



MELBOURNE CRICKET GROUND TRUST **ANNUAL** **REPORT**

2019/20





Chairman's Report

The context in which I write this report is unusual to say the least. I look back on the period of our last financial year (1 April 2019 to 31 March 2020 – the subject of this report) and remember 11 months of normality and strong outcomes for the Melbourne Cricket Ground (MCG) precinct and then one month of huge upheaval and nervousness with the emergence and impact of the coronavirus pandemic. Looking forward, our thinking is both dominated and blurred by the uncertainties arising from the way the pandemic is unfolding globally, nationally and specifically here in Victoria. Its impacts effect everything we do and all our stakeholders, partners and our people. Every decision is made with multiple scenarios attached and with little capacity to control associated timelines. These are, indeed, unusual times.

Our Executive Officer describes in more detail later in this report the facts and figures relating to activities and attendances at our stadium but suffice to say here that we had a bumper 2019 AFL season and an equally strong 2019/20 cricket season capped-off by the staging of the Women's T20 World Cup played in early March this year between India and Australia in front of over 86,000 fans. The atmosphere at the Women's final was electric and showcased the world's two best T20 women's cricket teams playing world class cricket. The local and international TV audiences were huge, testament to the now indisputable global and local interest in women's sport. Whilst on this topic I want also to note the leadership our female sports stars – not just cricketers – are showing on and off their field of play in terms of sportsmanship and demeanour. They are true role models for our children to observe and to emulate.

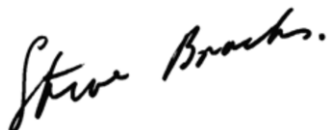
I need to commend Stuart Fox and his team, supported by the Melbourne Cricket Club (MCC) Committee, for the way they are dealing with and planning their way through these difficult times. They have produced and continue to refine a range of scenario plans that enable them and the Melbourne Cricket Ground Trust to understand what the future may hold as the pandemic evolves. It is a great credit to them that the stadium has, until very recently, been virtually unused – no events and, obviously, no patrons – but remains in good shape physically and financially. We are now seeing AFL games without crowds and we're dealing with, amongst many other things, the financial impact of that. The MCC team have taken special care to do whatever they can to protect their staff both medically (most staff are working from home) and in terms of their job security. The Club has worked hard with our major ground users, the AFL & Cricket Australia, and with our security, catering, ticketing, cleaning and other partners to do whatever is possible to position them to be available for a resumption of normal activities just as soon as that can sensibly be contemplated. The MCG financial model is being sorely tested in these circumstances and is demonstrating a robustness that may well be the envy of most business organisations let alone most sports and entertainment venues. The Club has welcomed the commonwealth government's JobKeeper assistance for their staff but has not had to ask the state government for any financial support to continue albeit curtailed operations.

Chairman's Report

Sadly, some of our longer-term planning activities have had to be put on hold whilst we prioritise expenditure around core operating activities. We had hoped to be well into our Precinct Master Planning activity by now, but it will have to wait until we can be confident that we can divert funding away from our core operational activities. I look forward to a time, hopefully in the not-too-distant future, that we can refocus our thinking on the Precinct Plans including the development of a refreshed Yarra Park Master Plan.

In my report last year I said farewell to two Trustees and this year I'm delighted to welcome Ms Amanda Ring and Mr James MacKenzie as new members of our Trust. Amanda brings a wealth of experience in town planning including particular experience in cultural and heritage matters both of which are high on our agenda as we contemplate the future look, feel and amenity of the MCG precinct. James also brings a new, fresh and valuable set of commercial, financial and strategic skills to our table. They have both settled into their roles easily and effectively and I look forward to their ongoing contributions to the workings of the Trust.

It has been a busy and sometimes tumultuous year and I'm afraid the immediate future holds little relief from those same circumstances so I must express my sincere appreciation for the work my fellow Trustees have undertaken on behalf of all MCG stakeholders. They give a great deal of their time freely and willingly and each in their own way contributes to the good governance and to the successful outcomes achieved in and around the MCG.



Hon Steve Bracks AC
Chairman

June 2020

Executive Officer's Report

Financial Results:

The financials for the 2019-20 year demonstrate that the Melbourne Cricket Ground Trust (the Trust) remains in a strong financial position. I will comment on why we remain confident going forward later in this report but, in summary, our position remains solid despite the impact the coronavirus pandemic is having on the operations of the stadium.

Trust revenue increased from \$4.656m in 2018/19 to \$4.729m for the year ending 31 March 2020 largely reflecting the indexation of the MCC's lease payments to the Trust. Operating expenses were down significantly (\$132k this year against \$274k in the prior year) as there were virtually no legal or consulting fees associated with major projects and activities as was the case in prior years. With revenues up slightly and expenses down, we were able to increase our contributions towards the Melbourne Cricket Club's (MCC's) debt reduction program – the Trust contributed \$4.5m this year compared to \$4.3m in the prior year.

The net operating result was \$77k Vs \$57k in the prior year.

In line with the Victorian Valuer-General's guidelines, the value of Yarra Park land was increased by \$3m from \$303m to \$306m.

The value of the MCG land in the Trust's accounts is determined by an assessment of the present value of the income stream generated by the asset (ie the MCC lease payments). There are a number of variables that impact that valuation, one of which is the risk-free interest rate used in the discount factor. Whilst that rate has fallen this year, Trustees hold the view that it is not helpful to readers of this report to reflect that technical volatility by continually adjusting for non-material revaluations of the MCG land upwards or downwards (depending on the movement in the risk-free rate) in the years between the formal 5-yearly revaluation cycle. Readers are directed to Note 6(c) of the financial statement for further elaboration on this point.

Under the terms of the Management and Indemnity Deed signed between the Treasurer of Victoria, the MCC and the MCGT, the Trust outsources its financial recording and reporting functions to the MCC. In undertaking those responsibilities on behalf of the Trust, the MCC adheres to all relevant Australian Accounting Standards. Their work for the Trust is audited by the Victorian Auditor-General's Office. Trustees believe that our financial reporting framework and processes generally comply with relevant sections of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*.

The MCC also maintains a comprehensive asset management system that generally meets the requirements of the Victorian Government's Asset Management Accountability Framework (AMAF). The Club completed an AMAF assessment in May 2020 which demonstrated a high degree of asset management competence and no material compliance breaches. The Trust is also the custodian of a modest collection of sports memorabilia – the Australian Gallery of Sport (AGoS) collection – which forms part of the Australian Sports Museum (ASM) collection. The collection is curated by professional ASM staff and is subject to revaluation at least every 5 years by a qualified independent valuer. Trustees are confident that the collection, whilst not subject to the formal AMAF process, is properly and carefully managed on behalf of the Trust.

Executive Officer's Report

Activities at the MCG:

AFL

The 2019 AFL season saw over 2.8m fans come through the gates at the MCG with an average game attendance of about 57,000 (approx 58,000 in 2018). Overall attendances were down on the 2018 season (2.95m) but we hosted one less final series game in 2019. Strong performances by our tenant clubs, especially Richmond and Collingwood again contributed to the strong attendance numbers throughout the year.

AFL Season Attendances

AFL SEASON (NOT MCGT FY)	TOTAL AFL ATTENDANCE AT MCG '000	TOTAL NUMBER OF AFL GAMES (No OF FINALS)	AVERAGE AFL MATCH ATTENDANCE '000
2019	2,834	50 (5)	57
2018	2,953	51 (6)	58
2017	2,696	50 (4)	54
2016	2,435	50 (4)	49
2015	2,495	49 (4)	51
2014	2,505	50 (5)	50
2013	2,791	51 (6)	55
2012	2,703	52 (5)	52
2011	3,069	54 (7)	57

Marquee games continue to be a significant drawcard for fans and the MCC will continue to work with the AFL to generate as many opportunities as possible to attract patrons to the ground whether they're there to watch their own team or simply to watch a great game of football. Alongside marquee events or as part of them, we continue to support community-focused activities that celebrate significant moments from Australia's history (e.g. the ANZAC, Dreamtime, Reconciliation rounds) or the recognition of important community initiatives (e.g. Neale Daniher's *MND Big Freeze* and the country rounds). We had hoped to recognise the first responders to, and victims of, this year's horrific bushfire season by hosting them at The G at a special AFL round but the coronavirus shutdown made that impossible. The Club will continue to look for such opportunities to show our support to those who make a special contribution to our community or who might be in need of a little bit of extra care and comfort.

Executive Officer's Report

Cricket

Domestic and international men's cricket is still a popular and important staple of the MCG calendar. Like the AFL, the origin and performance of the teams plays a big part in the size of the crowd they attract to their games. For the first time since 1987 the MCG hosted an Australia Vs NZ Boxing Day test match. The natural rivalry between the Aussie and the Kiwis ensured that local and expat supporters came to the game in big numbers. Around 203,000 cricket fans attended over the 4 days of play compared to a total of 176,000 who came over 5 days to watch last year's Boxing Day series against India.

Our Chairman has already commented on the extraordinary success of the Women's T20 World Cup event. That event attracted the highest ever attendance at a women's sporting event in Australia (& the 2nd highest in the world) and a world record for a women's cricket match. The TV audience in Australia was 1.2m and the game was watched by about 9m people on TV in India. That event demonstrated the popularity of that form of the game and we were scheduled to host the equivalent men's final later this calendar year – likely to be another huge drawcard for cricket fans. Sadly, due to the coronavirus pandemic that event is looking unlikely to happen this year. We hope to be able host the event if it's rescheduled into 2021.

International Cricket

SEASON	2019/20 SEASON	2018/19 SEASON	2017/18 SEASON	2016/17 SEASON	2015/16 SEASON	2014/15 SEASON
TEST SERIES AGAINST	NEW ZEALAND	INDIA	ENGLAND	PAKISTAN	WEST INDIES	INDIA
ODI &/OR T20 SERIES AGAINST	SRI LANKA	INDIA	ENGLAND	PAKISTAN & NEW ZEALAND	INDIA	SOUTH AFRICA & INDIA
MATCH DAYS	5	7	7	8	7	8
TOTAL ATTENDANCE	232,040	293,581	342,478	234,297	233,494	264,454
AVERAGE ATTENDANCE	46,408	41,940	48,925	29,287	33,356	33,057

Big Bash League (BBL)

The 20/20 short form of the game continues to be popular but, again, is influenced by the success and origin of the sides at any particular match. The Melbourne Stars performed well throughout the season but, sadly, fell again at the last hurdle to finish runners-up in this year's series. The BBL attracted over 179,000 fans this year (up by 31% on the 2019 season) reflecting, in part, two more games played at The G this season and the success of the Stars.

Executive Officer's Report

BBL

SEASON	No OF MATCHES	TOTAL ATTENDANCE	AVERAGE ATTENDANCE
2019/20	7	179,416	25,631
2018/19	5	136,697	27,339
2017/18	5	158,146	31,629
2016/17	4	198,248	49,562
2015/16	6	241,790	40,298
2014/15	4	110,793	27,698
2013/14	5	99,757	19,951
2012/13	4	85,705	21,426

Cricket Pitches

The MCG cricket pitches again performed and were rated well thanks to the ongoing work of the MCC's curator and his team. Cricket authorities gave the Boxing Day pitch a rating of "Very Good" (the highest rating available) and, similarly, for the Women's T20 World Cup the authorities assigned the ground their top rating. These ratings are a great credit to the MCG ground staff and reflect the enormous amount of work they've devoted to rejuvenating our pitches after some unsatisfactory reviews a couple of years ago.

Other Content

With a full calendar of sports events throughout 2019/20 year we did not host any "other" major events although the Women's T20 World Cup event had the added attraction of a post-match concert featuring international pop superstar, Katy Perry.

Major Special Events

YEAR	NO OF EVENTS	TOTAL ATTENDANCE	AVERAGE ATTENDANCE
2019/20	1 (WOMEN'S T20 FINAL + KATY PERRY)	86,174	86,174
2018/19	4	299,997	74,999
2017/18	2	144,416	72,208
2016/17	4	157,784	39,446
2015/16	4	312,775	78,194
2014/15	5	345,789	69,158
2013/14	1	95,446	95,446

Executive Officer's Report

Yarra Park

The financing of ongoing maintenance and improvements within Yarra Park continues to be an issue for us. We had hoped to explore all aspects of park usage and improvement as part of our various Master Planning activities which, as the Chair has already reported, have had to be put temporarily on hold as we focus our resources on core operating activities in the precinct (including the ongoing maintenance of the park). This remains an issue to be resolved and we will engage with relevant stakeholders as and when we can progress the underlying planning concepts for the precinct and the park.

Acknowledgments

Trustees work hard on behalf of all MCG and Yarra Park stakeholders but since March this year the nature and intensity of that workload has been magnified. I want to put on record my thanks to each of them for their unerring, willing and constructive responsiveness to the calls I make on their time and their energy. Not only do we require a lot of their time to attend to matters of the Trust, we also ask them to attend all manner of events at The G to ensure that, one way or another, they can make first hand assessments of "the MCG experience" so that we can all provide informed input to decisions that might affect any and all patrons attending events – sports-related or not – at The G. We have not, in the past, reported on the number of events Trustees attend but we will do so in the future.

My thanks go also to Stuart Fox and his team at the MCC. The nature of the relationship between the MCC and the Trust means that the two entities sometimes come at issues from different perspectives and with different interests which can give rise to friction. The fact remains, however, that we share a common goal of ensuring that the MCG remains this country's premier large-scale venue, matching or bettering the highest standards of similar venues around the world. Equally, our objective is to make sure that *The G* provides the best experience for our patrons and for our ground users as well as being a fantastic venue for our sponsors and friends to be associated with. The relationship works well for all MCG stakeholders.



Ben Foskett
Executive Officer

June 2020

Annual Financial Report for the year ended 31 March 2020

Statement of Comprehensive Income

YEAR ENDED 31 MARCH 2020	Notes	2020 \$'000	2019 \$'000
Revenue	3	4,729	4,656
Operating expenses		(132)	(274)
Contribution to Melbourne Cricket Club ("the Club") for repayment of Northern Stand Re-development debt ("Re-development Debt")		(4,520)	(4,325)
NET RESULT FOR THE YEAR	8 (c)	77	57
OTHER COMPREHENSIVE INCOME			
Fair Value Revaluations:			
Crown land - MCG	6, 8 (a)	-	-
Crown land - Yarra Park	6, 8 (a)	3,032	17,163
Other Comprehensive Income for the year		3,032	17,163
Total Comprehensive Income for the year		3,109	17,220

The accompanying notes form part of these financial statements.

Balance Sheet

AS AT 31 MARCH 2020	Notes	2020 \$'000	2019 \$'000
CURRENT ASSETS			
Cash and cash equivalents	9 (b)	1,450	1,502
Trade and other receivables	4	232	98
Prepayments	5	2	1
TOTAL CURRENT ASSETS		1,684	1,601
NON-CURRENT ASSETS			
Property, plant and equipment	6	423,942	420,910
Other non-current assets	6	10,839	10,830
TOTAL NON-CURRENT ASSETS		434,781	431,740
TOTAL ASSETS		436,465	433,341
CURRENT LIABILITIES			
Trade and other payables	7	29	15
TOTAL CURRENT LIABILITIES		29	15
TOTAL LIABILITIES		29	15
NET ASSETS		436,436	433,326
EQUITY			
Accumulated funds	8 (c)	70,466	70,388
Reserves	8 (a,b)	365,970	362,938
TOTAL EQUITY		436,436	433,326

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

YEAR ENDED 31 MARCH 2020	Accumulated Funds \$'000	Reserves \$'000	Total Equity \$'000
Balance as at 31 March 2018	70,332	345,775	416,107
Changes in Equity			
Result for the year ended 31 March 2019	57	-	57
Other Comprehensive Income	-	17,163	17,163
Balance at 31 March 2019	70,389	362,938	433,327
Changes in Equity			
Result for the year ended 31 March 2020	77	-	77
Other Comprehensive Income	-	3,032	3,032
Balance at 31 March 2020	70,466	365,970	436,436

The accompanying notes form part of these financial statements.

Statement of Cash Flows

YEAR ENDED 31 MARCH 2020	Notes	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(160)	(310)
Interest received		22	9
Ground lease rental from the Club		5,165	5,104
Contribution to the Club for repayment of Re-development Debt		(4,979)	(4,758)
GST cash flows		(100)	(116)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	9 (a)	(52)	161
Net increase/(decrease) in cash and cash equivalents		(52)	161
Cash and cash equivalents at beginning of year		1,502	1,341
CASH AND CASH EQUIVALENTS AT END OF YEAR	9 (b)	1,450	1,502
Non-cash transactions	9 (c)	9	7

The accompanying notes form part of these financial statements.

Notes to Financial Statements

31 MARCH 2020

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 to act as custodian of the ground and of Yarra Park on behalf of the State Government and the people of Victoria. The Trust is also responsible for the formulation of strategies to maintain the MCG's status as a leading provider of premium sporting and other content, and for the management of Yarra Park. The Trust appointed the Melbourne Cricket Club ("The Club") as Ground Manager under the terms of the MCG Management and Indemnity (M&I) Deed dated 23 October 2018. 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*. Major assets being Land and AGOS-OM Collection have been measured at fair value.

(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)

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

Management will assess the different factors impacting the fair value of the 'Crown Land – MCG' each financial year to determine the need for a revaluation outside of the current 5 year policy. These factors include the lease value, inflation rate, the 10 year risk free bond rate and movements in any other relevant criteria.

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 readily convertible to cash within two working days. 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.

(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. 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 M&I 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)

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 completed every five years.

This land was independently revalued by the Valuer-General Victoria at \$117.700 million at March 2017 and the next valuation will be 31 March 2022.

(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 completed every five years.

This land was independently revalued by the Valuer-General Victoria at \$257.700 million at March 2017 and the next valuation will be 31 March 2022.

(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 Australian Sports Museum ("ASM"))

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 best available market evidence. 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 Australian Sports Museum Limited ("ASML"), 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.

Notes to Financial Statements

(continued)

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

(h) Taxes (Cont'd)

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.

(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.

(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 that have been attained.

The leasing arrangement with The Club is discussed in Note 15 of the financial report.

(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 the Northern Stand Re-development debt.

(m) Employee leave benefits & Operating Expenses i.e. Contractor Fees

Administrative services for the Trust are provided by a combination of MCC staff (at no cost to the Trust) and by contractors (the costs of which are borne by the Trust). The Trust did not employ staff during the year (2019: no staff employed). No employee leave benefits are owed at balance date (2019: nil benefits owed).

(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 are cash assets and receivables.

(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)

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 disclosure. 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 13) at their nominal value.

(t) Changes in accounting policies

The Trust has adopted AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* from 1 April 2019. This has resulted in changes in accounting policies. However, applying these new standards has no impact on the Trust's financial statements.

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

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020-21)

The Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material, and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the Trust is expected to be minimal.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020-21)

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impact on the Trust is expected to be minimal

(v) 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)

YEAR ENDED 31 MARCH 2020	2020 \$'000	2019 \$'000
3. REVENUE		
Lease rental from the Club	4,696	4,640
Total revenues from operating activities	4,696	4,640
Other revenues		
Interest revenue	24	9
Asset donations received	9	7
Total other revenues	33	16
Total revenues	4,729	4,656
4. TRADE AND OTHER RECEIVABLES		
GST receivable	232	98
Total receivables	232	98
5. PREPAYMENTS		
Insurance Prepayment	2	1
Total prepayments	2	1

Notes to Financial Statements

(continued)

YEAR ENDED 31 MARCH 2020	2020 \$'000	2019 \$'000
6. PROPERTY, PLANT AND EQUIPMENT		
<i>Crown land - MCG</i>		
Carrying amount at beginning of year	117,700	117,700
Net amount of revaluation increment	-	-
Fair Value at 31 March 2020	117,700	117,700
 <i>Crown Land - Yarra Park</i>		
Carrying amount at beginning of year	303,210	286,047
Net amount of revaluation increment	3,032	17,163
Fair Value at 31 March 2020	306,242	303,210
 Total Property, Plant and Equipment	 423,942	 420,910
 Other Non-Current Assets		
<i>AGOS-OM Collection (part of the NSM)</i>		
Carrying amount at beginning of year	10,830	10,823
Add donated items	9	7
Fair Value at 31 March 2020	10,839	10,830

Notes to Financial Statements

(continued)

6 (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 2020

The following table presents the Trust's assets measured and recognised at fair value at 31 March 2020.

YEAR ENDED 31 MARCH 2020	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 2019					
Specialised land at fair value					
Crown Land - MCG	6, 2(b)	117,700	-	-	117,700
Crown Land - Yarra Park	6, 2(b)	303,210	-	-	303,210
Total of specialised land at fair value		420,910	-	-	420,910
Cultural assets at fair value					
AGOS-OM Collection	6, 2(b)	10,830	-	-	10,830
Total of cultural assets at fair value		10,830	-	-	10,830
Balance at 31 March 2020					
Specialised land at fair value					
Crown Land - MCG	6, 2(b)	117,700	-	-	117,700
Crown Land - Yarra Park	6, 2(b)	306,242	-	-	306,242
Total of specialised land at fair value		423,942	-	-	423,942
Cultural assets at fair value					
AGOS-OM Collection	6, 2(b)	10,839	-	-	10,839
Total of cultural assets at fair value		10,839	-	-	10,839

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.

Notes to Financial Statements

(continued)

6 (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. The fair value is determined using the inflation rate, as well as 4.5% risk premium over the 10 year risk free bond rate.

(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

	2020 \$'000		2019 \$'000	
	<i>Specialised land</i>	<i>Cultural assets</i>	<i>Specialised land</i>	<i>Cultural assets</i>
OPENING BALANCE	420,910	10,830	403,747	10,823
Purchases (sales)	-	-	-	-
Transfers in (out) of Level 3	-	-	-	-
Gains or losses recognised in net result	-	9	-	7
Depreciation	-	-	-	-
Impairment loss	-	-	-	-
SUBTOTAL	420,910	10,839	403,747	10,830
Gains or losses recognised in other economic flows – other comprehensive income				
Revaluation	3,032	-	17,163	-
SUBTOTAL	3,032	-	17,163	-
CLOSING BALANCE	423,942	10,839	420,910	10,830
Unrealised gains/(losses) on non-financial assets	-	-	-	-

Notes to Financial Statements

(continued)

6 (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 Valuer-General Victoria at least every five years. The latest valuation of the Yarra Park land was at 31 March 2017 using the market approach adjusted for CSO. The latest valuation of the MCG land was at 31 March 2017 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 Victoria'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 Valuer-General Victoria based on comparable assets and transactions and industry data.

6 (c) Description of significant unobservable inputs to level 3 valuations for 2020

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 2019
AGOS-OM Collection	Market Approach using a sampling technique	Selecting an appropriate comparable item at market value

Notes to Financial Statements

(continued)

6 (c) Description of significant unobservable inputs to level 3 valuations for 2020 (Cont'd)

Management will assess the different factors impacting the fair value of major assets each financial year to determine the need for a revaluation outside of the current policies. With the COVID-19 pandemic creating a level of uncertainty around particular inputs, it was decided by Management not to perform a full valuation on the 'Crown Land – MCG'

given the one-off nature of the pandemic. Management will perform a full valuation in line with the current policy in 2021/22 financial year. Management notes a +/- 1% increase/decrease in the discount rate applied to future rental streams of the 'Crown Land – MCG' would have a (\$21.300M)/\$32.300M impact to the total valuation amount.

YEAR ENDED 31 MARCH 2020	Notes	2020 \$'000	2019 \$'000
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7. TRADE AND OTHER PAYABLES

Trade Creditors		14	-
Accrued Audit Fees		15	15
Total payables		29	15

8. RESERVES AND ACCUMULATED FUNDS

Asset revaluation	8 (a)	365,922	362,890
Special purpose - Australian Sports Museum ("ASM")	8 (b)	48	48
		365,970	362,938
Accumulated funds	8 (c)	70,466	70,388
Reserves and Accumulated Funds		436,436	433,326

(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		362,890	345,727
Revaluation increments / (decrements) on revaluation of			
- Crown land - MCG		-	-
- Crown land - Yarra Park		3,032	17,163
Balance at end of year		365,922	362,890

Notes to Financial Statements

(continued)

YEAR ENDED 31 MARCH 2020	2020 \$'000	2019 \$'000
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(b) Special purpose – ASM

(i) Nature and purpose of reserve

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

(ii) Movements in reserve

Balance at beginning of year	48	48
Balance at end of year	48	48

(c) Accumulated funds

Balance at beginning of year	70,389	70,332
Net result for the year	77	57
Balance at end of year	70,466	70,389

9. CASH FLOW INFORMATION

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

Net result	77	57
Less assets donated	(9)	(7)
Changes in assets and liabilities		
(Increase)/decrease in trade & other receivables	(134)	120
Increase/(decrease) in trade & other payables	15	(14)
(Increase)/decrease in other non-financial assets	(1)	6
	(52)	161

(b) Reconciliation of cash

Cash and cash equivalents comprises:

- cash at bank	1,397	36
- short term deposits	53	1,466
Cash and cash equivalents at end of year	1,450	1,502

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 \$8,590 (2019: \$7,435) 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)

YEAR ENDED 31 MARCH 2020	Notes	2020 \$'000	2019 \$'000
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10. AUDITORS' REMUNERATION

Amounts due to the Victorian Auditor-General for:

- an audit of the financial report of the Trust		15	15
		15	15

11. CONTINGENT LIABILITIES

Other than the financial guarantees disclosed in note 14, the trust is not aware of any other contingent liabilities.

12. 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 2020.

13. EXPENDITURE COMMITMENTS

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

14. 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. A re-negotiated M&I Deed was signed on 23 October 2018, and expires on 31 October 2057.

As part of the original 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 2020 for these projects is \$109.232 million (2019: \$123.809 million).

15. GROUND MANAGER

On 23 October 2018, the Club entered into a Deed of Variation and Restatement of Lease with the MCG Trust pursuant to which the Club's existing tenancy of the MCG was extended until 31 October 2057 with an option to extend its lease over the Members' Reserve for a further 25 years. The Club's role as Ground Manager of the MCG has also been extended until 31 October 2057 as per the M&I Deed.

Building Improvements and Capital Work in Progress have been funded by the Club, in its capacity as Ground Manager of the Melbourne Cricket Ground. Building Improvements and Capital Work in Progress are recognised in the Club's accounts at a written down value of \$422.295 million (2019: \$382.039 million). The residual interest in buildings and improvements at the ground will revert to the Trust at the end of the lease period.

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.

Notes to Financial Statements

(continued)

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		2020 %	2019 %
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000		
(i) Financial assets										
Cash	1,397	36							1.0	1.0
Short term deposits at call	53	1,466							-	-
	1,450	1,502								

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

Notes to Financial Statements

(continued)

17. FINANCIAL INSTRUMENTS (Cont'd)

The following table discloses the ageing analysis of contractual financial assets.

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years
			\$	\$	\$	\$
2020						
Receivables⁽ⁱ⁾						
Other receivables	-	-	-	-	-	-
Total	-	-	-	-	-	-
2019						
Receivables⁽ⁱ⁾						
Other receivables	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note:

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

(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.

Notes to Financial Statements

(continued)

17. FINANCIAL INSTRUMENTS (Cont'd)

(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.

The following table discloses the maturity analysis for contractual financial liabilities.

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years
			\$	\$	\$	\$
2020						
Payables ⁽ⁱ⁾						
Other payables	14	14	14	-	-	-
Total	14	14	14	-	-	-
2019						
Payables ⁽ⁱ⁾						
Other payables	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note:

(i) The carrying amounts disclosed exclude statutory amounts (e.g. GST payables).

(d) Sensitivity analysis

Cash and short term deposits at call include a deposit of \$1.450 million (2019: \$1.502 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 \$0.007 million (2019: \$0.008 million).

Notes to Financial Statements

(continued)

18. RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the year. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

Responsible Ministers:	Period
Hon. Daniel Andrews Premier.....	01/04/2019 – 31/03/2020
and	
Hon. Martin Pakula Minister for Tourism, Sport and Major Events	01/04/2019 – 31/03/2020
and	
Hon. Gavin Jennings Minister for Priority Precincts	01/04/2019 – 19/03/2020
and	
Hon. Jacinta Allan Minister for Priority Precincts	20/03/2020 – 31/03/2020
and	
Hon. Lily D'Ambrosio Minister for Energy, Environment and Climate Change.....	01/04/2019 – 31/03/2020
Trustees:	
Hon Stephen Bracks AC (Chairman)	01/04/2019 – 31/03/2020
Mr Ian Carson AM	01/04/2019 – 31/03/2020
Ms Bianca Chatfield.....	01/04/2019 – 31/03/2020
Hon Peter Costello AC.....	01/04/2019 – 23/05/2019
Ms Belinda Duarte.....	01/04/2019 – 31/03/2020
Mr Dale Monteith.....	01/04/2019 – 31/03/2020
Mr Robert Ray	01/04/2019 – 31/03/2020
Ms Linda White	01/04/2019 – 31/03/2020
Ms Amanda Ring	12/06/2019 – 31/03/2020
Mr James MacKenzie	27/08/2019 – 31/03/2020
Executive Officer:	
Mr Ben Foscett	01/04/2019 – 31/03/2020

The Trustees as listed above have received no remuneration (2019: Nil).

Remuneration received or receivable by the Executive Officer in connection with the management of the Trust during the reporting period was \$100,145 (2019: \$131,327).

Notes to Financial Statements

(continued)

19. RELATED PARTY DISCLOSURES

(a) The key management personnel of the Trust during the financial year are included in Note (18).

(b) Related Parties

The Trust is a wholly-owned and controlled statutory authority. Related parties for the Trust include:

- All key management personnel, their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- All trustees and their close family members; and
- Minister for Tourism, Sports and Major Events and his close family members; and
- Minister for Priority Precincts and his/her close family members.
- Minister for Energy, Environment and Climate Change and her close family members.

All related party transactions have been entered into on an arm's length basis.

Declarations by Trustees & Accountable Officer

We certify the attached financial statements for the Melbourne Cricket Ground Trust have been prepared in accordance with Standing Direction 5.2 of the *Financial Management Act 1994*, applicable Australian Accounting Standards and other mandatory 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 2020 and the financial position of the Trust as at 31 March 2020.

At the time of signing, 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, we authorise the attached financial statements for issue on 29 May 2020.



Hon Stephen Bracks AC
Chairman



Ben Foksett
Executive Officer

Melbourne, 29 May 2020

Independent Auditor's Report

To the Trustees of the Melbourne Cricket Ground Trust

Opinion	<p>I have audited the financial report of the Melbourne Cricket Ground Trust (the Trust) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 31 March 2020 • statement of comprehensive income for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • declarations by trustees and accountable officer. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Trust as at 31 March 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Trustees' responsibilities for the financial report	<p>The Trustees are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Trustees' determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Trust's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees
- conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.





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.

BACK COVER IMAGE:

Photographer: Quinn Rooney (Getty Images)

