</td>
<td>136,450</td>
<td>131,270</td>
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<td>SUB-TOTAL: PARADE</td>
<td>1,994,089</td>
<td>1,098,342</td>
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<tr>
<td>CELEBRATION MAIN PARTY</td>
<td>1,334,848</td>
<td>1,082,522</td>
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<tr>
<td>LANEWAY</td>
<td>155,393</td>
<td>71,901</td>
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<td>SUB-TOTAL: CELEBRATION</td>
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<td>FESTIVAL FAIR DAY</td>
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<td>FESTIVAL</td>
<td>620,803</td>
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</tr>
<tr>
<td>SUB-TOTAL: FESTIVAL</td>
<td>1,204,470</td>
<td>830,956</td>
</tr>
<tr>
<td>COMMUNITY GRANTS</td>
<td>39,138</td>
<td>9,206</td>
</tr>
<tr>
<td>MEMBERSHIP</td>
<td>39,138</td>
<td>9,206</td>
</tr>
<tr>
<td>SUB-TOTAL: COMMUNITY</td>
<td>39,138</td>
<td>9,206</td>
</tr>
<tr>
<td>OPERATING SURPLUS/DEFICIENCY</td>
<td>4,727,937</td>
<td>3,092,927</td>
</tr>
</tbody>
</table>
This financial year we have also restated our financial statements for comparative 12 months to 30 June 2015, and the reallocation of sponsorship costs from Overhead to Cost of Sales which has changed the Cost of Sales from last financial year. This programme was undertaken in consultation with the organisation’s auditors to provide a fairer view of our events performance. The comparative tables by Event Group are set out in the table below:

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

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

**Parade Group**

- This was one of the largest parades in Mardi Gras history with over 12,000 marchers and 178 floats. Parade revenue was $2,138,163 an improvement of $144,074 on the previous financial year, while cost of sales increased by $372,068. Overall Parade Group performance was $61,783 a decrease of $220,443 on the previous year.
- Cost of Sales increased in part due to greater parade sponsorship and therefore a greater associated commission and the increase in costs related to parade start and finish areas which have been impacted changing traffic conditions.
- Celebration Group
- This year we restructured the party event refocusing on community shows, while the party footprint has been reduced due to the re-organisation of the Entertainment Precinct which now excludes the BKH. This resulted in this year’s Main Party being an official sellout with over 12,500 attendees over 10 hours we some of the best community shows we have seen in the last 6 years.
- Main party revenue was $1,402,252 an increase on 2016 of $67,404 while costs were reduced by $81,095 resulting in an improvement on gross profit of $128,498.
- Overall our celebration events return to profitability with an overall net return of $20,119 after all overheads an improvement on 2015 of $329,148.

**Festival Group**

- Festival which consists of Fair day and Festival including Harbour provided an overall result of $34,549 an improvement on 2015 of $126,196 despite the underperformance of Harbour in its first year.
- Our new Harbour event was the first change by Mardi Gras in a move to diversify revenue and audience, and while the event did not meet budget expectations it was the first significant demonstration of our ability to create new working partnerships and develop new programme ideas that would appeal to a broader audience. The Harbour event lost $109,254 which reduced the gross profit from Festival of $233,753.

**Major Strategic Programmes**

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

**Sponsorship Management**

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

Thank you for your enormous support during the season.

Damien Hodgkinson  
Treasurer
SYDNEY GAY AND LESBIAN MARDI GRAS LIMITED
ABN 87 102 451 785

Financial Report
For the year ended 30 June 2016
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Directors' Declaration ................................................................................................................................... 34
The directors present their report together with the financial report of Sydney Gay and Lesbian Mardi Gras Ltd (“SGLMG”) and its affiliate Mardi Gras Arts Ltd (together referred to as “the Group”) for the year ended 30 June 2016 and auditor’s report thereon.

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

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Date Appointed</th>
<th>Date Retired</th>
<th>Board Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Savage</td>
<td>6 August 2011</td>
<td>14 November 2015</td>
<td>5, 6</td>
</tr>
<tr>
<td>Frances Bowron</td>
<td>4 September 2013</td>
<td>12, 13</td>
<td></td>
</tr>
<tr>
<td>Darren Bruce</td>
<td>6 February 2014</td>
<td>13, 13</td>
<td></td>
</tr>
<tr>
<td>Damien Hodgkinson</td>
<td>16 May 2014</td>
<td>12, 13</td>
<td></td>
</tr>
<tr>
<td>Gregory Small</td>
<td>24 August 2014</td>
<td>12, 13</td>
<td></td>
</tr>
<tr>
<td>James Brechney</td>
<td>24 August 2014</td>
<td>11, 13</td>
<td></td>
</tr>
<tr>
<td>Brandon Bear</td>
<td>24 August 2014</td>
<td>11, 13</td>
<td></td>
</tr>
<tr>
<td>Silke Bader</td>
<td>14 November 2015</td>
<td>7, 7</td>
<td></td>
</tr>
<tr>
<td>Aidan Read</td>
<td>14 November 2015</td>
<td>6, 7</td>
<td></td>
</tr>
</tbody>
</table>

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

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

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

- Grant MacKinnon (Independent Chair)
- Liam Buckley (Independent Member)
- Stacey Dowson (Independent Member)
- Sarah Morgan (Independent Member)
**Information on Directors**

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Qualifications</th>
<th>Experience</th>
<th>Special Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Savage</td>
<td>BA (Hons) Finance MSc Human Resource Management</td>
<td>Board member for 5 years Australia and New Zealand leader for strategy and human capital management consulting business</td>
<td>TIQ Working Group HR Consulting Governance Audit and Risk Committee</td>
</tr>
<tr>
<td>Frances Bowron</td>
<td>BA (Political Theory &amp; Sociology) Masters of Technology Management Masters of Human Rights Law and Policy Certified MSP (Managing Successful Programs) Practitioner Cert IV Training &amp; Assessment</td>
<td>Board member for 4 years Women’s Committee 2 years WIC Board for 4 years Contract project and program manager in public and private sector</td>
<td>Co-Chair Governance Audit and Risk Committee Co-Chair of People &amp; Governance Committee</td>
</tr>
<tr>
<td>Darren Bruce</td>
<td>MHRM BA Information Systems Cert IV Business (Frontline Management) Masters of Human Resource Management</td>
<td>Board member for 3 years Human Resource management in Public Sector Co-Developer of I-CARE</td>
<td>Public Fund Committee Parade Transformation Working Group</td>
</tr>
<tr>
<td>Damien Hodgkinson</td>
<td>Registered Liquidator Chartered Accountant</td>
<td>Board member for 3 years Chartered Accountant for 28 years. Managing Director of DEM Australasia</td>
<td>Treasurer Budget Working Group Governance Audit and Risk Committee</td>
</tr>
<tr>
<td>Gregory Small</td>
<td>BA Business, Associate Diploma Business, Cert IV Front Line Management</td>
<td>Board member for 2 years and in previous years including 2007-09, 2013 Manages supply chain logistics operations in Australia and overseas</td>
<td>Co-Chair Chair of Constitution Working Group Budget Working Group</td>
</tr>
<tr>
<td>James Brechney</td>
<td></td>
<td>Board member for 2 years DIYRainbow and Selfie Stick Float Founder Previously executive and board member of ALSA, Northside Broadcasting Co-Operative</td>
<td>Co-Chair of the Events Committee</td>
</tr>
</tbody>
</table>
## Information on Directors (continued)

<table>
<thead>
<tr>
<th>Name</th>
<th>Qualifications</th>
<th>Experience</th>
<th>Special Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brandon Bear</td>
<td>Obtaining Bachelor of Education (K-12), UNE</td>
<td>Board Member for 2 years Board associate for 18 months Ten years of experience in small not for profit governance in youth &amp; community sector</td>
<td>Co-Chair Fundraising Committee Co-Chair Membership Committee</td>
</tr>
<tr>
<td>Silke Bader</td>
<td>BA Business</td>
<td>Board member for 8 months Publisher, CEO and Editor In Chief for LOTL Magazine since 1999</td>
<td>Co-Chair Membership Committee</td>
</tr>
<tr>
<td>Aidan Read</td>
<td>BA Business, MBA</td>
<td>Board member for 1 year, Director for 1 year for Human Capital Management, Performance &amp; Reward Specialist in Financial Services</td>
<td>Co-Chair of People &amp; Governance Committee Co-Chair of the Events Committee</td>
</tr>
</tbody>
</table>

## Interests in the shares and options of the Company and related bodies corporate
As at the date of this report, no directors had any interests in the shares and options of the Group.

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

## Short-term and Long-term Objectives
The consolidated group’s short-term objectives are to:

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

- Organise and co-ordinate events of celebration, commemoration and protest; and engage in other activities as part of the gay, lesbian, transgender, bisexual, queer and intersex community;
- Increase visibility of the organisation within the wider community;
- Increase visitation to the organisations events and programs both locally and overseas;
- Consistently achieve events excellence;
- Enhance events to ensure long term financial sustainability; and
- Increase the reserves of the consolidated group to ensure long term sustainability.

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

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

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

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

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

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

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

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

No significant change in the nature of these activities occurred during the year.
Significant Changes in the State of Affairs
There were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Going Concern
The Group will always be reliant on the support for its events from investors, sponsors, members and community. The directors have undertaken a review of the organizational operating structure and consider that with effective cost control and cash management, the Group will continue to operate and provide services to its members, non-members and the community as a whole.

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

Environmental Regulation and Performance
The Group’s operations are not registered by any significant environmental regulation under laws of the Commonwealth or of a State or Territory.

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

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

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

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

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

Public Company Limited by Guarantee
The entity, SGLMG, is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the entity. Based on the number of members as at 30 June 2016, the total amount that members of SGLMG are liable to contribute if SGLMG is wound up is $1,415 (2015: $1,328).
SYDNEY GAY AND LESBIAN MARDI GRAS LIMITED
ABN 87 102 451 785

DIRECTORS' REPORT

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

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

Director

Frances Bowron

Director

Damien Hodgkinson

Dated this 5th day of September 2016
Auditor’s Independence Declaration to the Directors of Sydney Gay and Lesbian Mardi Gras Limited

In relation to our audit of the financial report of Sydney Gay and Lesbian Mardi Gras Limited for the financial year ended 30 June 2016, and in accordance with the requirements of Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 or any applicable code of professional conduct.

Ernst & Young

Daniel Cunningham
Partner
Sydney
5 September 2016
Independent auditor's report to the members of Sydney Gay and Lesbian Mardi Gras Limited

Report on the financial report
We have audited the accompanying financial report of Sydney Gay and Lesbian Mardi Gras Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

Auditor's responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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.

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

Independence
In conducting our audit we have complied with the independence requirements of the Australian Charities and Not-for-Profits Commission Act 2012. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion
In our opinion the financial report of Sydney Gay and Lesbian Mardi Gras Limited is in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:

(a) giving a true and fair view of the financial position of Sydney Gay and Lesbian Mardi Gras Limited at 30 June 2016, and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013.
Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015

We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non compliance may occur and not be detected. An audit is not designed to detect all instances of non compliance with the requirements described in the above-mentioned Act and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

a) the financial report of Sydney Gay and Lesbian Mardi Gras Limited has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2016, in all material respects, in accordance with:
   i. sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991;
   ii. sections 10(6) and 11 of the NSW Charitable Fundraising Regulations 2015;

b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2016 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act and Regulations.

Ernst & Young

Daniel Cunningham
Partner
Sydney
5 September 2016
## CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2016

<table>
<thead>
<tr>
<th></th>
<th>12 Months to 30 June 2016</th>
<th>15 Months to 30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Ticket sales</td>
<td>1,903,644</td>
<td>2,114,700</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>1,880,025</td>
<td>1,641,537</td>
</tr>
<tr>
<td>Membership income</td>
<td>34,992</td>
<td>24,152</td>
</tr>
<tr>
<td>Stallholder fees</td>
<td>124,537</td>
<td>107,883</td>
</tr>
<tr>
<td>Sale of goods</td>
<td>106,756</td>
<td>141,187</td>
</tr>
<tr>
<td>Festival revenue</td>
<td>337,093</td>
<td>223,641</td>
</tr>
<tr>
<td>Contra revenue</td>
<td>481,000</td>
<td>322,952</td>
</tr>
<tr>
<td>Parade entry fees</td>
<td>32,236</td>
<td>46,774</td>
</tr>
<tr>
<td>Donations</td>
<td>72,826</td>
<td>62,609</td>
</tr>
<tr>
<td>Other income</td>
<td>75,310</td>
<td>42,502</td>
</tr>
<tr>
<td></td>
<td>5,048,419</td>
<td>4,727,937</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>3,477,215</td>
<td>3,092,927</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td><strong>1,571,204</strong></td>
<td><strong>1,635,010</strong></td>
</tr>
<tr>
<td>Occupancy costs</td>
<td>12,358</td>
<td>19,518</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>728,939</td>
<td>1,019,003</td>
</tr>
<tr>
<td>Insurance</td>
<td>61,957</td>
<td>81,102</td>
</tr>
<tr>
<td>Amortisation of intangible software</td>
<td>15,568</td>
<td>20,624</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>18,310</td>
<td>57,463</td>
</tr>
<tr>
<td>Disposal of assets</td>
<td>20,539</td>
<td>20,422</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>27,652</td>
<td>8,117</td>
</tr>
<tr>
<td>Operating lease rental expenses</td>
<td>27,790</td>
<td>32,480</td>
</tr>
<tr>
<td>Marketing &amp; communications</td>
<td>299,936</td>
<td>425,938</td>
</tr>
<tr>
<td>Professional fees</td>
<td>36,404</td>
<td>41,209</td>
</tr>
<tr>
<td>Other expenses</td>
<td>137,963</td>
<td>236,095</td>
</tr>
<tr>
<td></td>
<td><strong>1,387,416</strong></td>
<td><strong>1,961,971</strong></td>
</tr>
<tr>
<td><strong>Results from operations</strong></td>
<td><strong>183,788</strong></td>
<td><strong>(326,961)</strong></td>
</tr>
<tr>
<td>Interest income</td>
<td>3,456</td>
<td>7,499</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(4,176)</td>
<td>(16,595)</td>
</tr>
<tr>
<td><strong>Net finance income</strong></td>
<td><strong>(720)</strong></td>
<td><strong>(9,096)</strong></td>
</tr>
<tr>
<td><strong>Net profit / (loss) before income tax expense</strong></td>
<td><strong>183,068</strong></td>
<td><strong>(336,057)</strong></td>
</tr>
</tbody>
</table>

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.
### CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

<table>
<thead>
<tr>
<th></th>
<th>12 Months to 30 June 2016</th>
<th>15 Months to 30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit / (loss) before income tax expense / (income tax benefit)</strong></td>
<td>$183,068</td>
<td>$(336,057)</td>
</tr>
<tr>
<td><strong>Income tax benefit / (income tax expense)</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit / (loss) for the period attributable to members of the group</strong></td>
<td>$183,068</td>
<td>$(336,057)</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Income tax benefit / (income tax expense)</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other comprehensive income, net of tax</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive profit / (loss) for the period, net of tax</strong></td>
<td>$183,068</td>
<td>$(336,057)</td>
</tr>
<tr>
<td><strong>Total comprehensive profit / (loss) attributable to members of the group</strong></td>
<td>$183,068</td>
<td>$(336,057)</td>
</tr>
</tbody>
</table>

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

-13-
## Consolidated Statement of Financial Position

**As at 30 June 2016**

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at 30 June 2016</th>
<th>As at 30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7</td>
<td>577,856</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>8</td>
<td>157,428</td>
</tr>
<tr>
<td>Inventories</td>
<td>9</td>
<td>800</td>
</tr>
<tr>
<td>Prepayments</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Other current assets</td>
<td>11</td>
<td>3,924</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>740,008</td>
<td>515,265</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>12</td>
<td>59,837</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>13</td>
<td>12,899</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>72,736</td>
<td>80,859</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>812,744</td>
<td>596,124</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>14</td>
<td>250,447</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>15</td>
<td>4,488</td>
</tr>
<tr>
<td>Employee benefits liabilities</td>
<td>16</td>
<td>14,049</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>268,984</td>
<td>230,943</td>
</tr>
<tr>
<td><strong>NON CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>15</td>
<td>54</td>
</tr>
<tr>
<td><strong>TOTAL NON CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>54</td>
<td>4,543</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>269,038</td>
<td>235,486</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>543,706</td>
<td>360,638</td>
</tr>
</tbody>
</table>

**EQUITY**

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at 30 June 2016</th>
<th>As at 30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued capital</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td>543,704</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>543,706</td>
<td>360,638</td>
</tr>
</tbody>
</table>
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

<table>
<thead>
<tr>
<th></th>
<th>Issued Capital $</th>
<th>Retained Earnings $</th>
<th>Total Equity $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 1 July 2015</strong></td>
<td>2</td>
<td>360,636</td>
<td>360,638</td>
</tr>
<tr>
<td>Profit for year</td>
<td>-</td>
<td>183,068</td>
<td>183,068</td>
</tr>
<tr>
<td>Total comprehensive profit for the year</td>
<td>-</td>
<td>183,068</td>
<td>183,068</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2016</strong></td>
<td>2</td>
<td>543,704</td>
<td>543,706</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Issued Capital $</th>
<th>Retained Earnings $</th>
<th>Total Equity $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 1 April 2014</strong></td>
<td>2</td>
<td>696,693</td>
<td>696,695</td>
</tr>
<tr>
<td>Loss for period</td>
<td>-</td>
<td>(336,057)</td>
<td>(336,057)</td>
</tr>
<tr>
<td>Total comprehensive loss for the period</td>
<td>-</td>
<td>(336,057)</td>
<td>(336,057)</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2015</strong></td>
<td>2</td>
<td>360,636</td>
<td>360,638</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Note</th>
<th>12 Months to 30 June 2016</th>
<th>15 Months to 30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>4,952,365</td>
<td>5,646,056</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(4,653,128)</td>
<td>(6,431,747)</td>
</tr>
<tr>
<td>Interest Paid</td>
<td>(4,176)</td>
<td>-</td>
</tr>
<tr>
<td>Interest received</td>
<td>3,456</td>
<td>6,893</td>
</tr>
<tr>
<td><strong>Net cash flows from / (used in) operating activities</strong></td>
<td>24</td>
<td>298,517</td>
</tr>
</tbody>
</table>

### INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Note</th>
<th>12 Months to 30 June 2016</th>
<th>15 Months to 30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(42,693)</td>
<td>(10,252)</td>
</tr>
<tr>
<td><strong>Net cash flows used in investing activities</strong></td>
<td>(42,393)</td>
<td>(10,252)</td>
</tr>
</tbody>
</table>

**Net increase / (decrease) in cash and cash equivalents**

<table>
<thead>
<tr>
<th>Note</th>
<th>12 Months to 30 June 2016</th>
<th>15 Months to 30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of financial period</td>
<td>321,732</td>
<td>1,110,782</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of financial period</strong></td>
<td>7</td>
<td>577,856</td>
</tr>
</tbody>
</table>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.
Note 1: Corporate information

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

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

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

Address: Suite 6, 94 Oxford Street,
Darlinghurst NSW 2010
Telephone: 02 9383 0900
Email: reception@mardigasarts.org.au
Web address: www.mardigas.org.au

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

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

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

Note 2: Basis of preparation

(i) Statement of Compliance

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

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

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 31 August 2016.
Note 2: Basis of preparation (continued)

(ii) Basis of measurement
These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

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

(iv) Use of estimates and judgements
The preparation of consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 6.

(v) Comparative figures
Comparative figures have been adjusted to conform with changes in presentation of current financial period.

Note 3: Significant accounting policies

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

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

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

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.
Note 3: Significant accounting policies (continued)

(c) Financial instruments

The Group initially recognises loans and receivables on the date that they are originated. Non-derivative financial assets are split into the following categories:
- financial assets at fair value through profit or loss,
- held-to-maturity financial assets,
- loans and receivables and
- available-for-sale financial assets.

(i) Non-derivative financial assets

Loans and receivables

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

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

Cash and cash equivalents

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

Trade receivables

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

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

The amount of the impairment loss is recognised in profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.
Note 3: Significant accounting policies (continued)

(ii) Non-derivative financial liabilities

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

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

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

(d) **Property, plant and equipment**

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

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

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
Note 3: Significant accounting policies (continued)

(e) Intangible assets

(i) Trademarks and licences
Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 10 to 30 years.

(ii) Software including www.mardigras.org.au website
Acquisition costs incurred in developing the Website and acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software. Amortisation is calculated on a straight-line basis over periods of 3.7 years.

(f) Inventories
Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

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

(h) Employee benefits

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

(ii) Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting year are discounted to present value.

(iii) Retirement benefit obligations
Contributions payable by the Group to an employee superannuation fund are recognised in the statement of financial position as a liability, after deducting any contributions already paid and in the income statement as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.
Note 3: Significant accounting policies (continued)

(i) Revenue recognition

(i) Sale of goods – retail

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

(ii) Membership subscriptions

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

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

(iii) Donations

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

(iv) Contra revenue and expense

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

(v) Management fees

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

(vi) Sponsorship income

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

(vii) Licence fees

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

(viii) Other revenue

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

(j) Government grants

Grants from the City of Sydney and Destination NSW are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will have complied with any conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.
Note 3: Significant accounting policies (continued)

(k) Leases

(i) Leased assets

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

(ii) Lease payments

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

(l) Income tax

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

(m) Finance income and finance costs

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

(n) Going Concern

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

(o) Segment reporting

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

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

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

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

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

These amendments require an investments entity to measure unconsolidated subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. These amendments also introduce new disclosure requirements for investment entities to AASB 12 and AASB 127.
Note 3: Significant accounting policies (continued)

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

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

(q) Goods and services tax (GST)

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

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

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

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

Note 4: Financial risk management

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

The Group does not use derivative financial instruments because the Group does not have direct interest rate risk, borrowings and direct currency exposures for overseas artists are minimal and limited in terms of timing and as such, they are not hedged and they are converted to foreign currency at the date of payment of the fees.

Note 5: Income Tax

The Group has sought and received independent advice confirming that the Group is income tax exempt for the periods ended 30 June 2003, 2004 and 2005, and continued to self assess for the years ended 30 June 2006, 30 June 2007, for the nine months ended 31 March 2008, and the periods ended 31 March 2009, 31 March 2010, 31 March 2011... The Company was registered as a charity with the Australian Taxation Office with effect from 3 December 2012 and was tax exempt from the same date.

Note 6: Critical accounting estimates and judgments

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

The Group does not believe that any significant judgments, estimates and assumptions have been made in applying accounting policies that will impact upon amounts recognised in the consolidated financial statements.
Note 7: Cash and cash equivalents

Cash at bank

\[
\begin{array}{lcccc}
 & 30 June 2016 & 30 June 2015 \\
\hline
\text{Cash at bank} & 577,856 & 321,732 \\
\text{Total} & 577,856 & 321,732 \\
\end{array}
\]

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

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

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

Note 8: Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>180,734</td>
<td>89,790</td>
</tr>
<tr>
<td>Provision for doubtful debts</td>
<td>(26,157)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>154,577</td>
<td>89,790</td>
</tr>
<tr>
<td>Other receivables</td>
<td>2,851</td>
<td>48,500</td>
</tr>
<tr>
<td>Total</td>
<td>157,428</td>
<td>138,290</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 3 months</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Over 3 months / under 6 months</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Over 6 months</td>
<td>26,157</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>26,157</td>
<td>-</td>
</tr>
</tbody>
</table>
Note 8: Trade and other receivables (continued)

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

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 3 months</td>
<td>-</td>
<td>5,522</td>
</tr>
<tr>
<td>Over 3 months / under 6 months</td>
<td>34,172</td>
<td>17,006</td>
</tr>
<tr>
<td></td>
<td>34,172</td>
<td>22,528</td>
</tr>
</tbody>
</table>

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

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

Note 9: Inventory
Inventory – At cost

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>800</td>
<td>12,815</td>
</tr>
</tbody>
</table>

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

Note 10: Prepayments

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>-</td>
<td>26,020</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>26,020</td>
</tr>
</tbody>
</table>

Note 11: Other current assets

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds &amp; deposits</td>
<td>3,924</td>
<td>16,408</td>
</tr>
<tr>
<td></td>
<td>3,924</td>
<td>16,408</td>
</tr>
</tbody>
</table>

(a) Impaired other current assets
As at 30 June 2016, no other current assets were impaired.

(b) Past due but not impaired
As at 30 June 2016, no other current assets were past due.

(c) Other current assets
Bonds & Deposits are non-interest bearing and represent security deposits.
Note 12: Property, plant and equipment

**Plant and equipment**

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or fair value</td>
<td>228,008</td>
<td>232,021</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(164,130)</td>
<td>(171,805)</td>
</tr>
<tr>
<td>Provision for impairment</td>
<td>(4,041)</td>
<td>(20,422)</td>
</tr>
</tbody>
</table>

**Leasehold improvements**

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or fair value</td>
<td>77,827</td>
<td>77,827</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(77,827)</td>
<td>(77,827)</td>
</tr>
</tbody>
</table>

Net property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>59,837</td>
<td>39,794</td>
</tr>
</tbody>
</table>

**Movements in Carrying Amounts**

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

<table>
<thead>
<tr>
<th></th>
<th>Plant &amp; equipment</th>
<th>Leasehold improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>42,393</td>
<td>-</td>
<td>42,393</td>
</tr>
<tr>
<td>Disposal</td>
<td>(4,041)</td>
<td>-</td>
<td>(4,041)</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>(18,310)</td>
<td>-</td>
<td>(18,310)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>59,837</td>
<td>-</td>
<td>59,837</td>
</tr>
</tbody>
</table>

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

Note 13: Intangible assets

**Software**

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or fair value</td>
<td>62,613</td>
<td>62,613</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(53,239)</td>
<td>(38,809)</td>
</tr>
<tr>
<td>Disposal</td>
<td>(9,374)</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>23,804</th>
</tr>
</thead>
</table>
Note 13: Intangible assets (continued)

Trademarks and Domain Names

<table>
<thead>
<tr>
<th></th>
<th>Cost or fair value</th>
<th>Accumulated amortisation</th>
<th>Disposal</th>
<th>Net intangible assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>22,092</td>
<td>(5,969)</td>
<td>(3,224)</td>
<td>12,899</td>
</tr>
<tr>
<td>2015</td>
<td>22,092</td>
<td>(4,831)</td>
<td>-</td>
<td>17,261</td>
</tr>
</tbody>
</table>

Movements in Carrying Amounts

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

<table>
<thead>
<tr>
<th></th>
<th>Software</th>
<th>Trademarks &amp; Domain Names</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening net book amount</td>
<td>23,804</td>
<td>17,261</td>
<td>41,065</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation charge</td>
<td>(14,430)</td>
<td>(1,138)</td>
<td>(15,568)</td>
</tr>
<tr>
<td>Disposal</td>
<td>(9,374)</td>
<td>(3,224)</td>
<td>(12,598)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>-</td>
<td>12,899</td>
<td>12,899</td>
</tr>
</tbody>
</table>

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

Note 14: Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>219,636</td>
<td>30,068</td>
</tr>
<tr>
<td>Goods &amp; services tax</td>
<td>3,661</td>
<td>74,634</td>
</tr>
<tr>
<td>Other payables</td>
<td>27,150</td>
<td>82,246</td>
</tr>
<tr>
<td>Closing payables</td>
<td>250,447</td>
<td>186,948</td>
</tr>
</tbody>
</table>
### Note 15: Other liabilities

**CURRENT**

<table>
<thead>
<tr>
<th>Description</th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership subscriptions paid in advance</td>
<td>4,488</td>
<td>19,974</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,488</strong></td>
<td><strong>19,974</strong></td>
</tr>
</tbody>
</table>

**NON CURRENT**

<table>
<thead>
<tr>
<th>Description</th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership subscriptions paid in advance</td>
<td>54</td>
<td>4,543</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54</strong></td>
<td><strong>4,543</strong></td>
</tr>
</tbody>
</table>

### Note 16: Employee benefits liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability for superannuation</td>
<td>5,081</td>
<td>-</td>
</tr>
<tr>
<td>Liability for annual leave</td>
<td>8,968</td>
<td>24,021</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,049</strong></td>
<td><strong>24,021</strong></td>
</tr>
</tbody>
</table>

### Note 17: Member guarantee

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

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

<table>
<thead>
<tr>
<th>Description</th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends with benefits</td>
<td>341</td>
<td>38</td>
</tr>
<tr>
<td>Friends</td>
<td>392</td>
<td>700</td>
</tr>
<tr>
<td>Friends with benefits, 3 year</td>
<td>529</td>
<td>529</td>
</tr>
<tr>
<td>Concession friends with benefits</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Under 25 friends with benefits</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Friendly Organisation</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Friends overseas</td>
<td>152</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,415</strong></td>
<td><strong>1,328</strong></td>
</tr>
</tbody>
</table>
Note 18: Key management personnel

Key management personnel compensation

Key management personnel compensation

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

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

Note 19: Contingencies

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

Note 20: Events after balance sheet date

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

Note 21: Related party transactions

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

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

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

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

Reimbursement of $225 to a director for the costs of advertising for the role of Chief Executive Officer position.
Note 21: Related party transactions (continued)
A company associated with a Director, undertook the provision of strategic IT advisory services including rationalisation of the Group’s internal technological assets. These services amounted to $100,000 with a capped costs to the Group of $50,300, the balance was provided on a pro-bono basis.

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

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

Note 22: Commitments
Non-cancellable operating lease commitments
SGLMG leases an office under a non-cancellable operating lease expiring in 2017.

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>within one year</td>
<td>22,926</td>
<td>30,569</td>
</tr>
<tr>
<td>later than one year and not later than five years</td>
<td>-</td>
<td>22,926</td>
</tr>
<tr>
<td></td>
<td>22,926</td>
<td>53,495</td>
</tr>
</tbody>
</table>

There is an intercompany revolving loan facility provided to MGA of up to $350,000. The facility is currently drawn to $6,190 and allows further draw-downs to fund the workshop each season.

Note 23: Group entities
Mardi Gras Arts Limited

Mardi Gras Arts Limited was incorporated on 4th June 2012. Mardi Gras Arts Limited is deemed to be a controlled entity of Sydney Gay and Lesbian Mardi Gras Limited by the fact that all the Directors of Mardi Gras Arts Limited are the Directors of Sydney Gay and Lesbian Mardi Gras Limited and any change to the constitution of MGA is subject to a resolution of the members of Sydney Gay & Lesbian Mardi Gras Limited.
Note 24: Reconciliation of profit / (loss) to net cash inflow from operating activities

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit / (loss) for the year</td>
<td>178,892</td>
<td>(336,057)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>33,877</td>
<td>78,087</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>26,158</td>
<td>8,117</td>
</tr>
<tr>
<td>Fixed asset disposal</td>
<td>20,539</td>
<td>20,422</td>
</tr>
<tr>
<td>Inventory disposal / (additions)</td>
<td>12,015</td>
<td>(4,700)</td>
</tr>
<tr>
<td>(Increase) / decrease in trade and other receivables</td>
<td>(45,294)</td>
<td>448,388</td>
</tr>
<tr>
<td>Decrease in other prepayments</td>
<td>26,021</td>
<td>27,632</td>
</tr>
<tr>
<td>(Increase) / decrease in other current assets</td>
<td>12,483</td>
<td>(14,150)</td>
</tr>
<tr>
<td>(Increase) in employment benefits</td>
<td>(9,973)</td>
<td>(7,669)</td>
</tr>
<tr>
<td>(Increase) / decrease in other non-current assets</td>
<td>273</td>
<td>(15,052)</td>
</tr>
<tr>
<td>(Increase) / decrease in trade and other payables</td>
<td>63,500</td>
<td>(989,508)</td>
</tr>
<tr>
<td>Increase in other liabilities</td>
<td>(19,974)</td>
<td>13,493</td>
</tr>
<tr>
<td>Net cash (outflow) / inflow from operating activities</td>
<td>298,517</td>
<td>(778,798)</td>
</tr>
</tbody>
</table>

Note 25: Charitable fundraising activities

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

Income Statement for each Fundraising Appeal for the period ended 30 June 2016

<table>
<thead>
<tr>
<th>Fundraising Appeals</th>
<th>Proceeds $</th>
<th>Costs $</th>
<th>Surplus $</th>
<th>Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Day Bucket Collection</td>
<td>31,636</td>
<td>-</td>
<td>31,636</td>
<td>100%</td>
</tr>
<tr>
<td>Medical Tent Bucket Collection</td>
<td>590</td>
<td>-</td>
<td>590</td>
<td>100%</td>
</tr>
<tr>
<td>Lip Sync Duels - Fundraising</td>
<td>42,098</td>
<td>7,744</td>
<td>34,354</td>
<td>81.6%</td>
</tr>
<tr>
<td><strong>Totals from all Fundraising Appeals</strong></td>
<td><strong>74,324</strong></td>
<td><strong>7,744</strong></td>
<td><strong>66,580</strong></td>
<td><strong>89.6%</strong></td>
</tr>
</tbody>
</table>

Notes to Fundraising for Charitable Purposes

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

- Fair Day Bucket Collections;
- Medical Tent Bucket Collections;
- Donations and Auction proceeds at Lip Sync Duels.
The gross proceeds from these activities are disclosed in Statement of Comprehensive Income (as part of “Donations” and “Other Income”) and realised $74,324.

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

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

### Income Statement for each Fundraising Appeal for the period ended 30 June 2015

<table>
<thead>
<tr>
<th>Fundraising Appeals</th>
<th>Proceeds $</th>
<th>Costs $</th>
<th>Surplus $</th>
<th>Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Fair Day Bucket Collection</td>
<td>31,618</td>
<td>-</td>
<td>31,618</td>
<td>100%</td>
</tr>
<tr>
<td>- Medical Tent Bucket Collection</td>
<td>335</td>
<td>-</td>
<td>335</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Totals from all Fundraising Appeals</strong></td>
<td><strong>31,953</strong></td>
<td>-</td>
<td><strong>31,953</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### Balance Sheet for each Fundraising Appeal as at 30 June 2015

<table>
<thead>
<tr>
<th>Fundraising Appeals</th>
<th>Assets $</th>
<th>Liabilities $</th>
<th>Net Assets $</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Fair Day Bucket Collection</td>
<td>31,618</td>
<td>-</td>
<td>31,618</td>
</tr>
<tr>
<td>- Medical Tent Bucket Collection</td>
<td>335</td>
<td>-</td>
<td>335</td>
</tr>
<tr>
<td><strong>Totals for all Fundraising Appeals</strong></td>
<td><strong>31,953</strong></td>
<td>-</td>
<td><strong>31,953</strong></td>
</tr>
</tbody>
</table>

### Notes to Fundraising for Charitable Purposes

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

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

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

The gross proceeds from these activities are disclosed in Statement of Comprehensive Income (as part of “Donations” and “Other Income”) and realised $31,953.
Note 26: Information relating to Sydney Gay and Lesbian Mardi Gras Ltd (the Parent)

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>$659,150</td>
<td>$596,386</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$117,419</td>
<td>$231,205</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$117,473</td>
<td>$235,748</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>$541,677</td>
<td>$360,636</td>
</tr>
<tr>
<td>Profit or (loss) of the Parent entity</td>
<td>$181,038</td>
<td>($336,057)</td>
</tr>
<tr>
<td>Total revenue of the Parent entity</td>
<td>$4,847,811</td>
<td>$4,456,715</td>
</tr>
</tbody>
</table>
The directors of the Group declare that:

1. The consolidated financial statements and notes, as set out on pages 12-33, are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards in Australia and the Corporations Regulations 2001; and
   (b) give a true and fair view of the Group’s financial position as at 30 June 2016 and of its performance for the period ended on that date of the Group.

2. In the directors’ opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

3. As an authorised fundraiser:
   (a) the Consolidated Statement of Comprehensive Income (income statement) gives a true and fair view of all income and expenditure of the Group with respect to fundraising appeals, and
   (b) the Consolidated Statement of Financial Position (balance sheet) gives a true and fair view of the state of affairs of the Group with respect to fundraising appeals conducted by the Group, and
   (c) the provisions of the Charitable Fundraising Act 1991, the Regulations under the Act and the conditions attached to the authority have been complied with by the Group, and
   (d) the internal controls exercised by the Group are appropriate and effective in accounting for all income received and applied by the Group from all of our fundraising appeals.

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

Director                                          Director

Frances Bowron                                  Damien Hodgkinson

Dated this 5th day of September 2016
MARDI GRAS ARTS LIMITED
ABN 41 158 800 018

Financial Report
For the year ended 30 June 2016
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The directors present their report together with the financial report of Mardi Gras Arts Limited (“MGA”) for the year ended 30 June 2016 and auditor’s report thereon.

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

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Date appointed</th>
<th>Date Retired</th>
<th>Board Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Savage</td>
<td>19 August 2014</td>
<td>14 November 2015</td>
<td>4 5</td>
</tr>
<tr>
<td>Frances Bowron</td>
<td>19 August 2014</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Darren Bruce</td>
<td>4 September 2013</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Damien Hodgkinson</td>
<td>19 August 2014</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Gregory Small</td>
<td>24 August 2014</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>James Brechney</td>
<td>24 August 2014</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Brandon Bear</td>
<td>24 August 2014</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Silke Bader</td>
<td>23 March 2016</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Aidan Read</td>
<td>23 March 2016</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

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

**Interests in the shares and options of the Company and related bodies corporate**
As at the date of this report, no directors had any interests in the shares and options of MGA.

**Company Secretary**
*David Imrie*
David Imrie was appointed as Company Secretary of MGA on 28 July 2015.
Key Performance Measures
MGA measures its performance through the use of both quantitative and qualitative benchmarks to assess the financial sustainability of the Company and whether the Company is achieving its short-term and long-term objectives.

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

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

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

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

Environmental Regulation and Performance
MGA’s operations are not registered by any significant environmental regulation under laws of the Commonwealth or of a State or Territory.

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

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

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

MGA has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Company against a liability incurred as such by an officer or auditor.
MARDI GRAS ARTS LIMITED  
ABN 41 158 800 018  

DIRECTORS' REPORT

Indemnification of Auditors

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

Public Company Limited by Guarantee

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

Going Concern

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

Auditor’s Independence Declaration

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

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

Director

Director

Frances Bowron

Damien Hodgkinson

Dated this 5 day of September 2016
Auditor’s Independence Declaration to the Directors of Mardi Gras Arts Limited

In relation to our audit of the financial report of Mardi Gras Arts Limited for the financial year ended 30 June 2016, and in accordance with the requirements of Subdivision 60-C of the Australian Charities and Not-for profits Commission Act 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Australian Charities and Not-for profits Commission Act 2012 or any applicable code of professional conduct.

Ernst & Young

Daniel Cunningham
Partner
5 September 2016
## STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2016

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Donations</td>
<td>2,630</td>
<td>21,525</td>
</tr>
<tr>
<td>Management and service fees</td>
<td>795,894</td>
<td>133,747</td>
</tr>
<tr>
<td>Other income</td>
<td>220,363</td>
<td>115,950</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,018,887</td>
<td>271,222</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>188,500</td>
<td>211,897</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>830,387</td>
<td>59,325</td>
</tr>
<tr>
<td>Occupancy costs</td>
<td>12,358</td>
<td>407</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>456,581</td>
<td>45,045</td>
</tr>
<tr>
<td>Insurance</td>
<td>6,742</td>
<td>109</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>2,375</td>
<td>305</td>
</tr>
<tr>
<td>Operating lease rental expenses</td>
<td>27,790</td>
<td>-</td>
</tr>
<tr>
<td>Marketing &amp; communications</td>
<td>182</td>
<td>1,120</td>
</tr>
<tr>
<td>Professional fees</td>
<td>36,404</td>
<td>409</td>
</tr>
<tr>
<td>Amounts paid to contractors</td>
<td>128,095</td>
<td>-</td>
</tr>
<tr>
<td>Other expenses</td>
<td>139,459</td>
<td>4,169</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>809,986</td>
<td>51,564</td>
</tr>
<tr>
<td><strong>Results from operations</strong></td>
<td>20,401</td>
<td>7,761</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(18,371)</td>
<td>(6,956)</td>
</tr>
<tr>
<td><strong>Net finance income</strong></td>
<td>(18,371)</td>
<td>(6,956)</td>
</tr>
<tr>
<td><strong>Net profit before income tax expense</strong></td>
<td>2,030</td>
<td>805</td>
</tr>
</tbody>
</table>

*The above statement of profit and loss should be read in conjunction with the accompanying notes.*
MARDI GRAS ARTS LIMITED
ABN 41 158 800 018

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

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before income tax expense (income tax benefit)</td>
<td>2,030</td>
<td>805</td>
</tr>
<tr>
<td>Income tax benefit (income tax expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the year attributable to members of the entity</td>
<td>2,030</td>
<td>805</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax benefit (income tax expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive profit for the year, net of tax</td>
<td>2,030</td>
<td>805</td>
</tr>
<tr>
<td>Total comprehensive profit attributable to members of the entity</td>
<td>2,030</td>
<td>805</td>
</tr>
</tbody>
</table>

The above statement of other comprehensive income should be read in conjunction with the accompanying notes.
### Statement of Financial Position
#### As at 30 June 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**Current Assets**
- Cash and cash equivalents: 132,481 vs. 23,322
- Trade and other receivables: 2,502 vs. 2,996
- Other current assets: - vs. 14,000

**Total Current Assets**: 134,983 vs. 40,318

**Non-Current Assets**
- Property, plant and equipment: 24,804 vs. 8,786

**Total Non-Current Assets**: 24,804 vs. 8,786

**Total Assets**: 159,787 vs. 49,104

**Current Liabilities**
- Trade and other payables: 151,565 vs. 22,603

**Total Current Liabilities**: 151,565 vs. 22,603

**Non-Current Liabilities**
- Loans: 6,190 vs. 26,499

**Total Non-Current Liabilities**: 6,190 vs. 26,499

**Total Liabilities**: 157,755 vs. 49,102

**Net Assets**: 2,032 vs. 2

**Equity**
- Members funds: 2 vs. 2
- Retained earnings: 2,030 vs. -

**Total Equity**: 2,032 vs. 2

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

-8-
## STATEMENT OF CHANGES IN EQUITY
### FOR THE YEAR ENDED 30 JUNE 2016

<table>
<thead>
<tr>
<th></th>
<th>Members Funds $</th>
<th>Retained Earnings $</th>
<th>Total Equity $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 1 July 2015</strong></td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit for year</td>
<td>-</td>
<td>2,030</td>
<td>2,030</td>
</tr>
<tr>
<td>Total comprehensive profit for the year</td>
<td>-</td>
<td>2,030</td>
<td>2,030</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2016</strong></td>
<td>2</td>
<td>2,030</td>
<td>2,032</td>
</tr>
<tr>
<td><strong>As at 1 July 2014</strong></td>
<td>2</td>
<td>(805)</td>
<td>(803)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit for year</td>
<td>-</td>
<td>805</td>
<td>805</td>
</tr>
<tr>
<td>Total comprehensive profit for the year</td>
<td>-</td>
<td>805</td>
<td>805</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2015</strong></td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
</tbody>
</table>

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

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>1,233,492</td>
<td>202,113</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(1,105,940)</td>
<td>(171,627)</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>10</td>
<td>127,552</td>
</tr>
<tr>
<td>INVESTING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(18,393)</td>
<td>(9,091)</td>
</tr>
<tr>
<td>Net cash flows used in investing activities</td>
<td>(18,393)</td>
<td>(9,091)</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>109,159</td>
<td>21,395</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of financial year</td>
<td>23,322</td>
<td>1,927</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of financial year</td>
<td>2</td>
<td>132,481</td>
</tr>
</tbody>
</table>

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

Corporate information

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

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

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

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

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

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

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

The preparation of financial statements required the use of certain critical accounting estimates. This requires management to exercise judgement in the process of applying the Company’s accounting policies. The areas involving high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note (j).

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

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

c) Revenue recognition
Revenue is recognised when delivery has been performed, the amount of revenue can be measured reliably and it is probable that it will be received by the economic entity. Interest revenue earned on bank accounts is recognised upon receipt.
Note 1: Statement of Significant Accounting Policies (continued)

c) Revenue recognition (continued)

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

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

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

(d) Goods and services tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST except where:
- the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).
- receivables, payables are stated inclusive of amount of GST receivable from, or payable
The net amount of GST recoverable from or payable to the ATO is included as part of receivables or payables in the statement of financial position.

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

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

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

(g) Members funds
Pursuant to the constitution of the Company, the members have contributed an amount of $2.

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

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

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

(k) Property, plant and equipment
Items of property, plant and equipment are measured at historical cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

The estimated useful lives for the current and comparative periods of significant items of property, plant and equipment are as:
- Plant and equipment 4 to 5 years

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

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

Contributions payable by the Company to an employee superannuation fund are recognised in the statement of financial position as a liability, after deducting any contributions already paid and in the income statement as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.
Note 1: Statement of Significant Accounting Policies (continued)

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

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

(i) Investment Entities – Amendments to AASB 10 Consolidated financial statements, AASB 12 Disclosure of Interests in Other Entities and AASB 127 Consolidated and Separate Financial Statements
These amendments define an investment entity and require that, with limited exceptions; an investment entity does not consolidate its subsidiaries or apply AASB 3 Business Combinations when it obtains control of another entity.

These amendments require an investments entity to measure unconsolidated subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. These amendments also introduce new disclosure requirements for investment entities to AASB 12 and AASB 127.
Note 2: Cash and cash equivalents

Cash at bank

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$132,481</td>
<td>$23,322</td>
</tr>
</tbody>
</table>

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

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

(b) Risk exposure

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

(c) Public Fund

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

Note 3: Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods &amp; services tax</td>
<td>-</td>
<td>2,444</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>2,502</td>
<td>552</td>
</tr>
</tbody>
</table>

(a) Impaired receivables

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

Note 4: Other current assets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds &amp; deposits</td>
<td>-</td>
<td>14,000</td>
</tr>
</tbody>
</table>

(a) Impaired other current assets

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

(b) Past due but not impaired

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

(c) Other current assets

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

Note 5: Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or fair value</td>
<td>27,484</td>
<td>9,091</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(2,680)</td>
<td>(305)</td>
</tr>
<tr>
<td>Net property, plant and equipment</td>
<td>24,804</td>
<td>8,786</td>
</tr>
</tbody>
</table>
Note 5: Property plant and equipment (continued)

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

<table>
<thead>
<tr>
<th></th>
<th>Plant &amp; equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Opening net book amount</td>
<td>8,786</td>
<td>8,786</td>
</tr>
<tr>
<td>Additions</td>
<td>18,393</td>
<td>18,393</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>(2,375)</td>
<td>(2,375)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>24,804</td>
<td>24,804</td>
</tr>
</tbody>
</table>

Note 6: Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>69,064</td>
<td>3,498</td>
</tr>
<tr>
<td>Goods and services tax</td>
<td>65,452</td>
<td>-</td>
</tr>
<tr>
<td>Other payables</td>
<td>17,049</td>
<td>19,105</td>
</tr>
<tr>
<td></td>
<td>151,565</td>
<td>22,603</td>
</tr>
</tbody>
</table>

Note 7: Non-Current Liability Loans

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent entity revolving loan</td>
<td>6,190</td>
<td>26,499</td>
</tr>
<tr>
<td></td>
<td>6,190</td>
<td>26,499</td>
</tr>
</tbody>
</table>

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

Note 8: Contingencies
As at 30 June 2016, there were no other contingent assets or liabilities.

Note 9: Events after balance sheet date
There have been no items of significance subsequent to 30 June 2016, and as at the date of this report that would impact the results as outlined in this financial report.
Note 10: Reconciliation of profit / (loss) to net cash inflow from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>2,030</td>
<td>805</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>2,375</td>
<td>305</td>
</tr>
<tr>
<td>Change in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease / (increase) in trade and other receivables</td>
<td>494</td>
<td>(2,994)</td>
</tr>
<tr>
<td>Decrease / (increase) in other current assets</td>
<td>14,000</td>
<td>(14,000)</td>
</tr>
<tr>
<td>Increase in trade and other payables</td>
<td>128,962</td>
<td>19,871</td>
</tr>
<tr>
<td>Decrease in other liabilities</td>
<td>(20,309)</td>
<td>26,499</td>
</tr>
<tr>
<td>Net cash (outflow) / inflow from operating activities</td>
<td>127,552</td>
<td>30,486</td>
</tr>
</tbody>
</table>

Note 11: Member guarantee

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

Note 12: Key management personnel

Key management personnel compensation

Key management personnel compensation

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

Note 13: Related party transactions

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

(a) Workshop

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

(b) Management Services

MGA employs the management staff and provides management services back to SGLMG on a shared cost basis. Costs are shared at the end of each financial year on a pro-rata basis to revenue.
MARDI GRAS ARTS LIMITED
ABN 41 158 800 018

DIRECTORS’ DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6-17, are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards in Australia and the Corporations Regulations 2001; and
   (b) give a true and fair view of the Company’s financial position as at 30 June 2016 and of its performance for the year ended on that date of the Company.

2. In the directors’ opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. As an authorised fundraiser:
   (a) the Statement of Profit or Loss and Statement of Other Comprehensive Income gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals, and
   (b) the Statement of Financial Position gives a true and fair view of the state of affairs of the Company with respect to fundraising appeals conducted by the Company, and
   (c) the provisions of the Charitable Fundraising Act 1991, the Regulations under the Act and the conditions attached to the authority have been complied with by the Company, and
   (d) the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from all of our fundraising appeals.

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

Director

[Signature]
Frances Bowron
Dated this 5th day of September 2016

Director

[Signature]
Damien Hodgkinson

-18-
Independent auditor's report to the members of Mardi Gras Arts Limited

Report on the financial report

We have audited the accompanying financial report of Mardi Gras Arts Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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.

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

Independence

In conducting our audit we have complied with the independence requirements of the Australian Charities and Not-for-Profits Commission Act 2012. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors’ report.

Opinion

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

(a) giving a true and fair view of the financial position of Mardi Gras Arts Limited at 30 June 2016, and of its performance for the year ended on that date; and
(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013.
Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015

We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non compliance may occur and not be detected. An audit is not designed to detect all instances of non compliance with the requirements described in the above-mentioned Act and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

a) the financial report of Mardi Gras Arts has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2016, in all material respects, in accordance with:
   i. sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991;
   ii. sections 10(6) and 11 of the NSW Charitable Fundraising Regulations 2015;

b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2016 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act and Regulations.

Ernst & Young

Daniel Cunningham
Partner
Sydney
5 September 2016
WE ARE A NOT-FOR-PROFIT ORGANISATION THAT RELIES ON COMMUNITY VOLUNTEERS AND MEMBER SUPPORT TO PRODUCE OUR LGBTQI FESTIVAL

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

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

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

THANK YOU
SYDNEY GAY AND LESBIAN MARDI GRAS