



ANNUAL REPORT 2015/16

MELBOURNE CRICKET GROUND TRUST





TRUSTEES OF THE MCG TRUST

Mr Robert Herbert AM (Chairman)

Mr Ian Carson

Hon. Peter Costello AC

Ms Jane Fenton AM

Ms Siobhan McKenna

Hon. Patrick McNamara

Mr Dale Monteith

Mr Paul O'Malley

Ms Stephanie Reeves

CHAIRMAN'S REPORT

The 2015 – 2016 year was one of consolidation and forward planning for the MCG. Much has been achieved and there is much to do. This augurs well for MCG patrons and stakeholders. It has been an important year for preserving the MCG's icon status at the centre point of sport in Australia.

Planning for the future has been a year-long exercise. It has required a thorough review of progress on strategic projects identified in 2012 and, as is required by legislation, the finalisation of a five-year business plan out to 2020. It has been a collaborative exercise involving the Melbourne Cricket Club as Ground Manager and the MCG Trust overseeing the proposed outcomes on behalf of the people of Victoria.

ACHIEVEMENTS

There are numerous achievements to acknowledge. These have been built around a stronger engagement with MCC membership, enhancing the experience of all patrons attending the MCG and ensuring the 'G' continues as a world class facility. Great credit must go to Stephen Gough and his team for the manner in which they have fulfilled the MCC's mandated role as Ground Manager while administering one of the world's most successful sporting Clubs.

Standing out among the many achievements is the completion of the \$45 million 'Smart Stadium' project – on time and within budget. Footy and cricket fans are enjoying the substantially enlarged vision boards, LED illumination, home team promotions and enhanced connectivity through extensive Wi-Fi coverage, IPTV and Distributed Antenna System (mobile phone) installations. These enhancements are receiving a pleasing response from fans.

The 'Energy Performance Contract' was also completed during the year. Noticeable efficiencies will accrue in both energy usage and costs, providing a pay back over seven years of the \$8 million invested. This compliments the water treatment facilities completed a year earlier, the benefits of which are now apparent in the greening of the surrounding landscape of Yarra Park and a significantly reduced draw on Melbourne's mains water supply.

The MCG Trust has legislated responsibility for Yarra Park and the MCC has the contracted management role. There has been continuing engagement with all park user groups and local residents, led by Trustee Pat McNamara. A huge and obvious improvement has been achieved through tree and grass maintenance and renewal and controlled parking access. Fittingly, Yarra Park is now the final destination of the AFL Grand Final parade and, for those who dare, the Melbourne marathon. These events engage the community with the MCG precinct and generate a spill-over to MCG tours and the National Sports Museum.

The Trust encourages the widest possible usage of the facilities provided by the MCG. While the AFL is perhaps the dominant stakeholder with around 2.5 million patrons annually, cricket's Big Bash League is generating increasing spectator engagement on top of the more traditional test and ODI series. As well, during the year, the MCG hosted the International Soccer Champion's Cup and the Rugby League's State of Origin match, both with massive attendances which cannot be catered for in other Australian stadia. Open days, kick-to-kick opportunities, the 'Stadium Stomp' and the attractions in the National Sports Museum should also be recognised as engaging the community with the 'G'. In the process, top priority has been given to ensuring the MCG turf is replenished and retained in first class order.

Hardly a week goes by without the MCG being involved in initiatives that reflect a commitment to CSR – Corporate Social Responsibility. The Indigenous AFL round stands out, but several other charities are supported, including research for motor neuron disease and the MCG sleep out, financially supporting the homeless.

CHAIRMAN'S REPORT

GAMING

The MCG Trust takes very seriously its role in influencing socially responsible behaviours in areas within its control. The Trust is particularly mindful of the social impact of gaming on our community. Informed by, amongst other factors, the rising tide of concern about overt and covert gaming advertising impacting children and vulnerable members of our community, the Trust will work with the Ground Manager and our primary ground users to develop a sensible framework for gaming and its advertising in and around the MCG. Given current contractual arrangements, any such move will take time to develop and to implement. However, the Trust anticipates it will have wide community support for starting the process in earnest to restrain future contractual arrangements that rely on gaming advertising revenues.

PROVISIONAL MEMBERSHIP

The MCC's success as a sporting Club is reflected by its 100,000 membership with a waiting list of over 200,000 creating a huge time lag for those aspiring for membership. With support from the Trust, a new category of 'Provisional' membership was endorsed by an MCC Special General Meeting. The benefits include earlier access to membership, an additional flow of revenue to be applied to MCC member pursuits and, through the Trust, to the amenity of the Ground for the benefit of all comers. Both the Trust and the Club will closely monitor the progress achieved with this new member opportunity.

SECURITY

A dominant element of MCG Trust deliberations has been around the issue of security for patrons and players. It has been a feature of every Trust meeting and has required extensive collaboration with the MCC as Ground Manager, the participating sporting codes and in turn with the police and other security agencies. Controlling access points and safe egress from the ground has been the subject of expert input. The security measures implemented are being closely monitored. It has been pleasing to see the almost universal acceptance of the necessity to tighten security in the wake of experiences overseas. A security master plan is being developed and its implementation will be a continuing Trust and Ground Manager responsibility. Not unrelated is the proposed development of a safety master plan.

TO THE FUTURE

The Trust endorsed five-year plan for the MCG is comprehensive. The MCC Committee and staff, together with the Trust have been engaged in the necessary dialogue to fine tune the plan which has the approval of the Victorian Government. Customers are to be at the centre of the plan particularly their security and the safety of patrons, players and staff.

MCG ROOF EXPERIENCE

Exciting plans are on foot. A stand out is the proposed launch of the non-event day opportunity, the MCG roof experience. The operational model and marketing strategy has Trust approval and construction will soon follow. Great excitement is being generated by the prospect of a walk along the MCG roof enjoying the vista in all directions, an insight into the scoreboard technology, followed by a 'flying fox' ride across the hallowed MCG turf.

CHAIRMAN'S REPORT

STRATEGIC DIRECTIONS

The Trust takes the view that while there must be a focus on delivering the well-researched and documented plans over the next five years, it is imperative to plan strategically for the longer term – twenty or more years out. This is where the MCG Trust is focussing much of its attention to ensure the MCG retains its iconic status for future generations of sports lovers. The MCC as Ground Manager, with Steven Smith at the helm as MCC President and his Committee are tuned into this and, together with the Trust, an 'over the horizon' scenario is being developed.

There is much longer term planning to do. What will be the requirements including time scale for rebuilding the Great Southern Stand or refurbishing the Northern Stand, now a decade old? What should the inter-play be with the tennis centre, Olympic Park, AAMI stadium and other elements of the sports (and perhaps arts) precinct? How will transport requirements be met, can road congestion to and from the ground be eased? How will major projects be financed? These are all important agenda items that require focus.

A priority among future projects is that of decking the adjacent railyards, connecting with and developing Richmond Station for safe and efficient ground access and inter-related synergies with MCG infrastructure and security requirements. A big step forward has been taken in this regard. MCG Trustee, Peter Costello has chaired the Railyards Decking Feasibility Study Group and the comprehensive Report has been presented to the Victorian Government, placing on record well thought through plans for developments relevant to these scenarios. In the mind of the Trust and the Ground Manager immediate steps must be taken to secure all the pathways for such developments to ensure there are no insurmountable barriers encountered.

ACKNOWLEDGEMENTS

As Trust Chairman I have enjoyed the support of a strong and active group of Trustees. Our relationships with the MCC as Ground Manager are working harmoniously and we have the continuing support and engagement of the Victorian Government. The beneficiaries are the people of Victoria and the MCG patrons, all of whom benefit from what this iconic stadium has to offer them.



R N (Bob) Herbert AM
Chairman

Melbourne, 28 June 2016

EXECUTIVE OFFICER'S REPORT

FINANCIAL RESULTS

I am pleased to report that the Trust continues to be in a strong and sound financial position.

Like-for-like gross revenues were marginally higher at \$4.419m in 2015/16 (\$4.375m in 2014/15 [\$5.275m including Yarra Park funding]). The significant difference was 2014/15 saw a payment (\$900k) from the State Government towards the Yarra Park Management & Improvement Plan. That \$900k payment was matched by a payment from the Trust to the Ground Manager as a contribution towards Yarra Park improvements.

The Trust's major ongoing item of expenditure arises from its in-principle understanding with the MCC that, where possible, the Trust will contribute the bulk of its net income towards the MCC's debt reduction program (contributions of \$4.642m in 2015/16 compared to \$4.598 in the prior year all inclusive of GST).

The year-end surplus was \$105k (\$87k in 2014/15) and total assets of the Trust now stand at \$217m (\$201m in 2014/15).

ACTIVITIES AT THE MCG

AFL

The average "home and away" match day attendance increased across 45 games by 3% to 48,329 in the 2015 season (46,928 in 2014). Overall attendance throughout the AFL season was 2,495,287 (2,505,366 in 2014). The overall attendance numbers were impacted by the fact that only four finals games were played at the MCG in the 2015 season compared to five finals in the 2014 season.

Average finals series match attendance numbers did, however, increase to 80,120 (from 78,719 in the 2014 season).

SEASON	TOTAL ATTENDANCE AT MCG '000	NUMBER OF GAMES (NO OF FINALS)	AVERAGE ATTENDANCE '000
2015	2,495	49 (4)	51
2014	2,505	51 (5)	50
2013	2,791	51 (6)	55
2012	2,703	52 (5)	52
2011	3,069	54 (7)	57
2010	3,082	55 (8)	56

The Trust is delighted with the announcement of the National Women's League to commence in 2017. This announcement recognises the growing popularity of the game for female athletes and is another very positive step forward reflecting the popularity of elite women's sport as a drawcard for sports fans in this country.

EXECUTIVE OFFICER'S REPORT

CRICKET

Cricket remains a significant drawcard for MCG patrons although the nature of the cricket events is changing. The attractiveness of international cricket tests is very much subject to the appeal of the touring side. Seven days of international cricket were scheduled for the 2015/16 season (8 days in 2014/15) and attracted overall attendances of 233,494 (264,454 in 2014/15) and an average daily attendance of 33,356 (33,057 in 2014/15).

The table below reflects the relative attractiveness of seasons with a test against the West Indies and an ODI series against India (2015/16) compared to the 2014/15 season series against South Africa and India and the 2013/14 series which included a series against the old foe, England.

MCG – INTERNATIONAL MATCH DAYS	2015/16 SEASON	2014/15 SEASON	2013/14 SEASON
MATCH DAYS	7	8	6
TOTAL ATTENDANCE	233,494	264,454	373,358
AVERAGE ATTENDANCE	33,356	33,057	62,226

The Big Bash League (BBL) is proving to be a huge hit with cricket fans. Seven BBL matches were played during the season, including one Women's BBL (WBBL) match. This form of the game attracted a total of 241,790 fans (4 matches in 2014/15 attracted 110,793 fans). A record crowd of over 80,000 for the Victorian derby between the Renegades and the Stars coupled with the WBBL match on 2 January 2016 highlights the attractiveness of this form of the game.

SEASON	NO OF MATCHES	TOTAL ATTENDANCE	AVERAGE ATTENDANCE
2012/13	4	85,705	21,426
2013/14	5	99,757	19,951
2014/15	4	110,793	27,698
2015/16	6*	241,790	40,298

*Includes the 2 January 2016 BBL/WBBL double-header recorded as 1 match.

The emergence of women's cricket is continuing and the WBBL matches are attracting interest and crowds especially as an enhanced double-header with a men's match. We look forward to encouraging this growing momentum as yet another way to showcase the quality and excitement of women's elite sport.

OTHER SPORTING EVENTS

The 2015 series of the International Champion's Cup was again a great success and saw the largest crowd for a soccer match in Australia – over 99,000 for Real Madrid Vs Man City at the MCG. The 2016 series should again be an attractive draw card for soccer fans with Tottenham Hotspur, Atletico Madrid and Juventus competing for the Cup in July.

Australian rugby league fans also demonstrated their love for the big games at the MCG with an NRL State of Origin match (NSW Vs Qld) attracting a record crowd of 91,500 at the MCG in 2015.

EXECUTIVE OFFICER'S REPORT

SECURITY

The Ground Manager continues to undertake extensive research and has engaged security specialists to advise on the best possible arrangements that will provide a high degree of safety for MCG patrons without creating unacceptable levels of delay and inconvenience. The so-called "ring of steel" was tested through the summer months at cricket events with all patrons subject to security wand and bag checks at entry points 25 meters back from the ground entrance gates. For smaller crowds the security arrangements worked efficiently but, at peak times, with larger crowds, the queues were unacceptably long and the delays were significant. Whilst most patrons accepted the delays with good grace and understood the reasons for them, it became obvious that the physical infrastructure required created unintended but real safety issues if there was an incident requiring an emergency evacuation of the ground. The Trust will continue to work with the Ground Manager in the search for a safe and acceptable combination of measures that meet community expectations for safety, amenity and convenience and that ensure the MCG retains its reputation as *The People's Ground*.

CUSTOMER SERVICES

Reaction to the lower food and beverage pricing at the MCG has been very positive. The Trust continues to encourage and to support the Ground Manager's endeavours to keep prices down albeit recognising that many of their input costs are rising leading to modest price increases in 2016/17.

The Ground Manager reflects the Trust's desire to ensure that the typical patron experience at the MCG is as least as good as at the best stadia anywhere in the world. Measuring and monitoring such standards and benchmarks is an imprecise art but the Ground Manager has instituted a customer satisfaction survey process to ensure that we understand what our patrons think about their experience at the MCG. It's too early to draw meaningful conclusions from the data thus far but the early signs are that people are generally enjoying their experience at our world-class stadium. There is always room to improve and the Ground Manager has instituted a "CARE at the G" program focussing on key elements of the customer experience to better understand the components of that experience and to ensure that our staff deliver the best services possible to all our patrons.

YARRA PARK

Working through the Ground Manager, the Trust has overseen the development and implementation of the Yarra Park Management & Improvement Plan. The plan, now at the end of its 5th year, has a number of key objectives including enhancing the landscape qualities of Yarra Park and reinvigorating the health of existing trees and grass surfaces as well as a program of new and replacement tree plantings.

The plan was developed via a thorough program of audits of park conditions, input from relevant State Government departments as well as seeking input from groups associated with residents' amenity, infrastructure & services, sports events and land managers. Managing the complex and often competing interests of a wide range of Park uses and users requires thoughtful oversight and often a need to find acceptable compromises. The current state of the Park, its trees, grassed areas and the local wildlife suggest that the plan continues to have a very beneficial impact for all concerned.

EXECUTIVE OFFICER'S REPORT

NATIONAL SPORTS MUSEUM (NSM)

The NSM is a unique element of the total MCG experience as well as being a significant tourist attraction in its own right. Attendance numbers show modest growth, peaking during school holiday periods (over one third of NSM visitations occur during school holidays).

2016/17 will see some new displays with a focus on the Rio Olympics and further development of external but related drawcard events like the Foxtel Footy Festival, the Melbourne Marathon finish and the Grand Final parade concluding in Yarra Park. These external events pull crowds to Yarra Park that can then be drawn into MCG Tours and to the NSM. The operator (The MCC on behalf of the Trust) continues to look for innovative ways of linking these and other activities in and around the MCG with an NSM visit to further grow patronage and museum revenues.

MY THANKS

I took up this position effective from 1 November 2015 and have been grateful to the Chairman and Trustees for their warm welcome as well as for their patience and tolerance of my need to learn my way into the role. Similarly, Mr Stephen Gough, CEO of the MCC, and his staff have been unstinting in the time and support they have provided me as a newcomer to the MCG team.

In conclusion I would like to thank Graeme Sinclair for the support he gave me leading up to and after his retirement as Executive Officer of the Trust. He left the organisation in great shape and has been generous in his support as I found my way into the role as his successor.



Ben Foskett
Executive Officer

Melbourne, 28 June 2016

MELBOURNE CRICKET GROUND TRUST

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2016	Notes	2016 \$'000	2015 \$'000
Revenue	3	4,419	5,275
Operating expenses		(94)	(108)
Contribution to Melbourne Cricket Club ("the Club") for repayment of Great Southern Stand and Northern Stand Re-development debt ("Re-development Debt")	14	(4,220)	(4,180)
Contribution to the Club for Yarra Park landscape upgrade	14	-	(900)
NET RESULT FOR THE YEAR	7 (c)	105	87
OTHER COMPREHENSIVE INCOME			
Fair Value Revaluations:			
Crown land - MCG	5, 7 (a)	-	-
Crown land - Yarra Park	5, 7 (a)	16,871	4,326
Australian Gallery of Sport and Olympic Museum Collection ("AGOS-OM Collection")	5, 7 (a)	(939)	-
Other Comprehensive Income for the year		15,932	4,326
Total Comprehensive Income for the year		16,038	4,413

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 31 MARCH 2016	Notes	2016 \$'000	2015 \$'000
CURRENT ASSETS			
Cash and cash equivalents	8 (b)	1,361	1,291
Trade and other receivables	4	103	103
TOTAL CURRENT ASSETS		1,464	1,394
NON-CURRENT ASSETS			
Property, plant and equipment	5	205,047	188,176
Other non-current assets	5	10,779	11,682
TOTAL NON-CURRENT ASSETS		215,827	199,858
TOTAL ASSETS		217,291	201,253
CURRENT LIABILITIES			
Trade and other payables	6	14	14
TOTAL CURRENT LIABILITIES		14	14
TOTAL LIABILITIES		14	14
NET ASSETS		217,277	201,239
EQUITY			
Accumulated funds	7	70,201	70,096
Reserves	7	147,076	131,143
TOTAL EQUITY		217,277	201,239

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2016	Accumulated Funds \$'000	Other Reserves \$'000	Total Equity \$'000
Balance at 31 March 2014	70,009	126,817	196,826
Changes in Equity			
Result for the year ended 31 March 2015	87	-	87
Other Comprehensive Income	-	4,326	4,326
Balance at 31 March 2015	70,096	131,143	201,239
Changes in Equity			
Result for the year ended 31 March 2016	105	-	105
Other Comprehensive Income	-	15,932	15,932
Balance at 31 March 2016	70,201	147,076	217,277

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2016	Notes	2016 \$'000	2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(100)	(115)
Interest received		28	41
Ground lease rental from the Club		4,791	4,743
State Government of Victoria contribution – Yarra Park landscape upgrade		-	900
Contribution to the Club for repayment of Re-development Debt		(4,642)	(4,598)
Contribution to the Club for Yarra Park landscape upgrade		-	(900)
GST cash flows		(7)	82
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	8 (a)	70	63
Net increase/(decrease) in cash and cash equivalents		70	63
Cash and cash equivalents at beginning of year		1,291	1,228
CASH AND CASH EQUIVALENTS AT END OF YEAR	8 (b)	1,361	1,291
Non-cash transactions	8 (c)	36	22

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

31 MARCH 2016

1. MELBOURNE CRICKET GROUND TRUST ("THE TRUST") INFORMATION

The first Trustees of the Melbourne Cricket Ground ("MCG") were appointed by the Victorian Government in 1861. 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 MCG's 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.

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, 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 and the AGOS-OM Collection, 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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016

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

(b) Statement of compliance (cont'd)

Consistent with AASB 13 Fair Value Measurement, the Trust determines the policies and procedures for recurring fair value measurements in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Trust has determined the classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. In addition, the Trust determines whether transfers have occurred between the levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(c) Cash and cash equivalents

For the purposes of the cash flow statement, cash includes cash on hand and cash at bank, 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.

(d) 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.

(e) 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") had 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.

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.

The Yarra Park Amendment Act also allows the Trust to delegate its functions and responsibilities for Yarra Park to the 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. The Club will continue to act as the Committee of Management for Yarra Park for as long as the Club is the Ground Manager.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016

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

(f) 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 the 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. Valuation of the land from the Valuer-General Victoria is generally completed every five years. The next valuation will be 31 March 2017.

(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. Valuation of the land from the Valuer-General Victoria is generally completed every five years. The next valuation will be 31 March 2017.

(iii) 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.

(g) Other non-current 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 material 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 Collection is managed, maintained and displayed by National Sports Museum Limited ("NSML"), in accordance with the Melbourne Cricket Ground Trust Exhibition Agreement. The AGOS-OM Collection was revalued in the 2016 financial year.

(h) 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 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.

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 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 2016

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

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) Employee leave benefits

The Trust did not employ staff during the year (2015: no staff employed). No employee leave benefits are owed at balance date (2015: nil benefits owed). Administration services for the Trust are provided by the Club's staff at no cost to the Trust.

(n) Rounding

Amounts in the financial statements have been rounded to the nearest \$1,000, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

(o) Events after reporting date

Where applicable, adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date of signing of the financial statements. Adjustments are made where those events provide information about items which existed in the reporting period.

(p) Financial instruments

Financial instruments arise out of contractual arrangements that give rise to a financial asset of one entity and a financial liability or equity of another entity. Due to the nature of the Trust's activities, the principal financial instrument of the Trust is cash assets.

(q) Equity and Reserves

Accumulated funds include all current and prior period retained funds. Revaluation reserves include the increments and decrements on the revaluation of non-current assets.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016

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

(r) Contingent assets and liabilities

Contingent assets and liabilities, if any, are not recognised in the balance sheet, but are disclosed by way of a note. Contingent assets and liabilities, if quantifiable, are measured at nominal value.

(s) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 12) at their nominal value.

(t) New accounting standards issued that are not yet effective

New and revised Australian Accounting Standards and Interpretations issued by the AASB which are not mandatory for the reporting period ended 31 March 2016 and the comparative information presented for the year ended 31 March 2015, have been adopted by the Trust. The range and sensitivity analysis in Note 5(a) C was not included, as part of early adoption of AASB 2015-7.

(u) Scope and presentation of financial statements

Statement of Comprehensive Income

The statement of comprehensive income comprises two components, being 'net result for the year' and 'other comprehensive income for the year'. The sum of these components represents the total comprehensive income for the year in accordance with Australian Accounting Standards.

Balance Sheet

Assets and liabilities are presented in liquidity order. Current and non-current assets and liabilities (non-current being those assets or liabilities expected to be recovered or settled more than 12 months after the reporting period) are disclosed in the Trust Balance Sheet.

Statement of Cash Flows

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under *AASB 107 Statement of Cash Flows*.

Statement of Changes in Equity

The statement of changes in equity presents reconciliation of changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016	Notes	2016 \$'000	2015 \$'000
3. REVENUES			
Lease rental from the Club	14	4,355	4,312
Total revenues from operating activities		4,355	4,312
Other revenues			
Interest revenue		28	41
Asset donations received		36	22
State Government of Victoria contribution – Yarra Park landscape upgrade	14	-	900
Total other revenues		64	963
Total revenues		4,419	5,275
4. TRADE AND OTHER RECEIVABLES			
GST receivable		103	103
Total receivables		103	103

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016

2016
\$'000

2015
\$'000

5. PROPERTY, PLANT AND EQUIPMENT

Crown land - MCG

Carrying amount at beginning of year	75,700	75,700
Net amount of revaluation increment	-	-
Fair Value at 31 March 2016	75,700	75,700

Crown Land - Yarra Park

Carrying amount at beginning of year	112,476	108,150
Net amount of revaluation increment	16,871	4,326
Fair Value at 31 March 2016	129,347	112,476

Total Property, Plant and Equipment

205,047	188,176
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Other Non-Current Assets

AGOS-OM Collection (part of the NSM)

Carrying amount at beginning of year	11,682	11,660
Net amount of revaluation increment	(939)	-
Add donated items	36	22
Fair Value at 31 March 2016	10,779	11,682

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016

5 (a) Fair value measurements

The Trust measures and recognises the following assets at fair value on a recurring basis:

- Land
- AGOS-OM Collection

(i) Fair value measurement hierarchy for assets at 31 March 2016

The following table presents the Trust's assets measured and recognised at fair value at 31 March 2016.

	Notes	Carrying amount	Fair value measurement at end of reporting period using:		
			Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000	\$'000
Balance at 31 March 2015					
Specialised land at fair value					
Crown Land – MCG	5, 2(b)	75,700	-	-	75,700
Crown Land – Yarra Park	5, 2(b)	112,476	-	-	112,476
Total of specialised land at fair value		188,176	-	-	188,176
Cultural assets at fair value					
AGOS-OM Collection	5, 2(b)	11,682	-	-	11,682
Total of cultural assets at fair value		11,682	-	-	11,682
Balance at 31 March 2016					
Specialised land at fair value					
Crown Land – MCG	5, 2(b)	75,700	-	-	75,700
Crown Land – Yarra Park	5, 2(b)	129,347	-	-	129,347
Total of specialised land at fair value		205,047	-	-	205,047
Cultural assets at fair value					
AGOS-OM Collection	5, 2(b)	10,779	-	-	10,779
Total of cultural assets at fair value		10,779	-	-	10,779

There were no transfers between levels 1, 2 or 3 for recurring fair value measurements during the year. The Trust's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short term nature.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016

5 (b) Valuation techniques used to derive level 3 fair values

All fair value estimates for non-financial assets are included in level 3.

(i) Crown Land - Yarra Park

The level 3 fair value of the Yarra Park land has been derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre and given the nature of the property a discount for a Community Service Obligation (CSO).

The CSO is an allowance made to reflect the difference between the highest and best use of unrestricted freehold land and assets held by the public sector. It reflects reductions in land value due to uses which are physically possible, legally permissible and financially feasible.

(ii) Crown Land - MCG

In view of the long term lease involved, the most appropriate method of the valuation of the land under lease to the Melbourne Cricket Club is the discounted cash flow method. This method involves the calculation of the present day value of the net cash flows being the present value of future rental streams under the lease into perpetuity.

(iii) AGOS-OM Collection

For the AGOS-OM collection the Trust obtains independent valuations from a qualified valuer at least every five years. The latest valuation, by Michael Fahey of Sports Memorabilia Australia, at 31 March 2016 was for \$10,779,325. Fair value for the AGOS-OM collection is determined by reference to the best available market evidence. Where available, this is based on the current market selling price of the same or similar works or on the estimated amount which market participants would be prepared to pay. As there are a large number of items in the collection, the whole collection has been valued using scientific sampling techniques. At the end of each reporting period the Trustees update their assessment of the fair value of the collection, taking into account any additions or disposals during the period and obtaining advice from the independent valuer that the fair value of the collection did not materially differ from the carrying value.

(iv) Reconciliation of Level 3 fair value

	2016 \$'000		2015 \$'000	
	Specialised land	Cultural assets	Specialised land	Cultural assets
OPENING BALANCE	188,176	11,682	183,850	11,660
Purchases (sales)	-	-	-	-
Transfers in (out) of Level 3	-	-	-	-
Gains or losses recognised in net result	-	36	-	22
Depreciation	-	-	-	-
Impairment loss	-	-	-	-
SUBTOTAL	188,176	11,718	183,850	11,682
Gains or losses recognised in other economic flows – other comprehensive income				
Revaluation	16,871	(939)	4,326	-
SUBTOTAL	16,871	(939)	4,326	-
CLOSING BALANCE	205,047	10,779	188,176	11,682
Unrealised gains/(losses) on non-financial assets	-	-	-	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016

5 (b) Valuation techniques used to derive level 3 fair values (Cont'd)

If one or more of the significant inputs is not based on observable market data, the asset is included in Level 3. This is the case for land and cultural assets.

For its land assets the Trust obtains independent valuations from the Victorian Valuer General at least every five years. The latest valuation of the Yarra Park land was at 31 March 2012 using the market approach adjusted for CSO. The latest valuation of the MCG land was at 31 March 2014 using the discounted cash flow method. The latest valuation of the AGOS-OM Collection was at 31 March 2016 using the best available market evidence and scientific sampling techniques.

At the end of each reporting period between formal valuation dates the Trustees update their assessment of the fair value of each property, taking into account the most recent independent valuations, movements in the Valuer General's commercial land indexation factors and movements in any other relevant criteria.

Land: indexation of future rental streams, discount rates and Community Service Obligation discounts are estimated by the Victorian Valuer General based on comparable assets and transactions and industry data.

5 (c) Description of significant unobservable inputs to Level 3 valuations for 2016 and 2015

Valuation inputs and relationships to fair value

The following table summarises the quantitative and qualitative information regarding the significant unobservable inputs used in the level 3 fair value measurements.

Description	Valuation technique	Significant unobservable inputs
Crown Land – MCG	Discounted Cash flow approach	Indexation of future rental streams Discount rate applied to future rental streams Term of discounting
Crown land – Yarra Park	Market Approach	Direct cost per square metre Community Service Obligation (CSO) adjustment East Melbourne Commercial land indexation for 2015
AGOS-OM Collection	Market Approach using a sampling technique	Selecting an appropriate comparable item at market value

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016

Notes

2016
\$'000

2015
\$'000

6. TRADE AND OTHER PAYABLES

Accrued Audit Fees

14

14

14

14

7. RESERVES AND ACCUMULATED FUNDS

Asset revaluation

7 (a)

147,027

131,095

Special purpose – National Sports Museum (“NSM”)

7 (b)

48

48

147,076

131,143

Accumulated funds

7 (c)

70,201

70,096

(a) Asset revaluation

(i) Nature and purpose of reserve

The asset revaluation reserve is used to record increments and decrements in the value of non-current assets.

(ii) Movements in reserve

Balance at beginning of year

131,095

126,769

Revaluation increments / (decrements) on revaluation of:

- Crown land - MCG

-

-

- Crown land – Yarra Park

16,871

4,326

- AGOS-OM Collection

(939)

-

Balance at end of year

147,027

131,095

(b) Special purpose – NSM

(i) Nature and purpose of reserve

The NSM reserve records donations provided to the Trust for the purchase of sporting memorabilia.

(ii) Movements in reserve

Balance at beginning of year

48

48

Transfers from / (to) other equity accounts:

- Accumulated funds

-

-

Balance at end of year

48

48

(c) Accumulated funds

Balance at beginning of year

70,096

70,009

Net result for the year

105

87

Transfers from / (to) other equity accounts:

- Asset revaluation reserve

-

-

- Special purpose – NSM

-

-

Balance at end of year

70,201

70,096

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016	Notes	2016 \$'000	2015 \$'000
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8. CASH FLOW INFORMATION

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

Net result	105	87
Less non-cash revenue	(36)	(22)
Changes in assets and liabilities		
(Increase)/decrease in trade & other receivables	-	(2)
Increase/(decrease) in trade & other payables	-	-
Net cash flow from/(used in) operating activities	70	63

(b) Reconciliation of cash

Cash and cash equivalents comprises:

- cash at bank	66	15
- short term deposits	1,295	1,276
Cash and cash equivalents at end of year	1,361	1,291

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) Non cash transactions

During the reporting period the Trust received \$35,975 (2015: \$22,350) in donation revenue in the form of AGOS-OM collection assets. These were not reflected in the cash flow statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016

2016
\$'000

2015
\$'000

9. AUDITORS' REMUNERATION

Amounts due to the Victorian Auditor General for:

– an audit of the financial report of the Trust

14

14

14

14

10. CONTINGENT LIABILITIES

Other than the financial guarantees disclosed in note 13, the trust is not aware of any other contingent liabilities.

11. SUBSEQUENT EVENTS

There are no events subsequent to the end of the financial year which, to the Trust's knowledge, will significantly affect the operating results and state of affairs of the Trust for the year ended 31 March 2016.

12. 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*. The amount committed under the funding agreement for landscape and capital improvements works within Yarra Park is \$0.100 million for the year ended 31 March 2017.

13. RE-DEVELOPMENT 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 will be fully repaid by March 2017, 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 fully repaid by March 2026, 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 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 2016 for these projects is \$195.909 million (2015: \$225.892 million).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016

14. RELATED PARTY DISCLOSURES

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

Mr Robert Herbert AM	Mr Dale Monteith
Mr Ian Carson	Mr Paul O'Malley
The Hon. Peter Costello AC	Ms Stephanie Reeves
Ms Jane Fenton AM	Mr Graeme Sinclair (Executive Officer)
The Hon. Patrick McNamara	Mr Ben Foskett (Executive Officer)
Ms Siobhan McKenna	

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

- (i) During the year the Trust received from the Club \$4.355 million (2015: \$4.312 million) in respect of the Club's lease rental of the MCG.
- (ii) The Trust contributed \$4.220 million from its cash reserves to the Club for the repayment of Re-development Debt (2015: \$4.180 million).
- (iii) During the year, under the terms of an *Instrument of Delegation*, the Trust contributed Yarra Park landscape and capital improvement funding of nil (2015: \$0.900 million) to the Club.
- (iv) From time to time, the Club, the Melbourne Cricket Club Foundation and NSML undertake transactions on behalf of the Trust. As at balance date, amounts payable by the Trust to the Club were nil (2015: nil) and amounts payable by the Trust to the Melbourne Cricket Club Foundation and the NSML were nil (2015: nil).

15. 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 \$477.007 million (2015: \$477.809 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 2016

16. 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.

17. 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			
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 %	2015 %
<i>(i) Financial assets</i>										
Cash	66	15							0.01	0.01
Short term deposits at call	1,295	1,276							2.00	3.00
	1,361	1,291								

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016

17. 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:

The carrying amount approximates fair value.

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

Cash and short term deposits at call include a deposit of \$1.361 million (2015: 1.291 million) that is exposed to floating rates movements. Sensitivities to these movements are calculated using a movement of 50 basis points up and 50 basis points down, leading to a net result of \$0.007m (2015: \$0.006m).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2016

18. 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 Ministers:	
Hon. Daniel Andrews Premier	01/04/2015 – 31/03/2016
and	
Hon. John Eren Minister for Tourism and Major Events	01/04/2015 – 31/03/2016
Trustees:	
Mr Robert Herbert AM (Chairman)	01/04/2015 – 31/03/2016
Mr Ian Carson	01/04/2015 – 31/03/2016
Hon. Peter Costello AC	01/04/2015 – 31/03/2016
Ms Jane Fenton AM	01/04/2015 – 31/03/2016
Ms Siobhan McKenna	25/08/2015 – 31/03/2016
Hon. Patrick McNamara	01/04/2015 – 31/03/2016
Mr Dale Monteith	01/04/2015 – 31/03/2016
Mr Paul O'Malley	01/04/2015 – 31/03/2016
Ms Stephanie Reeves	01/04/2015 – 31/03/2016

The Trustees as listed above have received no remuneration (2015: Nil).

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, Balance Sheet, 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 2016 and the financial position of the Trust as at 31 March 2016.

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.



Robert N. Herbert AM
Chairman

Melbourne, 28 June 2016

INDEPENDENT AUDITOR'S REPORT

To the Trustees, Melbourne Cricket Ground Trust

The Financial Report

I have audited the accompanying financial report for the year ended 31 March 2016 of the Melbourne Cricket Ground Trust which comprises the statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration by trustees.

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, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Trustees determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The 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.

Independent Auditor's Report (continued)

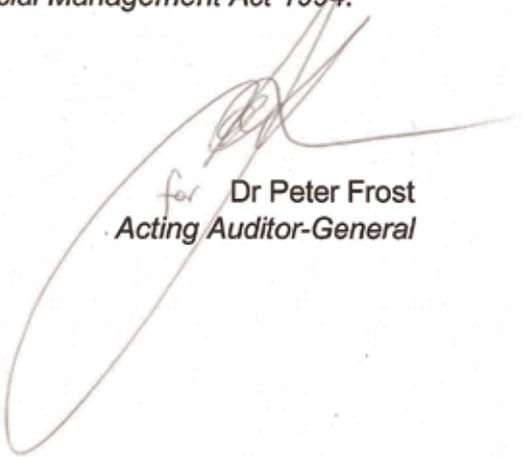
Independence

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.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Melbourne Cricket Ground Trust as at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
30 June 2016



for Dr Peter Frost
Acting Auditor-General



Protected Disclosure Act 2012

The purpose of the Protected Disclosure Act (“Act”) is to encourage and facilitate the making of disclosures of improper conduct of public officers and public bodies without fear of reprisal. The Trust is a “public body” for purposes of the Act. The trust is not permitted to receive disclosures made under the Act. You can make a protected disclosure about the Trust or its members, officers or employees by contacting the Independent Broad-based Anti-corruption Commission. As required under the Act, the Trust has adopted procedures for the protection of people against detrimental action that might be taken against them in reprisal for the making of protected disclosures. These procedures are available from the Trust on request.



