



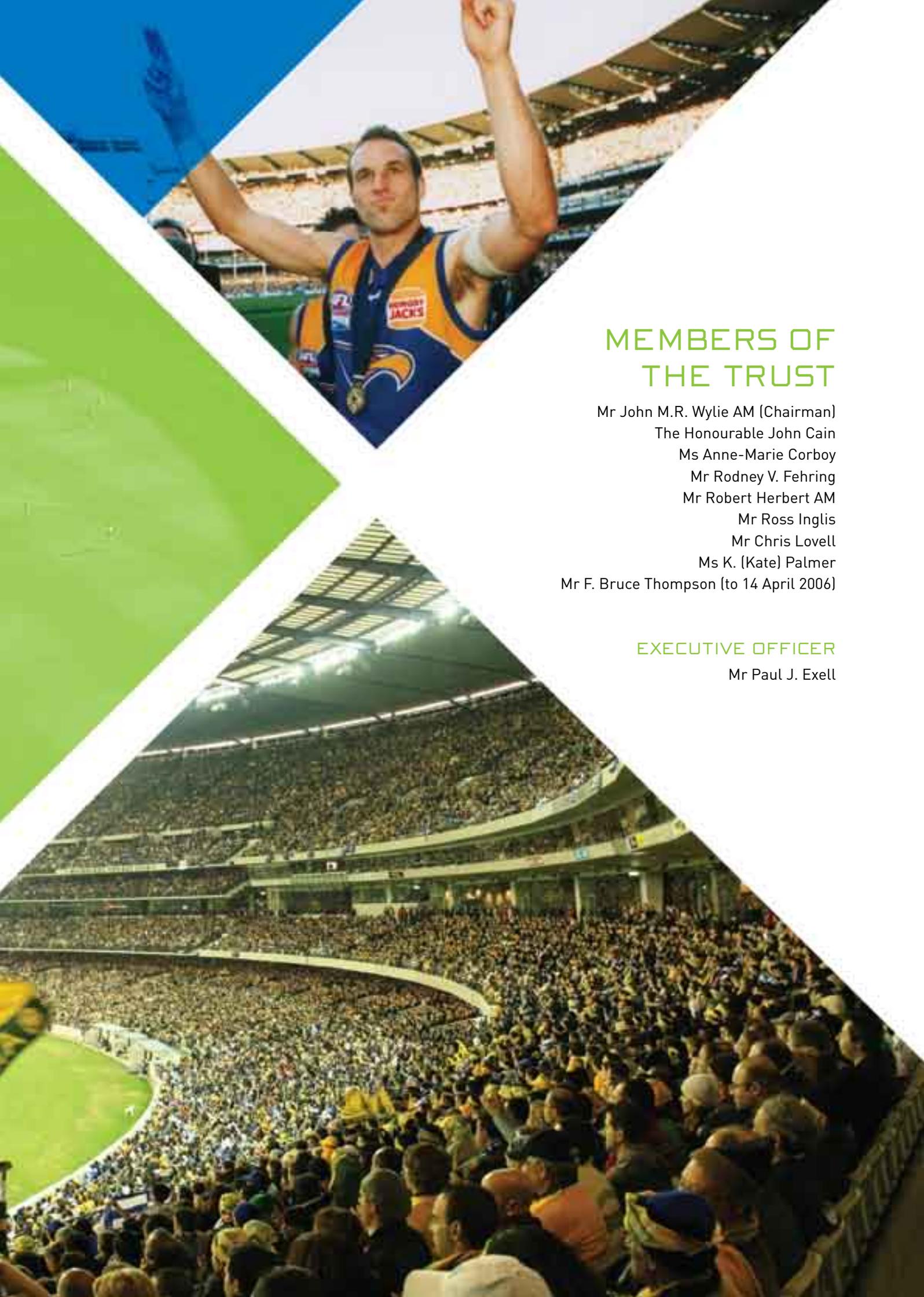
THE PEOPLE'S
GROUND

MELBOURNE CRICKET GROUND TRUST

ANNUAL REPORT

2006/07





MEMBERS OF THE TRUST

Mr John M.R. Wylie AM (Chairman)

The Honourable John Cain

Ms Anne-Marie Corboy

Mr Rodney V. Fehring

Mr Robert Herbert AM

Mr Ross Inglis

Mr Chris Lovell

Ms K. (Kate) Palmer

Mr F. Bruce Thompson (to 14 April 2006)

EXECUTIVE OFFICER

Mr Paul J. Exell





IOC member Kevan Gosper presented a mounted silver dove to MCG Trust chairman John Wylie as a gift from the Olympic movement on the 50th anniversary of the Opening Ceremony of the Olympic Games at Melbourne in 1956.

CHAIRMAN'S REVIEW

THE FIRST YEAR AT THE NEW MCG

It comes as no surprise to Melbourne sports fans that a survey by a London-based consultant ranked Melbourne as the world's top sporting city. No other place in the world can match Melbourne's Yarra Park and Flinders Park precincts, located so close to the city-centre, surrounded by parkland and well served by public transport and car parking. The facilities are outstanding and events staged are generally of major national and international importance.

The MCG has always been the centrepiece of Melbourne's sporting precinct. The new MCG is even more so.

The year commencing April 2006 was the first full year of operations after completion of the redevelopment of the northern side of the MCG. Following the highly successful Commonwealth Games in March 2006, we had a blockbuster year that included:

- Football attendances at the MCG topping two million for the first time in four years. The new MCG is now the favoured stadium of two-thirds of Victoria's football fans.
- The Sydney Swans and the West Coast Eagles continuing their epic battles in the AFL Grand Final, this time the Eagles turning the tables on last year's result by a solitary point.
- Near-record attendances at the Boxing Day Test against England. This Test was also the 100th Test match at the MCG and the scene for local hero, Shane Warne, to take his 700th Test wicket.
- The display of the famous Ashes urn at the MCG in January 2007 as part of a comprehensive exhibition in the MCC Museum that included several superb objects from the Club's own collection.
- The highest Australian One-Day International attendance for the season with a crowd of 78,625 for the Australia v England match on 12 January.
- The introduction of Twenty/20 cricket to the MCG as a huge success.
- Celebrations to commemorate the 50th anniversary of the 1956 Olympic Games staged at the MCG. We took this opportunity to honour in particular our favourite daughter, Golden Girl Betty Cuthbert, by unveiling a lounge in the new stand in her name.

2007 is shaping up to be another big year for the MCG. There will be six extra games of AFL football (45 games) during the home-and-away season, a Bledisloe Cup Rugby Union match in June and Australia's cricket champions will take on India at year-end.

REACTION TO THE NEW MCG

We have been very pleased by the strong endorsement of the redeveloped MCG by each of the public, MCC members, corporates, codes that use the ground, our sponsors, advertisers and caterers.

A number of awards have followed. In December 2005, the MCG was given Australia's highest heritage honour - inclusion on the National Heritage List - in recognition of its contribution to Australian sport. This was followed in April 2006 by the State Government's Victorian Heritage Icon Award, in recognition of the MCG's contribution to Victoria's cultural identity. The Sport Australia Hall of Fame also saw fit to honour the redeveloped MCG with its "Spirit of Sport" Award for 2006, which recognises "an extraordinary sporting moment/event that captures the heart of the nation and which is destined to become part of Australian sporting history". The MCG Trust and MCC Committee were very appreciative of these awards.

Key redevelopment team members have also had their work recognised by their peers. Our engineers, Connell Wagner and Arup, have won three engineering awards for their work on the MCG redevelopment project, and our Project Manager, Paul Steinfort and Associates, won the 2006 Australian Institute of Project Management Achievement Award for Victoria. We congratulate them both.

The community's reaction has been evident in attendance levels at the ground, with 2,017,884 patrons attending the 42 games (including three finals) of AFL football at the MCG in 2006.

Spectators showed their love for Ashes cricket at the Boxing Day Test even though the series had been decided beforehand in Perth. Day one of the Boxing Day Test just failed to exceed the world record of 90,800 with a total of 89,155 and an aggregate of 244,351 attending for the three Test days. We would surely have broken the 1974 record of 250,308 for a Boxing Day Test had England been able to survive for five days. We congratulate the Australian cricket team for its continuing outstanding success - its whitewash of the old foe in an Ashes series for the first time in 76 years, and for its recent World Cup victory in the West Indies.

CONTINUING PROJECTS AT THE MCG

Important ground development projects continue at the MCG notwithstanding the completion of the northern stand redevelopment.

The MCC has put together a project plan, for implementation in 2007/08, for the extension of the concourse outside Gate 7 on the southern side of the MCG.

Given the large numbers of patrons attending events at the MCG, the widening of this concourse will produce better pedestrian traffic flows than before. This improvement in amenity for patrons is a high priority of both the MCC and the MCG Trust.

We are also seeking vigilantly to ensure that the public's access to car parking in Yarra Park on MCG match days is not diminished. The ground's current five year agreement provides for maximising parking spaces until 2010. We believe it is critical that the maximum number of spaces be maintained into the future to ensure continued ease of access for the public to "the People's Ground".

THE MCG AND THE DROUGHT

The Club's Arenas Department continues to do an excellent job in preparing a first-class surface for all events. In this context, the Trust acknowledges the support the MCG has received from the water authorities and the State Government during the drought. Throughout this extremely difficult period, the playing surface of the MCG has remained in excellent condition. We realise the difficulties our fellow Victorians are experiencing with water shortages and our obligation to conserve water wherever possible. We are ensuring that we have responsible water conservation procedures in place. The ground's initiatives in this area have included:

- The new sand profile under the playing surface, which has helped reduce water usage by approximately one million litres since September 2006.
- The harvesting of rainwater from the new northern stand roof in a 1.5 million litre storage tank.
- Reduced water usage in various ground amenities.

A tank to harvest Great Southern Stand rainwater and the recycling of storm water run-off are now also under consideration.

We continue to work with City West Water to develop best practices for water usage and conservation.

THE NEW NATIONAL SPORTS MUSEUM (NSM) AT THE MCG

Since the inception of the redevelopment project, the Trust and the Club have believed that a vital feature of the redeveloped stand should be a new sporting museum, representing all Australian sport. We have had this view because:

- Such a museum would form an important link between the past and the future at the ground, more important than ever given the near-total modernisation of the ground's infrastructure.
- The previous Australian Gallery of Sport and Olympic Museum at the MCG had been severely limited in both size and financial resources.
- There is an obvious need today for a single iconic sporting museum to represent all of Australian sport for all Australians.

We were therefore very pleased when the Commonwealth Government recently saw fit to increase its financial commitment to the NSM at the MCG to a total of \$25 million. This will enable our vision and aspirations for the project to become a reality. The new NSM will be a superb facility representing the best of Australian sport, and will provide an important inspiration to the youth of Australia. We are very grateful to the Commonwealth Government for its support.

The NSM will be the permanent home of The Sport Australia Hall of Fame, the Australian Cricket Hall of Fame, the Olympic Museum and, we expect, the AFL Hall of Fame. It will take presentation of sport in Australia to a new level. Much more than a traditional exhibition of memorabilia, the new museum will also feature cutting edge multi-media displays and interactives



to ensure that the facility is accessible and interesting to a younger audience. The proposed interactives will test a variety of sports' ball handling skills, athletic ability, physical fitness and umpiring decisions. Sports stars will be in regular attendance.

Apart from the traditional MCG sports of cricket, AFL and Olympics, the NSM will also feature exhibitions on golf, tennis, netball, soccer, Paralympics, basketball, boxing, cycling, rugby union and rugby league. Visitors to the NSM will also be able to visit the recently rebuilt MCC Museum (opened in November 2006) which has a unique and fabulous collection of cricket memorabilia.

The fit-out of the NSM is well advanced and on schedule for opening in March 2008.

On the subject of MCG heritage projects, I also wish to acknowledge the support and contribution of the Victorian Government, which contributed \$5 million to heritage projects at the ground during the redevelopment project.

MELBOURNE CRICKET CLUB

The management of the MCG is in the very competent hands of the Melbourne Cricket Club under the leadership of CEO Stephen Gough and President (to 19 February 2007), David Jones AO, OBE, KSJ. David was President for the bulk of the redevelopment period and I thank him, and the rest of the Club Committee, for their unwavering commitment to the project throughout this demanding period. I wish David well in his retirement from the Presidency. Guests of the MCC in the Committee Room on match days will miss David's entertaining speeches.

Mr David Meiklejohn was appointed as the new President of the Club on 20 February 2007. David Meiklejohn has been a strong contributor to the MCC Committee for 20 years, and also played a key role in the redevelopment project. We look forward to a continuing strong relationship between the Trust and the Club under David's leadership.

The MCG is a world-class asset that requires management to match. We have that in Stephen Gough and the MCC management and staff and we acknowledge their excellent work.

Finally, the redevelopment of the MCG would not have been possible without the support of the Club Members. The Club now has substantially enhanced new facilities and annual membership revenue - the backbone of the MCG's revenue and the main income source for debt repayments - is currently running at \$35 million, which is almost double the level pre-redevelopment. Membership now totals 95,000 (including 36,700 Restricted Members) and there is a waiting list of 164,000, making the Melbourne Cricket Club the largest and most democratic sporting club in the world. Members have particularly endorsed the new dining facilities. During Grand Final week, for example, more than 2000 Members dined at the ground. Football attendance by Members in 2006 was at its highest since 1998 and that was a year when there were many more games.

MCG TRUSTEES

The redevelopment of the ground has been a challenging but very satisfying period for the Trust. I thank all Trustees over that period for their valuable contributions.

The term of Mr Bruce Thompson as a Trustee expired during the year. Bruce had been a Trustee since 1998. He was a member of the redevelopment Joint Steering Committee (JSC) from its inception, and made a valuable contribution to that project. His business acumen, always displayed in the most pleasant manner, was of great value to the Trust and the JSC, and we thank Bruce for his efforts.

VALE RON EVANS

In March this year, the MCG community and sports lovers generally were enormously saddened by the loss of Mr Ron Evans, Chairman of the AFL. Ron was a visionary leader of the AFL who guided the code to a new level of prosperity as a genuinely national game with financial resources and public support not dreamt possible 20 years ago. Most importantly, he was a thorough gentleman who carried his responsibilities with great modesty and charm. We were all greatly upset by his passing, and will miss him considerably.

We wish his successor, Mr Mike Fitzpatrick, well in continuing Ron's legacy in growing the success of the modern game of Australian Football.



John M.R. Wylie AM

Chairman
29 June 2007



DENNIS LILLY



Trust chairman John Wylie, the IOC's Kevan Gosper and MCC president David Jones unveil a plaque marking the official opening of the new Olympic Stand following the 2002-06 redevelopment of the MCG.





EXECUTIVE OFFICER'S REPORT

GROUND ATTENDANCE

Attendance at all events at the MCG totaled 2,622,203 in 2006/07. This was an excellent outcome with record or near-record crowds for AFL football, cricket and soccer.

FOOTBALL

Football attendance at AFL home-and-away games Australia-wide in 2006 was 6,204,056, the second highest attendance ever. Attendance at all games at the MCG was the highest since 2002, particularly due to Collingwood and Richmond fans returning in force and excellent crowds at the three MCG finals. Overall, this is an outstanding performance by the MCG particularly considering its unavailability for the first four weeks of the season due to the Commonwealth Games.

The redeveloped MCG has won the support of football fans with some two-thirds of those voting in a Herald Sun survey declaring the MCG to be the preferred Victorian stadium.

FOOTBALL ATTENDANCE AT THE MCG

| Season | Total attendance at MCG '000 | Number of Games* | Average Attendance '000 | MCG Share of Total AFL Attendance % |
|--------|------------------------------|------------------|-------------------------|-------------------------------------|
| 2006 | 2,018 | 42 (3) | 48 | 30.0 |
| 2005 | 1,944 | 45 (3) | 43 | 29.5 |
| 2004 | 1,785 | 46 (5) | 39 | 28.0 |
| 2003 | 1,767 | 44 (3) | 40 | 27.8 |
| 2002 | 2,045 | 46 (4) | 44 | 33.6 |

*Number of games includes finals shown in brackets.



AVERAGE FOOTBALL ATTENDANCE AT THE MCG - HOME GAMES

| | 2006 Season | 2005 Season | 2004 Season | 2003 Season | 2002 Season |
|---|-------------|-------------|-------------|-------------|-------------|
| Tenant Teams (28 games in 2006) | | | | | |
| Collingwood | 59,404 | 44,314 | 43,423 | 54,016 | 52,107 |
| Hawthorn | 34,147 | 34,876 | 27,511 | 32,573 | 38,432 |
| Melbourne | 39,348 | 41,786 | 35,565 | 28,559 | 32,202 |
| Richmond | 48,689 | 40,146 | 34,957 | 38,158 | 35,683 |
| Other Teams (11 games in 2006) | 42,461 | 42,471 | 39,400 | 38,095 | 49,016 |
| Finals (3 games in 2006) | 83,081 | 76,753 | 59,692 | 74,316 | 71,569 |

CRICKET

Cricket crowds set a new record in the 2006/07 season with 1.281 million attending games in Australia. This surpasses the previous record attendance of 1.117 million in 1982/83, which was also an Ashes series. This season, the Boxing Day Test at the MCG attracted 244,351, the highest of the five Australian Tests by a large margin and this over only three days. Boxing Day itself was attended by 89,155, just short of the all-time record. The MCG also achieved the highest One-Day International attendance for the season with 78,625 attending the Australia v England match on 12 January.

Overall, the MCG is the most well-attended venue in Australia for international cricket, attracting 32% of total attendance.

New Twenty/20 cricket was an immediate success with 51,836 attending three State matches at the MCG.

MAJOR CRICKET ATTENDANCE AT THE MCG

| | 2006/07 | 2005/06 | 2004/05 | 2003/04 | 2002/03 |
|-------------------------------|---------|---------|---------|---------|---------|
| Test Matches | | | | | |
| Number of Days | 3 | 5 | 4 | 5 | 5 |
| Total attendance | 244,351 | 192,930 | 129,079 | 179,662 | 177,658 |
| Average attendance | 81,450 | 38,586 | 32,270 | 35,932 | 35,532 |
| One-Day Internationals | | | | | |
| Number of Matches | 3 | - | 2 | 3 | 4 |
| Total attendance | 165,607 | - | 79,045 | 123,371 | 106,597 |
| Average attendance | 55,202 | - | 39,523 | 41,124 | 26,649 |

OTHER EVENTS

The MCG is the stadium of choice for major international soccer games. Since 1997 there have been four international matches, with the lowest attendance being 84,000. An Australian soccer attendance record was set at the Australia v Greece "friendly" in May 2006 with 95,103 attending.

NATIONAL SPORTS MUSEUM: COLLECTION AND GROUND VISITATION

The independent valuation of some 28,000 items in the National Sports Museum collection has been completed. The valuation totalled \$10.9 million for items owned by the NSM plus \$3.4 million for items on loan to the museum.

The collection, temporarily in store during the ground redevelopment, has now been re-located to the MCG. Club staff involved in the cataloguing, valuation, off-site storage and relocating of the collection have done an outstanding job.

Collection holdings have increased through generous donations and loans with a particular emphasis on acquisitions to meet the expanded scope of the museum. Material received included:

- William Ager athletics collection (1939-2000) comprising 162 items particularly relating to the 1962 Commonwealth Games and 1956 Olympic Games. (Donated by Julie Ager)
- A collection of 105 artefacts relating to the opening and closing ceremonies of the 2006 Commonwealth Games. (Donated by M2006 – Melbourne Commonwealth Games Authority)
- Athletic clothing worn by 2006 Commonwealth Games gold medallists Kerryn McCann (Marathon) and Jamaican Asafa Powell (100m sprint). (Donated by Athletics Australia)
- Australian Rules Football material used by Justin Madden when playing for Carlton and material from the 2006 Commonwealth Games collected when Minister for Sport and Recreation and as Minister for the 2006 Melbourne Commonwealth Games. (Donated by The Hon. Justin Madden MLC)
- Two paintings, Day Game Ball (by artists Malcolm Club Kngwarreye and Alan Kunoth Apwerl), and Night Game Ball (by Malcolm Loy Akemarr). (Donated by Mr and Mrs J G and E A Cousins)
- Photographic album compiled by cricketer Leslie Fleetwood-Smith while on tour to the USA in 1935 and 1938. (Donated by the family of Dr Lorna Lekie)
- A sculpture by renowned puzzle sculptor Miguel Berrocal. (Donated by the International Olympic Council)
- A uniform and notebook used by Marcus Marsden while organiser of the Olympic Torch Relay for the 1956 Olympic Games. (Donated Mr and Mrs Marcus Marsden)
- A K2 kayak used by Australians Walter Brown and Dennis Green in the 10,000 metre event (Bronze Medal) in the 1956 Olympics. (Donated by NSW Hall of Champions)

- Collection of International Olympic Committee medals and awards presented to Kevan Gosper as an IOC delegate and 1956 Olympic competitors' clothing, Silver Medal and memorabilia. (On loan from Mr Kevan Gosper)
- Memorabilia from Australia's first Olympic champion, Edwin Flack, dating from 1892 to 1914. (On loan from PriceWaterhouseCoopers)
- Freestyle skiing Bronze Medal, uniform and equipment from the 2006 Turin Winter Olympic Games. (On loan from Alisa Camplin)
- 2006 Australian Winter Olympic Team uniforms including ceremonial, bobsleigh, speed skating and slalom alpine uniforms. (Donated by the Australian Olympic Council)

The Friends of the Gallery Group continues to support the MCG's heritage programs and plans are being developed for increased support in 2007/2008.

The completion of the ground redevelopment has seen an impressive increase in attendance for tours of the MCG. Visitation in 2006/07 totalled 104,000, a 33% increase on last year. This has necessitated the recruitment of an additional 50 volunteer guides to a total of 240 with further additions expected in the coming year. We are indebted to the volunteer guides for their outstanding service and contribution to the experience of visitors to the MCG.

Public artworks installed in the new Northern Stand are generating a great deal of interest. Commissioned works from the following artists are now in place: Deborah Halpern, Daniel Moynihan, Victor Rubin, Penelope Lee and Mathew Greentree.

TATTERSALL'S PARADE OF THE CHAMPIONS

The unveiling of the statue of Dennis Lillee before the Boxing Day Test is the tenth and final Louis Laumen statue commissioned for the Parade of Champions. The ten elite sportsmen and sportswomen recognised are:

Sir Donald Bradman
 Betty Cuthbert
 Ron Barassi
 Keith Miller
 Dick Reynolds
 Shirley Strickland de la Hunty
 Haydn Bunton
 Leigh Matthews
 Bill Ponsford
 Dennis Lillee

The Parade of the Champions is a significant addition to the heritage and visitor experience of the MCG. We are indebted to Tattersall's which has generously sponsored this project.

MCG WEBSITE

The MCG website, www.mcg.org.au, continued to be extremely popular, with record usage in 2006/07 of more than 330,000 visits, an increase of 16% on the previous year. In total, the website generated more than 1.86 million page impressions.

With many significant events held during the year, including the MCG's 100th Test match in December and the Socceroos' match against Greece in May, website traffic focused primarily on event details, such as ticketing, seating plans and venue conditions of entry. The imminent arrival of the National Sports Museum has also attracted substantial interest.

FINANCE

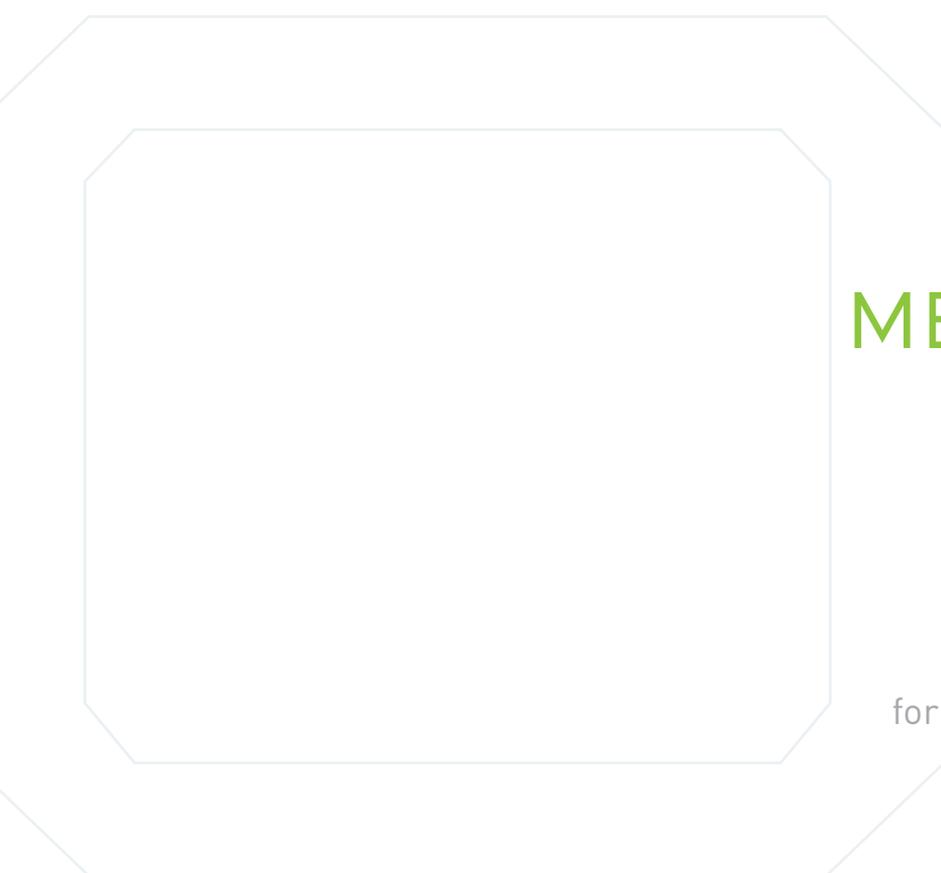
The revaluation of National Sports Museum items owned by the Trust resulted in a substantial increase in the value of the collection from \$618,000 (2005/06) to \$10.947 million. Subject to material changes to the collection that may occur from time to time, the collection will be revalued every five years.

The Trust recorded a net result (before contributions to the Club) of \$3,402,000 (2005/06 \$3,320,000). The Trust contributed \$3,300,000 to the Club for debt repayment purposes.

Paul Exell
Executive Officer
29 June 2007







THE MELBOURNE CRICKET GROUND TRUST

Annual Financial Report
for the year ended 31 March 2007



OPERATING STATEMENT

| YEAR ENDED 31 MARCH 2007 | Notes | 2007 \$'000 | 2006 \$'000 |
|---|-------|----------------|----------------|
| REVENUES FROM CONTINUING OPERATIONS | 3 | 3,544 | 3,479 |
| Operating expenses | 4 | (142) | (159) |
| Net result before contribution to the Melbourne Cricket Club ("the Club") | | 3,402 | 3,320 |
| Contribution to the Club for repayment of Great Southern Stand and Northern Stand Redevelopment debt ("Redevelopment Debt") | 4 | (3,300) | (3,250) |
| NET RESULT FOR THE YEAR | 11(c) | 102 | 70 |

The accompanying notes form part of these financial statements.

BALANCE SHEET

| AS AT 31 MARCH 2007 | Notes | 2007 \$'000 | 2006 \$'000 |
|--------------------------------------|-------|----------------|----------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 652 | 444 |
| Trade and other receivables | 5 | 45 | 154 |
| TOTAL CURRENT ASSETS | | 697 | 598 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 31,425 | 31,425 |
| Other | 7 | 10,947 | 618 |
| TOTAL NON-CURRENT ASSETS | | 42,372 | 32,043 |
| TOTAL ASSETS | | 43,069 | 32,641 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8 | 31 | 32 |
| Provisions | 9 | 11 | 22 |
| TOTAL CURRENT LIABILITIES | | 42 | 54 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 10 | 9 | - |
| TOTAL NON-CURRENT LIABILITIES | | 9 | - |
| TOTAL LIABILITIES | | 51 | 54 |
| NET ASSETS | | 43,018 | 32,587 |
| TRUST FUNDS | | | |
| Accumulated funds | 11 | 823 | 725 |
| Reserves | 11 | 42,195 | 31,862 |
| TOTAL TRUST FUNDS | | 43,018 | 32,587 |

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

| YEAR ENDED 31 MARCH 2007 | Accumulated Funds \$'000 | Other Reserves \$'000 | Total Equity \$'000 |
|--|--------------------------------|-----------------------------|---------------------------|
| Balance at 31 March 2005 | 659 | 27,048 | 27,707 |
| Changes in Equity | | | |
| Transfer from accumulated funds | (4) | 4 | - |
| Result for the year ended 31 March 2006 | 70 | - | 70 |
| Fair value adjustment on revaluation of land | - | 4,810 | 4,810 |
| Balance at 31 March 2006 | 725 | 31,862 | 32,587 |
| Changes in Equity | | | |
| Transfer from accumulated funds | (4) | 4 | - |
| Result for the year ended 31 March 2007 | 102 | - | 102 |
| Fair value adjustment on revaluation of National Sports Museum Sporting Collection | - | 10,329 | 10,329 |
| Balance at 31 March 2007 | 823 | 42,195 | 43,018 |

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

| YEAR ENDED 31 MARCH 2007 | Notes | 2007 \$'000 | 2006 \$'000 |
|---|--------|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Donations received | | 4 | 4 |
| Payments to suppliers and employees | | (36) | (254) |
| Interest received | | 58 | 88 |
| Ground lease rental from the Club | | 3,482 | 3,387 |
| Contribution to the Club for repayment of Redevelopment Debt | | (3,300) | (3,250) |
| NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES | 12 (a) | 208 | (25) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents at beginning of year | | 444 | 469 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 12 (b) | 652 | 444 |

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

31 MARCH 2007

1. MELBOURNE CRICKET GROUND TRUST (“THE TRUST”) INFORMATION

The Trust was established as a body corporate incorporated under the provisions of the *Melbourne Cricket Ground Trust Act 1989* (“The Act”) as the successor to the unincorporated Trustees who held office under the *Melbourne Cricket Ground Act 1933*. The Act provided that the assets and liabilities of the Trustees became the assets and liabilities of the Trust.

The registered office of the Trust is located at:

Melbourne Cricket Ground
Yarra Park
Jolimont
Victoria 3002

The principal activities of the Trust during the year were the formulation of strategies to maintain the Melbourne Cricket Ground’s (“the MCG”) status as a leading provider of premium sporting content. Ultimately, the Trust oversees the Club’s ground management role.

There was no significant change in the nature of these activities during the period.

The Trust employed one employee at 31 March 2007 (2006: one employee) who is the Executive Officer of the Trust.

The financial report was authorised for issue by Mr John Wylie, Chairman, on 7 June 2007.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared on an accrual basis in accordance with the Financial Management Act 1994 and Australian Accounting Standards. The financial report has also been prepared on an historical cost basis, except for land and the National Sports Museum (“NSM”) Sporting Collection, formerly known as the Australian Gallery of Sport (“AGOS”) Sporting Collection, which have been measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (“IFRS”).

In the application of AIFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Statement of Compliance (cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods.

Judgements made by management in the application of AIFRS that have significant effects on the financial statements and estimates with a risk of material adjustments in the next year are disclosed throughout the notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 March 2007 and the comparative information presented for the year ended 31 March 2006.

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 31 March 2007. These standards are listed in the following table.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Statement of Compliance (cont'd)

| Reference | Affected Standard(s) | Nature of Change to Accounting Policy | Application Date of Standard | Application Date for Trust |
|-------------|---|---|------------------------------|----------------------------|
| AASB 1 | First-time adoption of AIFRS, AASB 139: Financial Instruments: Recognition and Measurement | No change to accounting policy required. Therefore no impact. | 1 January 2007 | 1 April 2007 |
| AASB 7 | Financial Instruments: Disclosures | No change to accounting policy required. Therefore no impact. | 1 January 2007 | 1 April 2007 |
| AASB 101 | Presentation of Financial Statements | No change to accounting policy required. Therefore no impact. | 1 January 2007 | 1 April 2007 |
| AASB 132 | Financial Instruments: Presentation | No change to accounting policy required. Therefore no impact. | 1 January 2007 | 1 April 2007 |
| AASB 139 | Financial Instruments: Recognition and Measurement | No change to accounting policy required. Therefore no impact. | 1 January 2007 | 1 April 2007 |
| AASB 1048 | Interpretation and Application of Standards | No change to accounting policy required. Therefore no impact. | 31 March 2007 | 1 April 2007 |
| AASB 2007-2 | Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139] | No change to accounting policy required. Therefore no impact. | 28 February 2007 | 1 April 2007 |
| AASB 2007-3 | Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] | No change to accounting policy required. Therefore no impact. | 1 January 2009 | 1 April 2009 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Significant accounting judgements, estimates and assumptions

The Trust's accounting policies do not contain significant accounting judgement or significant accounting estimates and assumptions that would have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period. The Trust has not provided for any doubtful debts at balance date.

(d) Cash and cash equivalents

Cash on hand and in banks and short-term deposits is stated at cost which is fair value.

For the purposes of the cash flow statement, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts. Interest is charged as an expense or revenue as it accrues.

(e) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. An allowance for doubtful debts is made when there is objective evidence that the Trust will not be able to collect the debts. Bad debts are written off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due.

Interest is taken up as income on an accrual basis.

(f) Property, plant and equipment

(i) Land

The Act provided that the assets and liabilities of the Trustees became the assets and liabilities of the Trust. Under the provisions of this Act, the Trust was deemed to become the grantee of the land reserved under an Order in Council dated 20 February 1934. No cost was incurred by the Trust in respect of this land.

Freehold land is measured on a fair value basis. At each balance date, the value of the asset in this class is reviewed to ensure that its carrying value does not materially differ from the asset's fair value at that date. Where necessary, the asset is revalued to reflect its fair value.

Land was independently revalued at \$31.425 million at March 2006 and has been recorded at that value in the accounts at 31 March 2007.

(ii) Impairment

All assets are assessed annually for indications of impairment. If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying amount exceeds its recoverable amount, the difference is written off by a charge to the operating statement, except to the extent that this write down can be debited to an asset revaluation reserve account applicable to that class of asset.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Other assets – NSM Sporting Collection

The NSM Sporting Collection (formerly the AGOS Sporting Collection) comprises assets that the Trust intends to preserve because of their unique historical and cultural attributes. During the year, the Trust arranged for the revaluation of this Collection. The Collection is recognised at fair value with regard to its highest and best use. The Collection is not depreciated. Valuation of the Collection from an independent assessor will be completed every five years with any future acquisitions being valued at cost until the next valuation.

At each balance date, the value of the NSM Sporting Collection is reviewed to ensure the carrying amount does not materially differ from the Collection's fair value at that date. Where necessary, the asset is revalued to reflect its fair value.

(h) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these goods and services.

Payables to related parties are carried at the principal amount.

Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(i) Taxes

Income Tax

The Trust is exempt from income tax under Section 50-45 of the *Income Tax Assessment Act (ITAA) 1997*.

Goods and Services Tax (GST)

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

- i) where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- ii) trade receivables and trade payables are stated with the amount of GST included.

The net amount of GST receivable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet. Cash Flows are included in the Cash Flow Statement on a gross basis and the GST components of cash flows arising from investing and financing activities, which are recoverable from or payable to the taxation authority, are classified as operating cash flows.

(j) Allocation between current and non-current

In the determination of whether an asset, other than cash or a cash equivalent, is current or non-current, consideration is given as to whether the Trust expects to realise or consume the asset within twelve months after the reporting date. All cash and cash equivalents are deemed as current.

Current liabilities are recognised when the liability is due to be settled within twelve months after reporting date or the Trust does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Indemnification and insurance of Trustees

The State Government has advised that costs of indemnification of Trustees are a chargeable expense against the Trust and that the State indemnifies the Trust against losses of the Trust.

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Lease Rental and Interest

Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

(m) Expense payments

Payments to third parties are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as the contribution to the Club for repayment of Great Southern Stand and Northern Stand Redevelopment debt.

(n) Employee leave benefits

(i) Wages and salaries

Liabilities for wages and salaries are recognised and are measured as the amount unpaid at balance date and include appropriate on-costs such as WorkCover charges.

(ii) Annual leave

Annual leave benefits are accrued on a pro rata basis in respect of services provided by employees up to balance date. Provisions made in respect of annual leave expected to be settled within twelve months are measured at their nominal values, which includes on-costs, using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of annual leave which are not expected to be settled within twelve months are measured at the present value of the estimated future cash outflows to be made by the Trust in respect of services provided by employees up to the reporting date.

(iii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(o) Rounding

The amounts contained in this report and in the financial report have been rounded off to the nearest \$1,000 (where rounding is applicable, with the exception of Auditors' Remuneration) under the option available to the Trust under Standing Direction 4.2(d). The Trust is an entity to which the Standing Direction applies.

(p) Comparatives

Where necessary, comparative figures have been reclassified and repositioned for consistency with current year disclosures.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

| 31 MARCH 2007 | Notes | 2007 \$'000 | 2006 \$'000 |
|---------------|-------|----------------|----------------|
|---------------|-------|----------------|----------------|

3. REVENUES FROM CONTINUING OPERATIONS

Revenues from continuing operations

| | | | |
|--|----|--------------|-------|
| Lease rental from the Club | 20 | 3,482 | 3,387 |
| Total revenues from operating activities | | 3,482 | 3,387 |

Other revenues

| | | | |
|----------------------|--|-----------|----|
| Donations | | 4 | 4 |
| Interest revenue | | 58 | 88 |
| Other | | - | - |
| Total other revenues | | 62 | 92 |

Total revenues from continuing operations

3,544 3,479

4. EXPENSES FROM CONTINUING OPERATIONS

| | | | |
|--------------------|--|------------|-----|
| Operating expenses | | 142 | 159 |
|--------------------|--|------------|-----|

| | | | |
|--|----|--------------|-------|
| Contribution to the Club for repayment of Redevelopment Debt | 20 | 3,300 | 3,250 |
|--|----|--------------|-------|

5. TRADE AND OTHER RECEIVABLES (CURRENT)

| | | | |
|----------------|--|-----------|-----|
| GST receivable | | 45 | 154 |
| | | 45 | 154 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

| 31 MARCH 2007 | Notes | 2007 \$'000 | 2006 \$'000 |
|---------------|-------|----------------|----------------|
|---------------|-------|----------------|----------------|

6. PROPERTY, PLANT AND EQUIPMENT

Freehold land

| | | | |
|---------------|-------|---------------|--------|
| At fair value | 6 (a) | 31,425 | 31,425 |
| | | 31,425 | 31,425 |

Reconciliation

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial year.

(a) Freehold land

| | | | |
|--|--|---------------|--------|
| Carrying amount at beginning | | 31,425 | 26,615 |
| Additions / (Disposals) | | - | - |
| Net amount of revaluation increments less decrements | | - | 4,810 |
| | | 31,425 | 31,425 |

The carrying amount of the land is supported by an independent valuation, performed by Bentleys and obtained in March 2006, of \$31.425 million. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 31 March 2007.

7. OTHER NON-CURRENT ASSETS

NSM Sporting Collection

| | | | |
|----------------------|--|---------------|-----|
| At fair value - 2007 | | 10,947 | - |
| At cost | | - | 618 |
| | | 10,947 | 618 |

Reconciliation

Reconciliation of the carrying amounts of the NSM Sporting Collection at the beginning and end of the current and previous financial year.

| | | | |
|--|--|---------------|-----|
| Carrying amount at beginning | | 618 | 618 |
| Net amount of revaluation increments less decrements | | 10,329 | - |
| | | 10,947 | 618 |

An independent valuation of the NSM Sporting Collection was performed by Simon Storey Valuers to determine the fair value of the Collection. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 31 March 2007.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

| 31 MARCH 2007 | Notes | 2007 \$'000 | 2006 \$'000 |
|---|-------|------------------------------|----------------|
| 8. TRADE AND OTHER PAYABLES (CURRENT) | | | |
| Other payables | | 31 | 32 |
| | | 31 | 32 |
| (a) Aggregate amounts payable to related parties: | | | |
| Other related parties | 20 | 31 | 32 |
| | | 31 | 32 |
| Terms and conditions | | | |
| Terms and conditions relating to the above financial instruments: | | | |
| (i) Other payables relate to ground activities performed prior to balance date for which proceeds have not been received and distributions have not been made by the Trust at balance date. | | | |
| (ii) In addition, other payables also include expenditures incurred by the Club on behalf of the Trust for which the Trust is obligated to pay at year end. Refer to note 20 (b) (iii) for further details. | | | |
| 9. PROVISIONS (CURRENT) | | | |
| Annual leave | 13 | 11 | 22 |
| | | 11 | 22 |
| Expected utilisation of current employee benefits | | | |
| Within 12 months after year end | | 11 | 22 |
| 10. PROVISIONS (NON-CURRENT) | | | |
| Long service leave | 13 | 9 | - |
| | | 9 | - |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

| 31 MARCH 2007 | Notes | 2007 \$'000 | 2006 \$'000 |
|---|--------|----------------|----------------|
| 11. RESERVES AND ACCUMULATED FUNDS | | | |
| Asset revaluation | 11 (a) | 42,151 | 31,822 |
| Special purpose – NSM | 11 (b) | 44 | 40 |
| | | 42,195 | 31,862 |
| Accumulated funds | 11 (c) | 823 | 725 |
| (a) Asset revaluation | | | |
| <i>(i) Nature and purpose of reserve</i> | | | |
| The asset revaluation reserve is used to record increments and decrements in the value of non-current assets. | | | |
| <i>(ii) Movements in reserve</i> | | | |
| Balance at beginning of year | | 31,822 | 27,012 |
| Revaluation increments / (decrements) on revaluation of: | | | |
| - land | | - | 4,810 |
| - NSM Sporting Collection | | 10,329 | - |
| Balance at end of year | | 42,151 | 31,822 |
| (b) Special purpose – NSM | | | |
| <i>(i) Nature and purpose of reserve</i> | | | |
| The NSM reserve records donations provided to the Trust for the purchase of sporting memorabilia. | | | |
| <i>(ii) Movements in reserve</i> | | | |
| Balance at beginning of year | | 40 | 36 |
| Transfers from / (to) other equity accounts: | | | |
| - Accumulated funds | | 4 | 4 |
| Balance at end of year | | 44 | 40 |
| (c) Accumulated funds | | | |
| Balance at beginning of year | | 725 | 659 |
| Net result for the year | | 102 | 70 |
| Transfers from / (to) other equity accounts: | | | |
| - Asset revaluation reserve | | - | - |
| - Special purpose – NSM | | (4) | (4) |
| Balance at end of year | | 823 | 725 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

| 31 MARCH 2007 | Notes | 2007 \$'000 | 2006 \$'000 |
|---------------|-------|----------------|----------------|
|---------------|-------|----------------|----------------|

12. CASH FLOW INFORMATION

(a) Reconciliation of net result to the net cash flows from operations

| | | | |
|--|--|------------|-------------|
| Net result from continuing operations | | 102 | 70 |
| Changes in assets and liabilities | | | |
| (Increase)/decrease in trade and other receivables | | 109 | (55) |
| (Decrease)/increase in trade and other payables | | (1) | (45) |
| (Decrease)/increase in employee benefits | | (2) | 5 |
| Net cash flow from operating activities | | <u>208</u> | <u>(25)</u> |

(b) Reconciliation of cash

Cash and cash equivalents comprises:

| | | | |
|--|--|------------|------------|
| - cash on hand | | 132 | 51 |
| - short term deposits | | 520 | 393 |
| Cash and cash equivalents at end of year | | <u>652</u> | <u>444</u> |

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are at call and earn interest at the respective short-term deposit rates.

(c) Financing facilities available

| | | | |
|------------------|--|----------|----------|
| Total facilities | | <u>-</u> | <u>-</u> |
|------------------|--|----------|----------|

13. EMPLOYEE BENEFITS AND SUPERANNUATION COMMITMENTS

Employee Benefits

The aggregate employee benefit liability is comprised of:

| | | | |
|--------------------------|----|-----------|-----------|
| Provisions (current) | 9 | 11 | 22 |
| Provisions (non-current) | 10 | 9 | - |
| | | <u>20</u> | <u>22</u> |

Superannuation commitments

Superannuation contributions by the Trust on behalf of the Trust's employee comply with minimum requirements and are expensed at the time of payment.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

| 31 MARCH 2007 | Notes | 2007 \$'000 | 2006 \$'000 |
|---------------|-------|----------------|----------------|
|---------------|-------|----------------|----------------|

14. AUDITORS' REMUNERATION

Amounts received or due and receivable by Victorian Auditor General for:

| | | |
|---|--------|--------|
| – an audit of the financial report of the Trust | 10,200 | 10,000 |
| | 10,200 | 10,000 |

15. CONTINGENT LIABILITIES

At the date of this report, the Trust is not aware of any contingent liabilities.

16. SUBSEQUENT EVENTS

There are no subsequent events to the Trust's knowledge which significantly affect the operating results and state of affairs for the year ended 31 March 2007.

17. SEGMENT INFORMATION

The Trust operates in the sport and leisure sector, overseeing the Club's management of facilities at the MCG. Hence, it operates in one business and geographical segment.

18. EXPENDITURE COMMITMENTS

At the date of this report, the Trust is not aware of any capital or contracted expenditure commitments.

19. REDEVELOPMENT OF THE MCG

Under the provisions of the original Indemnity Deed dated 11 April 1990, the Club agreed to redevelop the Great Southern Stand at a cost of approximately \$150 million. The original Indemnity Deed has been renegotiated and a new Management and Indemnity ("M&I") Deed was signed (15 August 2002) by the Trust, the Club and the State Government of Victoria.

The original financing arranged by the Club in relation to the Great Southern Stand continues to be repaid over a 25-year period, with guarantees in respect of the financing being provided by the Trust and the Treasurer of Victoria in accordance with the specific provisions of the Indemnity Deed.

As part of the M&I Deed, the Club agreed to redevelop the Northern side of the MCG. The financing arranged by the Club will be repaid over approximately a 30-year period, with guarantees in respect of the financing being provided by the Treasurer of Victoria in accordance with the specific provisions of the M&I Deed.

The outstanding long-term debt in relation to the redevelopments of the MCG is recognised in the Club's accounts. Total Redevelopment Debt at 31 March 2007 for these projects is \$337.109 million (2006: \$345.066 million).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2007

20. RELATED PARTY DISCLOSURES

(a) The Office-bearers of the Trust during the financial year were:

| | |
|-------------------------------|---|
| Mr John M.R. Wylie (Chairman) | Mr Ross Inglis |
| The Honourable John Cain | Mr Chris J. Lovell |
| Ms Anne-Marie Corboy | Ms Kathryn M. Palmer |
| Mr Rodney V. Fehring | Mr F. Bruce Thompson (to 14th April 2006) |
| Mr Robert N. Herbert AM | Mr Paul J. Exell (Executive Officer) |

(b) The following transactions occurred with other related parties during the financial year:

(i) During the year the Trust received from the Club \$3.482 million (2006: \$3.387 million) in respect of the Club's lease rental of the MCG.

(ii) The Trust contributed \$3.300 million from its cash reserves to the Club for the repayment of Redevelopment Debt (2006: \$3.250 million).

(iii) From time to time, the Club undertakes transactions on behalf of the Trust. As at balance date, amounts payable by the Trust to the Club totalled \$0.031 million (2006: \$0.032 million).

21. GROUND MANAGER

On 15 August 2002, the Club entered into a "Deed of Variation of Lease" with the Trust pursuant to which the Club's existing tenancy of the MCG was extended until 31 March 2042 with an option to extend its lease over the Members' Reserve for a further 25 years. Under a separate management agreement with the Trust and the Government of Victoria, the Club's role as manager of the MCG has also been extended until 31 March 2042.

Building Improvements and Capital Work in Progress have been funded by the Club and are recognised in the Club's accounts at a written down value of \$542.577 million (2006: \$522.229 million). The residual interest in buildings and improvements at the ground will revert to the Trust at the end of the lease period. In addition, the Club as ground manager, in conjunction with the Trust, has entered into a lease with the AFL for a period of 40 years (ending 2032), covering an agreed area in the Great Southern Stand.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trust's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to meet obligations for the Trust's operations. The Trust has various other financial assets and liabilities such as trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Trust's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Trust's financial instruments are cash flow interest rate risk and credit risk.

Cash flow interest rate risk

The Trust's exposure to the risk of changes in market interest rates relates primarily to the Trust's cash, which is subject to floating interest rates.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2007

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Credit risk

The Trust trades only with recognised, creditworthy third parties.

It is the Trust's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the Trust.

With respect to credit risk arising from the other financial assets of the Trust, which comprise cash and cash equivalents, the Trust's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the Trust trades only with recognised third parties, there is no requirement for collateral.

23. FINANCIAL INSTRUMENTS

(a) Interest rate risk

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

| Financial Instruments | Floating interest rate | | Fixed interest rate maturing in: | | | | | | Weighted average effective interest rate | |
|-----------------------------|------------------------|----------------|----------------------------------|----------------|-------------------|----------------|-------------------|----------------|--|-----------|
| | | | 1 year or less | | Over 1 to 5 years | | More than 5 years | | | |
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 % | 2006 % |
| <i>(i) Financial assets</i> | | | | | | | | | | |
| Cash | 132 | 51 | - | - | - | - | - | - | 3.65 | 2.50 |
| Short term deposits | - | - | 520 | 393 | - | - | - | - | 5.90 | 5.40 |
| | 132 | 51 | 520 | 393 | - | - | - | - | | |

All other financial assets and financial liabilities, both recognised and unrecognised, are non-interest bearing.

(b) Fair values

All financial assets and liabilities are summarised in the above table. Where financial assets and liabilities have not been recorded at fair value the carrying amount approximates fair value at balance date. The following methods and assumptions are used to determine the fair values of financial assets and liabilities.

Recognised financial instruments

Cash and cash equivalents:

The carrying amount approximates fair value because of their short-term to maturity.

Trade and other receivables and trade and other payables:

The carrying amount approximates fair value.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2007

24. RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the year.

| | <i>Period</i> |
|--|------------------------|
| Responsible minister: | |
| Hon. Justin Madden Minister for Sport and Recreation | 1/04/2006 – 30/11/2006 |
| Hon. James Merlino Minister for Sport, Recreation and Youth Affairs | 1/12/2006 – 31/03/2007 |
| Trustees: | |
| Mr John M. R. Wylie (Chairman) | 1/04/2006 – 31/03/2007 |
| Hon John Cain | 1/04/2006 – 31/03/2007 |
| Ms Anne-Marie Corboy | 1/04/2006 – 31/03/2007 |
| Mr. Rodney V. Fehring | 1/04/2006 – 31/03/2007 |
| Mr Robert N. Herbert AM | 1/04/2006 – 31/03/2007 |
| Mr Ross Inglis | 1/04/2006 – 31/03/2007 |
| Mr Chris J. Lovell | 1/04/2006 – 31/03/2007 |
| Ms Kathryn M. Palmer | 1/04/2006 – 31/03/2007 |
| Mr F. Bruce Thompson (to 14th April 2006) | 1/04/2006 – 14/04/2006 |
| Accountable officer: | |
| Mr Paul J. Exell (Executive Officer) | 1/04/2006 – 31/03/2007 |

The Trustees as listed above have received no remuneration (2006: Nil). The Accountable Officer received remuneration within the income band \$90,000 - \$99,999 (2006: \$90,000 - \$99,999).

DECLARATION BY TRUSTEES

We certify the attached financial statements for the Melbourne Cricket Ground Trust have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Australian Accounting Standards and other professional reporting requirements.

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 31 March 2007 and the financial position of the Trust as at 31 March 2007.

We are not aware of any circumstance which would render any of the particulars included in the financial statements to be misleading or inaccurate.

On behalf of the Melbourne Cricket Ground Trust.



John M. R. Wylie
Chairman

Melbourne, 7 June 2007

INDEPENDENT AUDIT REPORT

Melbourne Cricket Ground Trust

To the Members of the Parliament of Victoria and the Trustees of the Trust

Scope

The Financial Report

The accompanying financial report for the year ended 31 March 2007 of Melbourne Cricket Ground Trust consists of operating statement, balance sheet, statement of changes in equity, cash flow statement, notes to and forming part of the financial report, and the declaration by trustees.

Trustees' Responsibility

The Trustees of the Melbourne Cricket Ground Trust are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the Audit Act 1994, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the Financial Management Act 1994, so as to present a view which is consistent with my understanding of the Trust's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

The Auditor-General's independence is established by the Constitution Act 1975. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the Financial Management Act 1994, the financial position of Melbourne Cricket Ground Trust as at 31 March 2007 and its financial performance and cash flows for the year then ended.

MELBOURNE
18 June 2007




D.D.R. Pearson
Auditor General

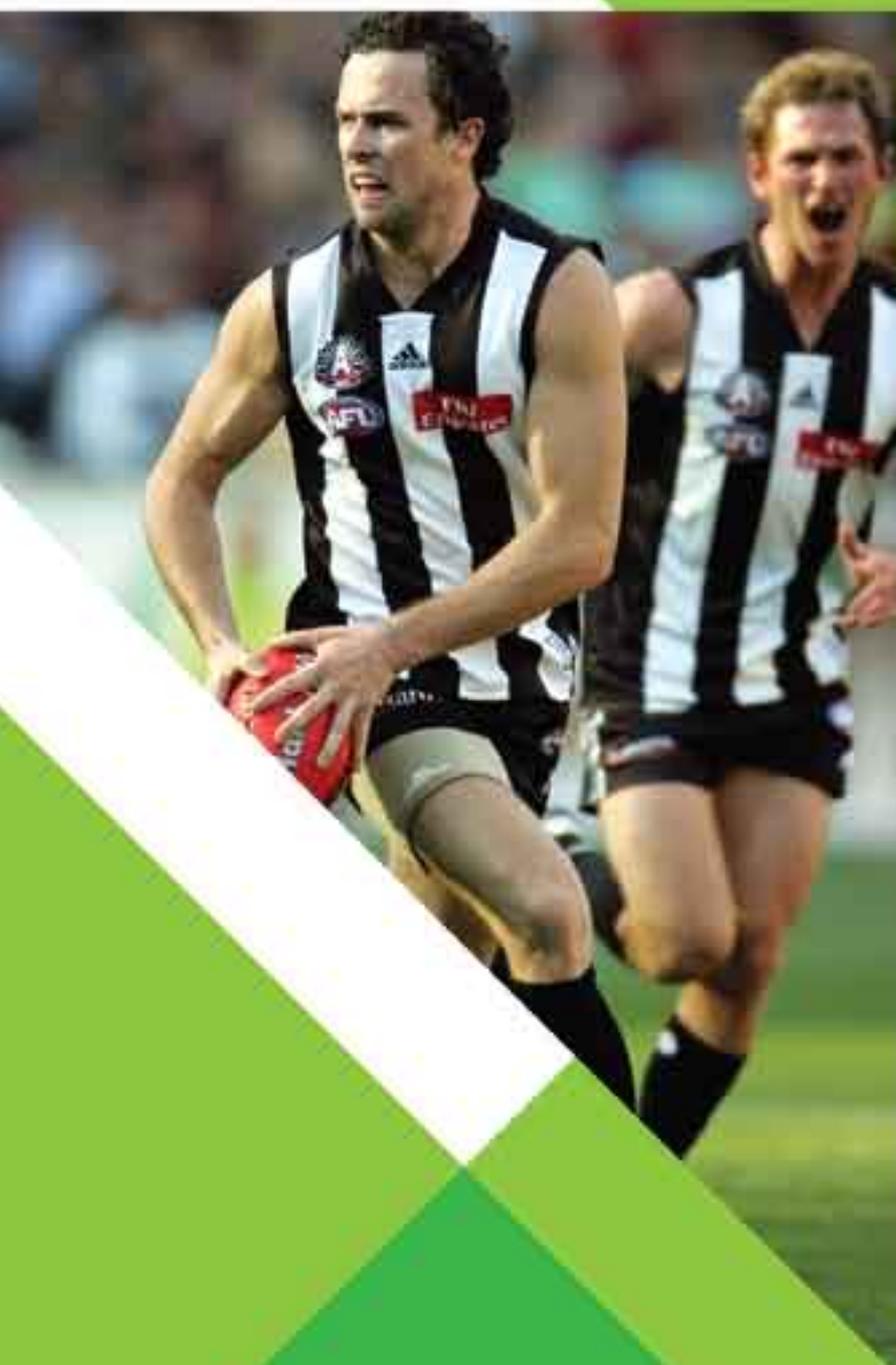
STATEMENT OF REVENUE AND EXPENDITURE FROM GROUND FUNCTIONS FOR THE YEAR ENDED 31 MARCH 2007

This unaudited statement shows the revenue and expenditure recorded by the Club in conducting events in the year ended 31 March 2007 in its role as ground manager. The statement is provided for information purposes only and does not form part of the Trust's financial report (for which an audit opinion has been issued).

| | 2007 \$'000 | 2006 \$'000 |
|------------------------------------|----------------|----------------|
| REVENUE | | |
| Cricket Matches | | |
| International and Domestic | 12,782 | 3,604 |
| AFL Matches | | |
| Finals | 18,546 | 18,399 |
| Other AFL Matches | 16,828 | 13,014 |
| | 35,374 | 31,413 |
| Soccer | | |
| International | 4,542 | - |
| | 52,698 | 35,017 |
| EXPENDITURE | | |
| Cricket Matches | | |
| Expenses | 4,398 | 1,325 |
| Cricket Victoria | 7,062 | 1,959 |
| Ground Manager | 1,322 | 320 |
| | 12,782 | 3,604 |
| AFL Matches - Finals | | |
| Expenses | 734 | 642 |
| Australian Football League | 15,972 | 15,931 |
| Ground Manager | 1,840 | 1,826 |
| | 18,546 | 18,399 |
| Other AFL Matches | | |
| Expenses | 5,362 | 3,930 |
| Australian Football League | 6,579 | 5,007 |
| Club Equalisation Fund | 2,491 | 2,239 |
| Ground Manager | 2,396 | 1,838 |
| | 16,828 | 13,014 |
| Soccer | | |
| Expenses | 325 | - |
| Football Federation of Australia | 3,886 | - |
| Ground Manager | 331 | - |
| | 4,542 | - |
| | 52,698 | 35,017 |
| TOTAL FUNCTIONS EXPENDITURE | 52,698 | 35,017 |

WHISTLEBLOWERS PROTECTION ACT

The Trust has adopted procedures in conformance with the requirements of the Whistleblowers Protection Act. These procedures apply to disclosures by any party of improper conduct or detrimental action by Trustees or the Executive Officer. Reports of such behaviour are to be made to the Executive Officer as the appointed disclosure officer or, if appropriate, the Chairman of the Trust. Reports of behaviour that are found to relate to the official activities of the Trust, are in the form of reprisals, are accurate and have public interest implications will be reported to the Ombudsman. No incidents of reportable behaviour have been received.





THE PEOPLE'S
GROUND