

MELBOURNE CRICKET GROUND TRUST

ANNUAL REPORT 2010/11



CHAIRMAN'S REVIEW

I am delighted to report another outstanding year for the MCG.

AFL attendances were the second highest on record, plans progressed for improvements to the Great Southern Stand and Yarra Park, and ground finances continued to be strong.

All in all, the MCG is a picture of health.

As ever, the MCG is all about sport and it was another year of memorable sporting occasions at the ground.

We witnessed the epic drawn Grand Final between Collingwood and St Kilda, only the third in VFL / AFL history. Congratulations to Collingwood on their performance in the Grand Final replay to secure their first AFL premiership in 20 years!

The first day's session of the 2010 Boxing Day Test at the MCG proved to be the pivotal point of the Ashes series, with England placing itself in an unassailable position through a superb bowling performance in conditions that suited its seaming bowlers.

We also hosted a One Day International celebrating the 40th anniversary of the world's first One Day International played at the MCG between Australia and England on 5th January 1971. Many of the Australian and English team members from that day joined us for this occasion – another reminder of the ground's great sporting history.

GREAT SOUTHERN STAND UPGRADE

A central part of the MCG Trust's mission is to ensure that the ground remains the benchmark sports stadium in Australia.

This means, among other things, state of the art facilities.

Consequently, we have been planning, together with the AFL, for a major refurbishment of the 20 year old Great Southern Stand. Plans for this were finalised during the year. They will result in a significant improvement to the AFL members reserve as well as improved facilities for all spectators in the stand. Our team has reviewed world's best practice in sports stadium design, management and facilities in planning the improvements.

It is expected that construction work will commence at the end of the AFL season in October 2011 with completion of the work expected by December 2012. The construction work will be planned to minimise disruption to activities at the ground during this period.

The \$55 million cost of the project will be funded by \$25 million from ground cash flows and \$30 million from the Victorian Government. The support of the Victorian Government is appreciated.

YARRA PARK

Plans have also been finalised for a substantial investment in Yarra Park over the next four years to ensure its sustainability and public amenity.

After a long and thorough planning process and wide consultation with community stakeholders, contracts have been finalised and work has commenced on a new 180 megalitre capacity water recycling facility for the park. This facility will ensure an adequate supply of class A water for use on the grass and trees of Yarra Park and for certain aspects of the MCG's operations.

The additional water will enable a significant improvement to the irrigation system within Yarra Park. Together with a programme to manage better the park's magnificent trees and plan for their replacement as they reach the end of their natural lives, the replacement and irrigation of much of the grass over the next four years should ensure that Yarra Park continues to be one of Melbourne's finest park lands.

The upgraded surface will enable car parking to continue with much less effect on the park land. The provision of low cost car parking is an important community facility for events not only at the MCG, but also at the adjacent Melbourne and Olympic Park sports complex.

Plans for Yarra Park are set out in the publicly available Management and Improvement Plan which receives annual approval by the State Government.

ATTENDANCES AT THE MCG

The total attendance of 3.56 million at MCG events during the year was the best for many years and compared with 3.25 million in the previous year.

Attendances at AFL matches at the MCG totalled 3.1 million, representing 43% of AFL attendances Australia-wide during the 2010 season. This figure underscores the MCG's central role in the modern game of AFL, more than 150 years after the game was first invented by Tom Wills and friends in Yarra Park.

We congratulate the AFL on its record-breaking new five year broadcasting agreement for 2012-2016 announced recently. Additional funding for the game will help it grow and prosper in a highly competitive sports market place. We note that the agreement provides for a substantial increase in live-against-the-gate broadcasting of matches, which has the natural potential to impact ground attendances. We are pleased that there has been no recent evidence of any adverse link – in fact, the best attended matches at the MCG in recent times have also been broadcast



TRUSTEES OF THE MCG TRUST

Back Row L to R: Mr Ross Inglis, Mr Chris J Lovell, Ms Anne-Marie Corboy, Mr Robert N. Herbert AM

Front Row L to R: The Honourable John Cain, Mr John M.R. Wylie AM (Chairman), Ms Kathryn (Kate) M Palmer, The Honourable Patrick J. McNamara

EXECUTIVE OFFICER
Mr Graeme Sinclair

CHAIRMAN'S REVIEW

live-against-the-gate. We are also pleased that the AFL remains strongly committed to maximising patronage at matches. We will, however, watch developments with interest. I would note in this context that the Trust understands the importance of broadcasting schedules to modern day AFL revenues, but we also remain keen to ensure that match scheduling at the MCG affords maximum opportunity for families with young children and for those wanting to enjoy football at the MCG at traditional times like Saturday afternoon, to attend matches.

In relation to cricket, total attendance figures for the Boxing Day Test were over 200,000 - we believe the largest aggregate crowd figure for a cricket test anywhere in the world for 2010. Even then it felt like there were many more in attendance, such was the contribution of the Barmy Army. In the shorter form of the game, Australia bounced back from its Ashes defeat to perform well in the ODI series. Attendances for the traditional 50 over ODI format continue to be under pressure. Twenty20 cricket continues to attract strong community interest beyond traditional cricket audiences.

PROMOTION OF GAMBLING AT SPORTING MATCHES AT THE MCG

One issue causing the Trustees significant concern is the rapid increase in the promotion of gambling during matches at the MCG, especially live betting odds. We see this as a poor development for the ground, for the sporting codes and for the community. The Trust has raised these concerns with relevant sports codes and our stadium media partners. It is our objective to see an end to the promotion of betting odds during matches at the MCG.

FINANCES

Ground finances continue to be strong, with debt reduction from the Northern Stand project still well ahead of schedule. Net debt at 31 March 2011 was \$256 million, some \$102 million lower than the level forecast at the time the Northern Stand project was undertaken. This strong financial position enables the Trust and the MCC to undertake the substantive new ground improvement projects discussed in this review earlier than would otherwise have been the case.

TRUSTEES

I thank all Trustees for their valuable contribution to the activities of the Trust during the year.

There were no changes to the composition of the Trust during the year. The Hon Patrick McNamara was re-appointed as a Trustee for a further three year term.

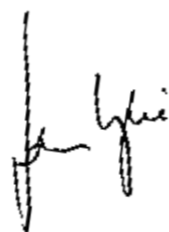
We welcome Graeme Sinclair as the new Executive Officer of the Trust, following the retirement of Paul Exell during the year.

MELBOURNE CRICKET CLUB

We congratulate Paul Sheahan on his election as the 26th President of the MCC. Paul joins the illustrious company of Hans Ebeling as the only test cricketers to have been accorded the honour of becoming President of the MCC. We are confident Paul will fill this position with distinction and elan. We look forward to working with him and his Vice Presidents David Crawford AO, Steven Smith and Stephen Spargo, and the entire MCC Committee.

I place on record my sincere appreciation to retiring MCC President, David Meiklejohn AM, who retired in early 2011 after completing a four year term as President. I and the Trust have greatly enjoyed working with David not only during his Presidency but also in his previous roles as Vice President and Treasurer of the MCC. David has served on the MCC Committee for an impressive 24 years and has made a very substantial contribution to the Club and the ground. In particular, he has played active roles in the two projects during this period that have resulted in the near-total reconstruction of the ground, namely the Great Southern Stand project from 1989 -1992 and the Northern Stand redevelopment from 2000-2006.

Finally, I congratulate former MCC President Bruce Church on his award of a Medal of the Order of Australia in the 2011 Queen's Birthday Honours List. We are delighted to see Bruce accorded this fitting recognition of his service to the MCG.



John Wylie AM
Chairman
30 June 2011

EXECUTIVE OFFICER'S REPORT

GROUND ATTENDANCES

The MCG enjoyed another year of strong attendances in 2010/11, thereby retaining its pre-eminence as Australia's leading sporting stadium. Attendance at all events was 3,569,792, an increase of 9.8 per cent on the previous year's 3,250,318.

AFL attendances throughout the 2010 season again were strong. The MCG, with its ease of access and exceptional patron facilities, plays an important part in attracting large crowds to the game. The continuing success of many of the Victorian teams resulted in significantly increased attendances at AFL games at the MCG.

Cricket attendances also increased during the year, with the Ashes tour by England and burgeoning interest in Twenty20 cricket being the major attractions.

There was only one other major event staged at the MCG in 2010/11, being the international soccer match between Australia and New Zealand before a crowd of 55,659.

FOOTBALL

Total attendance at all AFL home-and-away and finals matches was 7,147,052 in the 2010 season, 2.3 per cent up on the 6,985,633 in the previous year. Of this total 651,228 attended the finals, which included 100,016 at the drawn grand final and 93,853 at the grand final replay at the MCG.

The strength of the Victorian teams during the year meant that the MCG again hosted seven finals, as well as the grand final replay. As a result, attendance at football at the MCG improved by 10.4 per cent in the 2010 season. The MCG's proportion of all AFL attendances in 2010 was a very significant 43.1 per cent.

Average attendances at football matches at the MCG in recent years have continued to grow strongly, reaching 56,042 in the 2010 season despite the average attendance at the finals being at its lowest level for many years.

FOOTBALL ATTENDANCE AT THE MCG

SEASON	TOTAL ATTENDANCE AT MCG '000	NUMBER OF GAMES*	AVERAGE ATTENDANCE '000	MCG SHARE OF TOTAL AFL ATTENDANCE %
2010	3,082	55 (8)	56	43.1
2009	2,792	53 (7)	53	40.0
2008	2,779	53 (7)	52	39.2
2007	2,536	50 (5)	51	36.0
2006	2,018	42 (3)	48	30.0

*Number of games includes finals shown in brackets.

EXECUTIVE OFFICER'S REPORT

GROUND ATTENDANCES (CONT)

AVERAGE FOOTBALL ATTENDANCES AT THE MCG

	2010 SEASON	2009 SEASON	2008 SEASON	2007 SEASON	2006 SEASON
TENANT TEAMS					
COLLINGWOOD	68,469	54,668	62,321	56,191	59,404
HAWTHORN	50,278	52,339	52,803	42,206	34,147
MELBOURNE	40,232	29,596	32,651	33,998	39,348
RICHMOND	39,466	49,631	47,474	40,568	48,689
OTHER TEAMS					
	63,784	58,974	52,252	55,824	42,461
FINALS					
	70,864	76,071	73,564	82,512	83,081

CRICKET

International cricket attendance in Australia in the 2010/11 season was 1,098,795, an increase of 393,052 or 55 per cent on the previous season, as England retained the Ashes in Australia. Test match attendances at the MCG were the highest since the last England tour in 2006/07.

However, the declining trend in attendances for one-day internationals continues, as does the trend for Twenty20 internationals, although maintaining a much higher absolute level. Attendances at the MCG represented 32 per cent of total Australian attendances for international cricket matches during the 2010/11 season.

INTERNATIONAL CRICKET ATTENDANCE AT THE MCG

	2010/11	2009/10	2008/09	2007/08	2006/07
TEST MATCH					
NUMBER OF DAYS	4	5	5	4	3
TOTAL ATTENDANCE	239,165	156,344	174,558	166,663	244,351
AVERAGE ATTENDANCE	59,791	31,269	34,912	41,666	81,450
ONE-DAY INTERNATIONALS					
NUMBER OF MATCHES	2	2	2	3	3
TOTAL ATTENDANCE	54,178	41,020	68,017	99,757	165,607
AVERAGE ATTENDANCE	27,089	20,510	34,009	33,252	55,202
20/20 INTERNATIONALS					
NUMBER OF MATCHES	1	1	1	1	-
TOTAL ATTENDANCE	58,846	60,074	62,155	84,041	-
TOTAL ATTENDANCE					
	352,189	257,438	304,730	350,461	409,958

EXECUTIVE OFFICER'S REPORT

GROUND ATTENDANCES (CONT)

After a resurgence in interest in interstate cricket at the MCG in the 2009/10 season, due to the strong performance of the Victorian team in all forms of the game, attendances in 2010/11 returned to disappointing levels, particularly for Sheffield Shield and one-day matches.

STATE CRICKET ATTENDANCE AT THE MCG

	2010/11	2009/10	2008/09	2007/08	2006/07
SHEFFIELD SHIELD					
NUMBER OF DAYS	20	23	23	15	20
TOTAL ATTENDANCE	8,258	20,498	19,764	13,156	17,832
AVERAGE ATTENDANCE	413	891	859	877	892
ONE-DAY COMPETITION					
NUMBER OF DAYS	5	6	6	4	5
TOTAL ATTENDANCE	4,279	10,536	9,613	7,647	16,590
AVERAGE ATTENDANCE	855	1,756	1,602	1,912	3,318
TWENTY/20 STATE					
NUMBER OF DAYS	3	2	2	2	3
TOTAL ATTENDANCE	59,931	71,177	21,643	25,405	51,836
AVERAGE ATTENDANCE	19,977	35,589	10,822	12,703	17,279
TOUR MATCH					
NUMBER OF DAYS	3			2	
TOTAL ATTENDANCE	7,936			2,673	
AVERAGE ATTENDANCE	2,645			1,337	
TOTAL ATTENDANCE					
	80,404	102,211	51,020	48,881	86,258

EXECUTIVE OFFICER'S REPORT

NATIONAL SPORTS MUSEUM

The National Sports Museum is home to Australia's premier repository of sports-related collections, and is also the manager of the MCG Tours. As a collaborative museum, it consolidates and enhances the MCG's standing as Australia's home of sporting heritage.

The third year of operation saw the National Sports Museum and MCG Tours welcome visitation of just over 140,000 people, of whom eight per cent were international tourists and 31 per cent were from Australian states other than Victoria. Country Victorians accounted for 10 per cent of visitors, and the major segment (51 per cent) was from metropolitan Melbourne. Attendance by school groups increased to provide over 32 per cent of all visits.

The major highlight of the year was the completion of the third stage of capital development for the museum, and the opening in October 2010 of "Champions - Thoroughbred Racing Gallery" in the new space. This gallery is the result of an ongoing funding agreement between the National Sports Museum and the Australian Racing Museum (ARM). It incorporates exhibitions curated from the ARM's collections, plus the Australian Racing Hall of Fame.

The National Sports Museum's exhibitions draw on the Australian Gallery of Sport and Olympic Museum collection, developed by the MCC since 1986 and owned by the MCG Trust.

The National Sports Museum's program of temporary exhibitions and displays continued to provide additional and timely attractions for visitors. In the ISS Exhibitions Gallery, the program featured motor sports ("Driving Force"), soccer ("Global Game"), Australian football ("Home Ground Advantage") and the clashes between English and Australian cricket teams since 1861 ("Ashes to Ashes: Cricket's Cracking Rivalry").

Focus cases displayed rock climbing and mountaineering, the 30th anniversary of the founding of the Australian Institute of Sport, plus new acquisitions. Annual updates were unveiled in relation to the Australian Football Hall of Fame, the Sport Australia Hall of Fame and the Australian Cricket Hall of Fame. A major redesign of the boxing showcase introduced a digital representation of the Australian National Boxing Hall of Fame.

Holiday programs were delivered in partnership with Cadbury. The museum co-ordinated a successful MCG Community Day on the day after the grand final replay (October 3, 2010).

Artists Kate Daw and Stewart Russell completed their National Sports Museum Basil Sellers Creative Arts Fellowship and donated a work of art that arose from their 2009-10 fellowship project. Ms Ponch Hawkes, a Melbourne photographer, has been selected as the 2011-12 fellow.

Other acquisitions to the National Sports Museum collection included donations from organisations such as the Australian Olympic Committee, Football Federation Australia and the Victoria Police Heritage Unit.

Individual donations were accepted from Olympian Lydia Lassila, Paralympians Jessica Gallagher and Cameron Rahes-Rahbula, the Hon Justin Madden, Brian Dixon and the world's youngest solo, round-the-world sailor (and Young Australian of the Year 2011), Jessica Watson.

New sponsors welcomed during the year were ISS and Cadbury, and their involvement is gratefully acknowledged. The National Sports Museum entered into a second sponsorship with United Group Limited (UGL) whereby UGL has sponsored a "Great Netball Shootout" to develop awareness of careers in the rail sector among girls and women.

The support of these partners and the museum's foundation sponsors Coca-Cola and Spotless has been appreciated, as is the continuing commitment shown by the Herald and Weekly Times, Ticketek and the AFL and their broadcast partners.

EXECUTIVE OFFICER'S REPORT

FINANCE

The Trust continues to maintain a sound financial position.

The Trust earned a net \$3,850,000 in 2010/11 (before contributions to the club for redevelopment debt repayment purposes) compared with \$3,743,000 in 2009/10 (excluding the receipt of the Yarra Park land). Payments to the MCC totalled \$3,750,000 (2009/10: \$3,690,000).

At March 31, 2011 the Trust held assets valued at over \$131 million, including \$1.1 million in cash and term deposits.

The Trust's income primarily consists of ground rental from the MCC. The Trust then contributes most of its net income to the MCC to assist in the repayment of ground redevelopment debt. The rent charged is determined in accordance with the ground lease under which the MCG is leased to the MCC until 2042.

On March 30, 2011, the Trust signed a funding agreement with the Victorian Government under which the government will provide \$6 million towards the cost of landscaping and capital improvements in Yarra Park.

This work will be undertaken by the MCC on behalf of the Trust over the next four years. The \$2 million first instalment of the funding was received in April 2011. Work on the Yarra Park Water Recycling and Improvement project commenced in May 2011.

THANKS

In this, my first year as executive officer of the Trust, I wish to thank the Trustees for their support and the MCC management and staff for their assistance and advice and for making me feel welcome at the 'G.



Graeme Sinclair
Executive Officer
30 June 2011

THE MELBOURNE CRICKET GROUND TRUST

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2011

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2011	Notes	2011 \$'000	2010 \$'000
CONTINUING OPERATIONS			
Revenue	3	3,961	3,837
Operating expenses	4	(111)	(94)
Net result before contribution to the Melbourne Cricket Club ("the Club")		3,850	3,743
Fair value of Crown land - Yarra Park received free of charge	3	-	68,620
Fair value of Yarra Park plant and equipment received free of charge	3	-	1,203
Contribution to the Club for repayment of Great Southern Stand and Northern Stand Re-development debt ("Re-development Debt")	4	(3,750)	(3,690)
Contribution to the Club of Yarra Park plant and equipment	4	-	(1,203)
NET RESULT FOR THE YEAR	9 (c)	100	68,673
OTHER COMPREHENSIVE INCOME			
Fair Value Revaluations:			
Australian Gallery of Sport and Olympic Museum Collection ("AGOS-OM Collection")		-	350
Other Comprehensive Income for the year		-	350
Total Comprehensive Income for the year		100	69,023

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2011	Notes	2011 \$'000	2010 \$'000
CURRENT ASSETS			
Cash and cash equivalents	10 (b)	1,013	876
Trade and other receivables	5	93	113
TOTAL CURRENT ASSETS		1,106	989
NON-CURRENT ASSETS			
Property, plant and equipment	6	118,203	118,203
Other	7	12,150	12,150
TOTAL NON-CURRENT ASSETS		130,353	130,353
TOTAL ASSETS		131,459	131,342
CURRENT LIABILITIES			
Trade and other payables	8	29	12
TOTAL CURRENT LIABILITIES		29	12
TOTAL LIABILITIES		29	12
NET ASSETS		131,430	131,330
TRUST FUNDS			
Accumulated funds	9	69,870	69,770
Reserves	9	61,560	61,560
TOTAL TRUST FUNDS		131,430	131,330

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2011	Accumulated Funds \$'000	Other Reserves \$'000	Total Equity \$'000
Balance at 31 March 2009	1,097	61,210	62,307
Changes in Equity			
Transfer from accumulated funds	-	-	-
Result for the year ended 31 March 2010	68,673	-	68,673
Other Comprehensive Income	-	350	350
Balance at 31 March 2010	69,770	61,560	131,330
Changes in Equity			
Transfer from accumulated funds	-	-	-
Result for the year ended 31 March 2011	100	-	100
Other Comprehensive Income	-	-	-
Balance at 31 March 2011	69,870	61,560	131,430

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2011	Notes	2011 \$'000	2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(74)	(170)
Interest received		62	44
Ground lease rental from the Club		3,899	3,793
Contribution to the Club for repayment of Re-development Debt		(3,750)	(3,690)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	10 (a)	137	(23)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		137	(23)
Cash and cash equivalents at beginning of year		876	899
CASH AND CASH EQUIVALENTS AT END OF YEAR	10 (b)	1,013	876

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

31 MARCH 2011

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* as the successor to the unincorporated Trustees who held office under the *Melbourne Cricket Ground Act 1933*. The 1989 Act provided that the assets and liabilities of the Trustees became the assets and liabilities of the Trust. The 1933 and 1989 Acts were repealed in 2009 with the provisions re-enacted in the *Melbourne Cricket Ground Act 2009* ("The Act").

The Trust was appointed as the Committee of Management for Yarra Park effective from 15 March 2010 under the terms of the *Melbourne Cricket Ground and Yarra Park Amendment Act 2009* ("Yarra Park Amendment Act").

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 ("MCG") status as a leading provider of premium sporting content, and the management of Yarra Park. 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 financial report was authorised for issue by Mr John Wylie AM, Chairman, on 26 May 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"), Interpretations and the *Financial Management Act 1994*. The financial report has also been prepared on a historical cost basis, except for land, the AGOS-OM Collection and Yarra Park assets, which have been measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of compliance

In the application of Australian Accounting Standards, 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.

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 Australian Accounting Standards 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2011

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

(b) Statement of Compliance (cont'd)

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 Trust has adopted the following new and revised Australian Accounting Standards and Interpretations issued by the AASB which are mandatory to the reporting period ended 31 March 2011 and the comparative information presented for the year ended 31 March 2010. The adoption of these standards did not have a material impact on this financial report and is not likely to affect future periods.

(i) AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

(ii) AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

The following new accounting standards, amendments to standards and interpretations have been published that are not mandatory for 31 March 2011 reporting periods. The Trust has not applied them in preparing this financial report.

(i) AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard affects the accounting for financial liabilities that are designated at fair value through profit or loss. The Trust does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The Trust has not yet determined when to adopt AASB 9.

(ii) Revised AASB 124 *Related Party Disclosures*

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with government and other government-related entities. The Trust will apply the amended standard from 1 April 2011. Minimal impact is expected to arise from its application.

(iii) AASB 2009-12 *Amendments to Australian Accounting Standards*

This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. In particular, it amends AASB 8 *Operating Segments* to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes amendments to reflect changes made to the text of International Financial Reporting Standards ("IFRS") by the International Accounting Standards Board ("IASB"). The Trust will apply the amended standard from 1 April 2011. Minimal impact is expected to arise from its application.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2011

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

(b) Statement of Compliance (cont'd)

(iv) AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

Amendments reflected in this standard are:

- i) Emphasis on the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments;
- ii) Clarification that an entity will present an analysis of Other Comprehensive Income for each component of equity, either in the Statement of Changes in Equity or in the notes to the financial statements;
- iii) Guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions; and
- iv) Clarification that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

The Trust will apply the amended standard from 1 April 2011. Minimal impact is expected to arise from its application.

(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.

(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) Yarra Park

Yarra Park (the parklands that surround the MCG) was permanently reserved as a public park in June 1873. Since 1917, the Council of the City of Melbourne ("the Council") has been appointed as the Committee of Management for Yarra Park. The Yarra Park Amendment Act revoked the appointment of the Council and appointed the Trust as the Committee of Management for Yarra Park, thereby expanding the functions of the Trust and specifying the management arrangements and the implementation of an Improvements Plan for Yarra Park.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2011

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

(f) Yarra Park (cont'd)

Under the Yarra Park Amendment Act, the Trust also assumes responsibility for car parking arrangements, receiving advice from the Yarra Park Advisory Committee on the operation and management of Yarra Park, and the honouring of existing licences and contracts established by the Council. Further, any money received by or on behalf of the Trust in relation to Yarra Park may only be spent on the operation, management, maintenance and improvement of Yarra Park, and such monies received and spent must be separately accounted for in the financial report.

The Yarra Park Amendment Act also allows the Trust to delegate its functions and responsibilities for Yarra Park to the Melbourne Cricket Club and it has done so via the execution by the Trust, the Club and the relevant Ministers of a formal *Instrument of Delegation and Second Deed of Amendment to the MCG Management and Indemnity Deed*. These agreements appoint and allow the Club to fulfil all of the responsibilities assigned to the Trust under the Yarra Park Amendment Act.

(g) Property, plant and equipment

(i) Crown land - MCG

The Act provides 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 MCG's land reserved under an Order in Council dated 20 February 1934. No cost was incurred by the Trust in respect of this land.

Crown land for the MCG 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.

This land was independently revalued at \$49.583 million at March 2009 and has been recorded at that value in the accounts at 31 March 2011 after an independent review was conducted at that date.

(ii) Crown land - Yarra Park

The Yarra Park Amendment Act transfers the regulation of Crown land at Yarra Park to the control of the Trust.

This land was contributed for nil consideration from the Council to the Trust effective 15 March 2010. It 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.

This land was independently valued at \$68.620 million at June 2009 by the Council and upon contribution to the Trust was initially recognised at that value in the accounts at 31 March 2010. An independent review conducted at 31 March 2011 has determined the fair value of this land at that date does not materially differ from the carrying value.

(iii) Yarra Park - other plant and equipment

Upon the enactment of the Yarra Park Amendment Act, Yarra Park plant and equipment assets, as recorded by the Council, were contributed to the Trust for nil consideration. Given the Trust has then delegated its Yarra Park responsibilities to the Club, the Trust initially recognised the fair value of these assets at 15 March 2010 and then contributed them to the Club for nil consideration.

The valuation of Yarra Park plant and equipment assets was determined as follows:

- i) An assessment of the future economic value of each asset class was conducted, based on information provided by the Council, analysis of that information and impending development works under the Yarra Park Improvement Plan.
- ii) Upon confirming the existence of material future economic value, fair value was then determined based upon depreciated replacement cost.

In the prior year, the net effect on the Trust's financial report of the recognition and subsequent contribution of Yarra Park plant and equipment assets to the Club was nil.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2011

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

(g) Property, plant and equipment (cont'd)

(iv) 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 Statement of Comprehensive Income, except to the extent that this write down can be debited to an asset revaluation reserve account applicable to that class of asset.

(h) Other assets – AGOS-OM Collection (part of the National Sports Museum ("NSM"))

The AGOS-OM Collection comprises assets that the Trust intends to preserve because of their unique historical and cultural attributes. 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 for purchases and fair value for donated items until the next valuation.

At each balance date, the value of the AGOS-OM 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.

The AGOS-OM Collection was independently revalued at \$12.150 million at 31 March 2010 and has been recorded at that value in the accounts at 31 March 2011.

The Collection is managed, maintained and displayed by National Sports Museum Limited ("NSML"), in accordance with the Melbourne Cricket Ground Trust Exhibition Agreement.

(i) 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.

(j) 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 Statement of Financial Position. Cash Flows are included in the Statement of Cash Flows 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2011

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

(k) 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.

(l) 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.

(m) 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.

(n) 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 Re-development debt.

(o) Employee leave benefits

The Trust employed nil employees during the year (2010: nil employees). No employee leave benefits are owed at balance date (2010: nil benefits owed).

(p) 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 (or in certain cases to the nearest dollar), under the option available to the Trust under Standing Direction 4.2(d). The Trust is an entity to which the Standing Direction applies.

(q) Comparatives

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2011	Notes	2011 \$'000	2010 \$'000
3. REVENUES FROM CONTINUING OPERATIONS			
Revenues from continuing operations			
Lease rental from the Club	17	3,899	3,793
Total revenues from operating activities		3,899	3,793
Other revenues			
Donations		-	-
Interest revenue		62	44
Total other revenues		62	44
Total revenues from continuing operations		3,961	3,837
Yarra Park – Crown land received free of charge			
At fair value		-	68,620
Yarra Park plant and equipment received free of charge			
At fair value		-	1,203
4. EXPENSES FROM CONTINUING OPERATIONS			
Operating expenses		111	94
Contribution to the Club for repayment of Re-development Debt	17	3,750	3,690
Contribution to the Club of Yarra Park plant and equipment	17	-	1,203
5. TRADE AND OTHER RECEIVABLES (CURRENT)			
GST receivable		92	113
Other receivables		1	-
		93	113

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2011	Notes	2011 \$'000	2010 \$'000
6. PROPERTY, PLANT AND EQUIPMENT			
<i>Crown land - MCG</i>			
At fair value	6 (a)	49,583	49,583
<i>Crown land - Yarra Park</i>			
At fair value	6 (b)	68,620	68,620
<i>Yarra Park plant and equipment</i>			
At fair value	6 (c)	-	-
		118,203	118,203
Reconciliation			
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial year.			
<i>(a) Crown land - MCG</i>			
Carrying amount at beginning of year		49,583	49,583
Additions / (Disposals)		-	-
Net amount of revaluation increments less decrements		-	-
		49,583	49,583
The carrying amount of Crown land at the MCG is supported by an independent valuation performed by Bentleys obtained at 31 March 2009 of \$49.583 million. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the value in use of the land, based upon a discounted cash flow methodology applied to the lease between the Trust and the Club. The valuation was based on independent assessments. At 31 March 2010 an independent review determined the fair value of Crown land at the MCG did not materially differ from the carrying value.			
<i>(b) Crown land - Yarra Park</i>			
Carrying amount at beginning of year		68,620	-
Additions / (Disposals)		-	-
Net amount of revaluation increments less decrements		-	68,620
		68,620	68,620

Upon contribution from the Council, Yarra Park Crown land was initially recognised by the Trust at 15 March 2010. The carrying amount of this land is supported by the Council's valuation methodology and an independent review performed by Bentleys obtained at 31 March 2011. This review determined the fair value of this land did not materially differ from the carrying value of \$68.620 million. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the value in use of the land, with a discount factor applied. The valuation was based on independent assessments.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2011	Notes	2011 \$'000	2010 \$'000
6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)			
<i>(c) Yarra Park plant and equipment</i>			
Carrying amount at beginning of year		-	-
Additions / (Disposals)		-	-
Net amount of revaluation increments less decrements		-	1,203
Contributions to the Club		-	(1,203)
		-	-

Upon contribution from the Council, Yarra Park plant and equipment deemed by the Trust to hold future economic value was initially recognised by the Trust at 15 March 2010. An independent valuation of these assets was performed by ARUP at 15 March 2010. This valuation determined the fair value of these assets to be \$1.203 million, by reference to the depreciated replacement cost. Immediately upon initial recognition and given the Trust has delegated its Yarra Park responsibilities to the Club, the Trust contributed all Yarra Park plant and equipment to the Club for nil consideration.

7. OTHER NON-CURRENT ASSETS

AGOS-OM Collection (part of the NSM)

At fair value		12,150	12,150
		12,150	12,150

Reconciliation

Reconciliation of the carrying amounts of the AGOS-OM Collection at the beginning and end of the current and previous financial year.

Carrying amount at beginning of year		12,150	11,800
Net amount of revaluation increments less decrements		-	350
		12,150	12,150

An independent valuation of the AGOS-OM Collection was performed by Simon Storey Valuers at 31 March 2007 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. At 31 March 2010, an independent review performed by Michael Fahey (accredited valuer) determined the fair value of the Collection to be \$12.150 million and the carrying amount of the Collection was increased accordingly at that date. This review was determined on the same basis of valuation as the earlier assessment at 31 March 2007. The Collection is required to be revalued every five years. No amendment has been made to the valuation of the Collection in the current year.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2011	Notes	2011 \$'000	2010 \$'000
8. TRADE AND OTHER PAYABLES (CURRENT)			
Other payables		-	1
Accrued Charges		29	11
		29	12
(a) Aggregate amounts payable to related parties:			
Other related parties	17	27	1
		27	1

Terms and conditions

Terms and conditions relating to the above financial instruments:

- (i) Other payables and accrued charges relate to ground activities performed prior to balance date for which payment has not been made by the Trust at balance date.
- (ii) In addition, other payables and accrued charges also include expenditures incurred by the Club, Melbourne Cricket Club Foundation Limited ("the Foundation") and NSML on behalf of the Trust for which the Trust is obligated to pay at year end. Refer to note 17 (b) (iv) for further details.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2011	Notes	2011 \$'000	2010 \$'000
9. RESERVES AND ACCUMULATED FUNDS			
Asset revaluation	9 (a)	61,512	61,512
Special purpose – NSM	9 (b)	48	48
		<u>61,560</u>	<u>61,560</u>
Accumulated funds	9 (c)	<u>69,870</u>	<u>69,770</u>
(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		61,512	61,162
Revaluation increments / (decrements) on revaluation of:			
- Crown land - MCG		-	-
- AGOS-OM Collection		-	350
Balance at end of year		<u>61,512</u>	<u>61,512</u>
(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		48	48
Transfers from / (to) other equity accounts:			
- Accumulated funds		-	-
Balance at end of year		<u>48</u>	<u>48</u>
(c) Accumulated funds			
Balance at beginning of year		69,770	1,097
Net result for the year		100	68,673
Transfers from / (to) other equity accounts:			
- Asset revaluation reserve		-	-
- Special purpose – NSM		-	-
Balance at end of year		<u>69,870</u>	<u>69,770</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2011	Notes	2011 \$'000	2010 \$'000
10. CASH FLOW INFORMATION			
(a) Reconciliation of net result to the net cash flows from operations			
Net result from continuing operations		100	68,673
Non-cash recognition of Crown land - Yarra Park		-	(68,620)
Changes in assets and liabilities			
(Increase)/decrease in trade & other receivables		20	(11)
(Decrease)/increase in trade & other payables		17	(65)
Net cash flow from/(used in) operating activities		<u>137</u>	<u>(23)</u>
(b) Reconciliation of cash			
Cash and cash equivalents comprises:			
- cash at bank		114	81
- short term deposits		899	795
Cash and cash equivalents at end of year		<u>1,013</u>	<u>876</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		-	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2011

Notes

2011
\$

2010
\$

11. AUDITORS' REMUNERATION

Amounts received or due and receivable by Victorian Auditor

General for:

– an audit of the financial report of the Trust

12,100	16,950
12,100	16,950

12. CONTINGENT LIABILITIES

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

13. 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 2011.

14. 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.

15. EXPENDITURE COMMITMENTS

At the date of this report, the Trust is not aware of any capital or contracted expenditure commitments, other than those commitments under the Yarra Park Amendment Act and under the funding agreement for landscape and capital improvement works within Yarra Park, which have been delegated by the Trust to the Club under the provisions of the *Instrument of Delegation* and *Second Deed of Amendment to the MCG Management and Indemnity Deed*.

16. 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 was re-negotiated 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 re-developments of the MCG is recognised in the Club's accounts. Total Re-development Debt at 31 March 2011 for these projects is \$293.015 million (2010: \$307.728 million).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2011

17. RELATED PARTY DISCLOSURES

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

Mr John M. R. Wylie AM (Chairman)	Mr Chris J. Lovell
The Honourable John Cain	The Honourable Patrick J. McNamara
Ms Anne-Marie Corboy	Ms Kathryn M. Palmer
Mr Robert N. Herbert AM	Mr Paul J. Exell (Executive Officer – to 31 July 2010)
Mr Ross Inglis	Mr Graeme W. Sinclair (Executive Officer – from 29 October 2010)

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

- (i) During the year the Trust received from the Club \$3.899 million (2010: \$3.793 million) in respect of the Club's lease rental of the MCG.
- (ii) The Trust contributed \$3.750 million from its cash reserves to the Club for the repayment of Re-development Debt (2010: \$3.690 million).
- (iii) During the year, the Trust contributed Yarra Park plant and equipment assets with a fair value of nil (2010: \$1.203 million) to the Club.
- (iv) From time to time, the Club, the Foundation and NSML undertake transactions on behalf of the Trust. As at balance date, amounts payable by the Trust to the Club totalled \$10,437 (2010: nil), amounts payable by the Trust to the Foundation totalled \$17,008 (2010: nil), and amounts payable by the Trust to NSML totalled nil (2010: \$654).

18. GROUND MANAGER

On 15 August 2002, the Club entered into a *Deed of Variation of Lease* with the MCG 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 \$492.361 million (2010: \$508.935 million). The residual interest in buildings and improvements at the ground will revert to the Trust at the end of the lease period.

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

31 MARCH 2011

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trust's activities expose it primarily to the financial risks of changes in interest rates. The Trust does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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. Policies for managing the main risks are summarised below:

Interest rate risk exposures

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.

Credit risk exposure

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.

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

31 MARCH 2011

20. 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		1 to 5 years		More than 5 years			
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 %	2010 %
<i>(i) Financial assets</i>										
Cash	114	81	-	-	-	-	-	-	3.60	2.85
Short term deposits at call	899	795	-	-	-	-	-	-	4.50	3.30
	1,013	876	-	-	-	-	-	-		

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

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

31 MARCH 2011

20. FINANCIAL INSTRUMENTS (Cont'd)

(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.

(c) Liquidity risk management

Ultimate responsibility for liquidity risk rests with the Trustees, who have built an appropriate liquidity risk management framework for the management of the Trust's short, medium and long-term funding and liquidity management. The Trust manages the liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecast and actual cash flows while matching the maturity profiles of financial assets and liabilities. Given the current surplus cash assets, liquidity risk is minimal.

(d) Sensitivity analysis

At 31 March 2011, if interest rates had changed by +/- 50 basis points from the year-end rates with all other variables held constant, the net result for the year would have been \$0.007 million lower/higher (2010: change of 50 basis points, \$0.006 million lower/higher), mainly as a result of lower/higher interest income from cash and cash equivalents.

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

31 MARCH 2011

21. 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. James Merlino Minister for Sport, Recreation and Youth Affairs	01/04/2010 – 27/11/2010
Hon. Edward Baillieu Premier	27/11/2010 – 31/03/2011
and	
Hon. Hugh Delahunty Minister for Sport and Recreation	27/11/2010 – 31/03/2011
Trustees:	
Mr John M. R. Wylie AM (Chairman)	01/04/2010 – 31/03/2011
Hon. John Cain	01/04/2010 – 31/03/2011
Ms Anne-Marie Corboy	01/04/2010 – 31/03/2011
Mr Robert N. Herbert AM	01/04/2010 – 31/03/2011
Mr Ross Inglis	01/04/2010 – 31/03/2011
Mr Chris J. Lovell	01/04/2010 – 31/03/2011
Hon. Patrick J. McNamara	01/04/2010 – 31/03/2011
Ms Kathryn M. Palmer	01/04/2010 – 31/03/2011
Accountable Officers:	
Mr Paul J. Exell (Executive Officer)	01/04/2009 – 31/07/2010
Mr Graeme W. Sinclair (Executive Officer)	29/10/2010 – 31/03/2011

The Trustees and Accountable Officers as listed above have received no remuneration (2010: Nil). The Accountable Officer acts as an independent contractor.

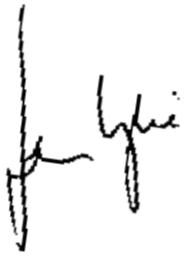
DECLARATION BY TRUSTEES

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 Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 31 March 2011 and the financial position of the Trust as at 31 March 2011.

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 AM
Chairman
Melbourne, 26 May 2011

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Trustees, Melbourne Cricket Ground Trust

The Financial Report

The accompanying financial report for the year ended 31 March 2011 of Melbourne Cricket Ground Trust which comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the declaration by trustees has been audited.

The Trustees' Responsibility for the Financial Report

The Trustees of the Melbourne Cricket Ground Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of the Melbourne Cricket Ground Trust for the year ended 31 March 2011. The Trustees of the Melbourne Cricket Ground Trust are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Melbourne Cricket Ground Trust's web site.

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. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Melbourne Cricket Ground Trust as at 31 March 2011 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
30 May 2011


D D R Pearson
Auditor-General

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.

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