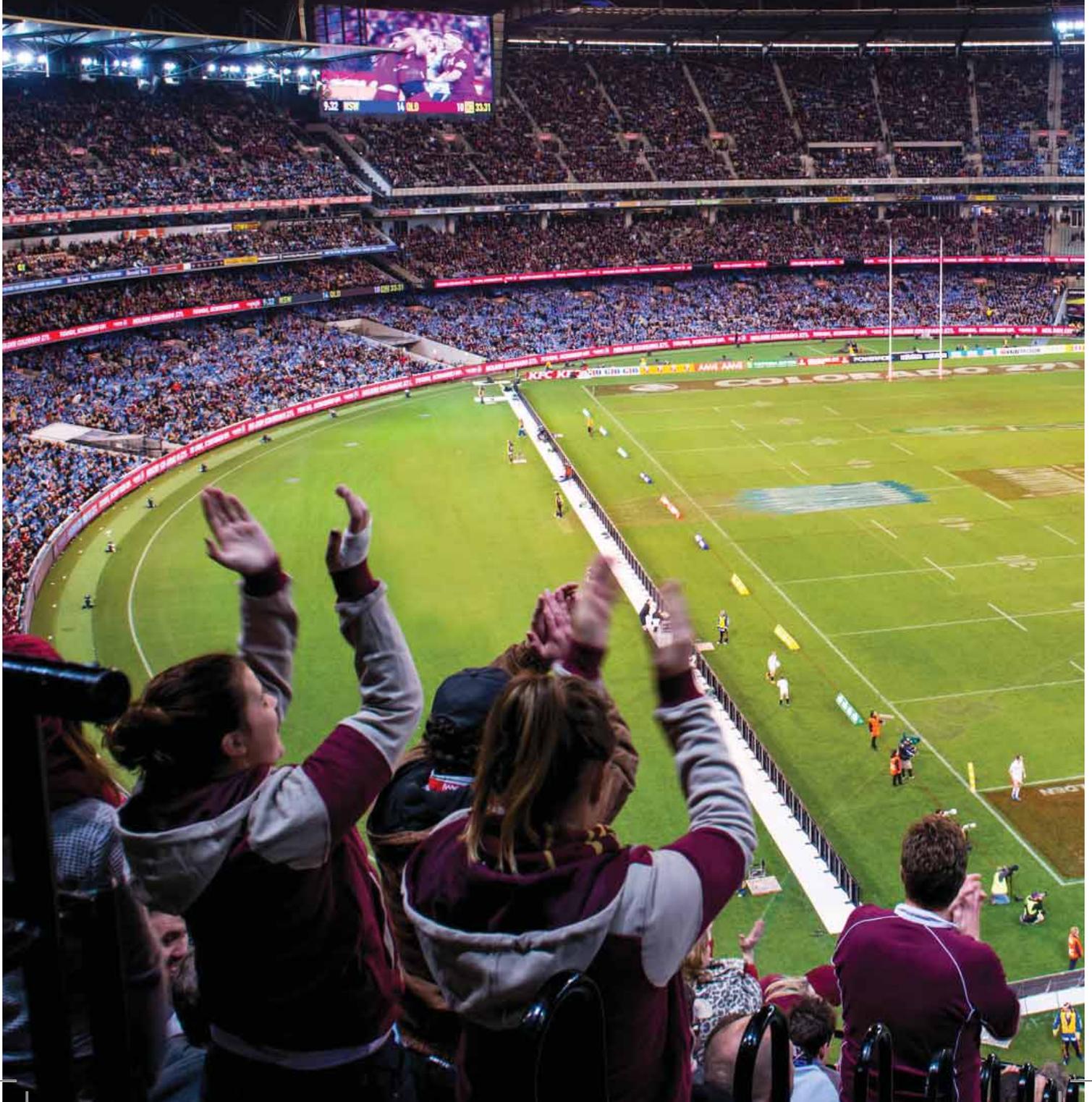




ANNUAL REPORT 2015-16 MELBOURNE CRICKET CLUB



Our mission

Melbourne Cricket Club is a private club with public responsibilities. It has two primary roles:

- Managing the MCG as the world's best stadium for all people.
- Providing the best services and facilities to its members while ensuring our unique sporting culture and heritage are enhanced and appreciated.

STRATEGIC VISION

The club's strategic direction is underpinned by the following dimensions:

1. Engage and manage MCC membership.
2. Destination MCG – giving people more reasons to visit, more often.
3. World-class facilities.

In achieving these initiatives, we recognise that we must continue to deliver excellence in all of our core operations.

Our values

RESPECT

The club prides itself on the respect and esteem it has earned over its long and prestigious history. As staff, we respect our work colleagues, their abilities and views. We work as a team towards a common goal.

By pursuing excellence and using our people to constantly deliver on our promises, we will earn the respect of our colleagues, stakeholders, customers and the wider community.

PEOPLE

People are the most important asset in our organisation. Our staff feel important through a variety of recognition programs and initiatives and are immensely proud of their involvement at such an iconic venue.

Our staff enjoy their time at work and are recognised in a variety of ways for their performance. Integrity, honesty, loyalty and teamwork are the keys to providing a memorable customer service experience for our patrons and members.

HERITAGE

We will continue to develop the MCG into one of the world's finest sporting stadiums and Australia's greatest sporting icon, drawing on our history to reinforce its image as the People's Ground.

The club's history, its rich and vast heritage collection and its culture will be observed, preserved and displayed for our members and visitors to savour.

EXCELLENCE

We are committed, collectively and as individuals, to strive for excellence at all times - using the best suited products and processes to deliver major events and consistently exceed expectations of service to our customers.

We commit to improving the level of enjoyment for patrons, members and their guests while at the MCG.



President's Report

STEVEN SMITH, PRESIDENT

The 2015/16 financial year was a significant one, with a number of major events, record crowds and developments that will have a lasting impact on our club and the MCG.

Fresh from our role as host of the ICC Cricket World Cup Final in March 2015, and the sizeable task to convert the arena to AFL mode in just four days, the MCG attracted some additional major events in the winter months.

In June, the National Rugby League brought its popular State of Origin concept to Melbourne, part of an agreement with the Victorian Government that will see it return again in 2018.

A huge crowd of 91,513 saw Game II of the three-game series, as New South Wales defied the odds to defeat Queensland 26-18 to even the series 1-1. The attendance bettered the previous Origin record of 88,836 in 1999 at Stadium Australia in Sydney, the year before it was the centrepiece of the Sydney Olympics.

Just a few weeks later, the International Champions Cup football tournament brought three matches to the MCG, featuring giant clubs Real Madrid, AS Roma and Manchester City. This was a major coup and again demonstrated our capacity to lure big events to our city, as 99,382 fans (another record) packed the 'G to see Ronaldo's Real Madrid defeat Manchester City 4-1 in the final match.

The final crowd record at the MCG for the year was one that was somewhat unexpected. The Melbourne BBL derby between the Stars and Renegades drew an astonishing 80,833 people on a balmy Saturday evening in early January. While the crowd was 30,000 more than we had forecast, stretching our ability to service everyone the way we would like, it heralded the official arrival of Twenty20 cricket as a major event product on Melbourne's summer landscape.

The year also saw completion of the final stage of a \$40 million upgrade to the technology inside the MCG for use by our fans and stakeholders. The ground is now equipped with a high-density WiFi network, exterior lighting, hundreds of connected TV screens, LED fence signage and the two largest scoreboards at a stadium anywhere in Australia.

Our number one priority is the safety of our staff and customers, and we continue to receive advice from authorities with respect to security matters. However, global incidents of terrorism,



Exterior lighting at the MCG enables sporting codes to theme the stadium in team colours.

particularly the Paris attacks involving Stade de France in November last year, reinforced the need for us to continually examine our procedures.

We introduced several additional security measures for the cricket season, including more thorough bag checks, hand-held metal detection of patrons before entry, and vehicle searches before entering the underground car park at the MCG.

We also trialled a temporary perimeter fence, enabling bag and patron scans to be undertaken away from the building structure. The majority of members and fans understood and accepted the measures, and we took away several learnings that were applied to the 2016 AFL season.

While we did not proceed with the perimeter fence during the football season, this does not signal a reduction in the stringency of our security procedures. Rather, it was our view, supported by the AFL, that the different arrival patterns of football patrons, and larger crowds, would pose some limitations and logistical challenges on the existing fence design. We will continue to review our security measures to ensure the MCG remains one of the safest sporting stadiums in the world.

At club level, the most significant development was the introduction of a new tier of membership, which the committee proposed as a method to deal with the continued growth in the time people are required to wait to receive an offer of membership.

The final proposal, which sees a Provisional membership category that offers fewer benefits and limited access to the Reserve than that of Full and Restricted members, was successfully passed by majority vote in a postal ballot that took place following the Annual General Meeting.

Our first Provisional members were elected prior to Christmas and we will review the

uptake of this offer, and any impact on existing members' amenities, when considering future intakes.

During the year we welcomed two new committee members, Clare Cannon and Adrian Anderson, bringing our committee numbers to the maximum of 14. Clare and Adrian bring a range of skills to the committee table that complement our existing skill sets and I am looking forward to the significant contributions both will make to our club.

A former chair of the Women of the MCC interest group, Clare has spent most of her career in the community sector. She is also the founder and current chair of Cricket Without Borders, a concept designed to encourage girls around the world to play cricket.

Adrian is a barrister who would be known to many members from his nine years as AFL general manager of football operations.

I wish to acknowledge our external stakeholders and partners, who are crucial to the successful operation of the club and the MCG, as is our band of volunteers who do so much for the club.

I would like to specifically thank MCG Trust chairman, Bob Herbert, and his trust members for their support during the year. We look forward to continuing to work with them, the Victorian Government, AFL, Cricket Australia and our major sponsors and suppliers.

Finally, my thanks to my committee colleagues and the talented MCC management team, led by our CEO Stephen Gough, who has announced his intention to retire in 2017. Stephen has been a driving force behind our continued success, and has led the club through a period of immense change and growth. He will be sorely missed, not just by the club and its many members, but by all who visit the 'G.



MCC Committee 2015/16



STEVEN SMITH
PRESIDENT

Joined the committee in 1998. Elected vice-president in 2011 and president in 2015. Chairman of Executive and Club sub-committees and ex-officio of all other sub-committees. A director of MCC Foundation and National Sports Museum Ltd.



CLARE CANNON

Joined the committee in 2016. Member of Club and Cricket sub-committees.



STEPHEN SPARGO AM
VICE-PRESIDENT

Joined the committee in 2000. Elected vice-president in 2011. Chairman of MCC Foundation Sub-committee and a member of Executive and Ground sub-committees. A director of MCC Foundation and National Sports Museum Ltd.



PETER KING

Joined the committee in 2014. Chairman of Cricket Sub-committee and a member of Club Sub-committee. A director of MCC Foundation.



DAVID CROW
VICE-PRESIDENT

Joined the committee in 1993. Member of Cricket, MCC Foundation and Executive sub-committees. A director of MCC Foundation and National Sports Museum Limited.



SALLY MACINDOE

Joined the committee in 2014. A member of Ground Sub-committee and a director of MCC Foundation.



MICHAEL ANDREW AO
VICE-PRESIDENT

Joined the committee in 2007. Served as treasurer until 2011, at which time he resigned from the committee due to work commitments overseas. Re-elected in 2014. Chairman of Club Sub-committee. Member of Finance & Audit and Executive sub-committees. A director of MCC Foundation and National Sports Museum Limited.



FRED OLDFIELD

Joined the committee in 2012. A member of Club, MCC Foundation and Finance & Audit sub-committees and a director of MCC Foundation.



MICHAEL HAPPELL
TREASURER

Joined the committee in 2011. Appointed treasurer in August that year. Chairman of Finance and Audit Sub-committee. Member of Executive and MCC Foundation sub-committees. A director of MCC Foundation and National Sports Museum Ltd.



CHARLES SITCH

Joined the committee in 2011. A member of Ground and MCC Foundation sub-committees. A director of MCC Foundation.



ADRIAN ANDERSON

Joined the committee in 2016. A member of Ground Sub-committee.



MARK SMITH

Joined the committee in 2011. Chairman of Ground Sub-committee and a member of Finance & Audit Sub-committee. A director of MCC Foundation.



JAMES BENNETT

Joined the committee in 2015. A member of Ground Sub-committee.



KAREN WOOD

Joined the committee in 2009. A member of Club Sub-committee. A director of MCC Foundation.

NOTES

PAUL SHEAHAN retired and vacated the committee on April 14, 2015. **ADRIAN ANDERSON** and **CLARE CANNON** were appointed on March 22, 2016 to fill casual vacancies



MCC Senior Leadership Team



STEPHEN GOUGH
CHIEF EXECUTIVE OFFICER

Overall responsibility for the delivery of the strategic plan, business plan and day-to-day operation of the club, MCG, National Sports Museum and Yarra Park via his senior leadership team. Also responsible for key stakeholder relationships. Reports to MCC Committee and MCG Trust.



GERARD GRIFFIN
GENERAL MANAGER
VENUE AND EVENT SERVICES

Responsible for managing the operational elements of delivering MCG events - including catering, security and event operations - as well as emergency management and safety. Also responsible for major building projects, strategic and business planning, risk management, internal auditing, contract management, business resilience and legislative compliance.



SCOTT BUTLER
GENERAL MANAGER
MEMBERSHIP AND HERITAGE

Responsible for activities relating to MCC membership and club life, including customer service, functions, database management, event delivery and the club's cricket, sporting sections (and their facilities) and special interest groups. Manages heritage activities, including the various collections, operation and customer interface of the National Sports Museum and MCG tours, as well as the MCC Library, Museum and Archives. Also responsible for the strategic direction and activities associated with the MCC Foundation.



DONNA PRICE
GENERAL MANAGER
PEOPLE AND CULTURE

Through a comprehensive human resources system, is responsible for maximising employee engagement and performance to assist with achievement of MCC business objectives. Key areas include organisational culture, recruitment and talent acquisition, learning and development, workforce capability, policy development, reward and remuneration, payroll and employee relations.



GAVIN CORCORAN
GENERAL MANAGER
COMMERCIAL OPERATIONS

Responsible for enhancing reputation, branding and commercial return at the MCG. This includes customer engagement, communications, publicity, marketing, brand and intellectual property management, corporate sales and commercial arrangements with sponsors, suppliers, advertising and merchandise.



REY SUMARU
GENERAL MANAGER
IT AND INNOVATION

Responsible for the delivery and management of information and communications technology (ICT), digital and broadcasting systems, and network security, as well as operational integrity of technology. Responsible for the development of organisationally-aligned ICT strategies to enable the business to achieve strategic and operational goals, and to maximise returns from ICT investments to improve operational effectiveness. Evaluates new and emerging technologies, innovations, digital presence and service delivery models.



TREVOR DOHNT
GENERAL MANAGER
STRATEGIC AND INDUSTRY PARTNERSHIPS

Responsible for enhancing MCC's relationships with key hirers and stakeholders in the context of strategic issues and future requirements. Also responsible for securing major/special events to the MCG.



PETER WEARNE
GENERAL MANAGER
FACILITIES

Responsible for the strategic and operational performance of the built assets at the MCG and other MCC-managed sites, including building services and turf management. Manages the environment management system and implementation of the Yarra Park master plan, as well as being responsible for key operational contracts associated with Yarra Park.



CLIVE DRISCOLL
GENERAL MANAGER
FINANCE AND BUSINESS DEVELOPMENT

Administers the finances of the club's entities, including reporting, financial performance management, investment, compliance, financial integrity and debt management. Additionally, focuses on business development strategies as a means of generating additional revenue, utilising MCC assets and intellectual property, including all major projects that the club undertakes.



Chief Executive's Report

STEPHEN GOUGH, CEO

Major events, a new category of MCC membership, improved stadium technology and increased focus on security were some of the more prominent features of 2015/16.

AFL

The 2015 AFL season saw the introduction of a number of initiatives designed to give members and patrons more reasons to attend the football and to provide more enjoyment while in the stadium.

The MCC worked with the AFL on the return of post-game kick-to-kick on the MCG turf, which again highlighted the magnetism of our mighty ground. Free entry for children at Sunday matches and more effort by home teams to engage with fans pre-game led to increased attendances across the season.

The MCG attracted 2,174,807 people to 45 home and away matches in the 2015 AFL season. The average of 48,329 per game compared to 46,928 from the previous season.

The MCG hosted the 16 best-attended home and away matches, including three matches that drew more than 80,000 people (see table).

Hawthorn etched its name into football history, claiming its third consecutive premiership with a 46-point win over West Coast Eagles in the grand final on a very warm October day.

The Hawks got the early jump on a nervous Eagles outfit and were never headed, winning 16.11 (107) to 8.13 (61) in front of 98,633 fans. Silky forward Cyril Rioli claimed the Norm Smith Medal for best afield.

CRICKET

After a hectic 2014/15 that culminated in hosting the ICC Cricket World Cup Final, the 2015/16 cricket season saw the MCG return to a more normal schedule of international and domestic matches.

We welcomed a somewhat depleted West Indies outfit for the Boxing Day Test, the second match in the three-Test series. Despite a rainy morning that saw a delayed start on Boxing Day, more than 53,000 fans enjoyed plenty of action as Australia piled on the runs.

Centuries to Joe Burns, Usman Khawaja, Steve Smith and Adam Voges saw the home side declare at a monstrous 3/551. Off-spinner Nathan Lyon then took seven wickets across two innings to claim the man-of-the-match award, as Australia won by 177 runs.

Virat Kohli's India arrived in January, playing 50-over and T20 matches at the MCG as part of their Australian tour. More than 105,000 people attended the two games, with Australia chasing down 295 to win the 50-over match before India turned the tables in the shortest form.

However, the highlight of the cricket season was undoubtedly the elevation of the Big Bash League (BBL) to major event status, after an unbelievable night on January 2 at the MCG.

The two Melbourne teams, Stars and

Highest AFL home and away attendances at the MCG in 2015

ATTENDANCE	MATCH	DATE
88,395	Essendon v Collingwood	April 25
83,804	Richmond v Essendon	May 30
83,493	Carlton v Richmond	April 2
75,880	Collingwood v Hawthorn	July 3
73,584	Hawthorn v Geelong Cats	April 6
71,759	Carlton v Collingwood	May 1
66,305	Hawthorn v Richmond	July 31
66,120	Melbourne v Collingwood	June 8

Renegades, drew an astonishing 80,883 fans on a balmy Saturday evening – breaking the previous record for a BBL match by almost 30,000 and far exceeding anyone's estimations.

While the unexpected numbers severely hampered our ability to service customers on entry and in the catering facilities, the overall success of the event and the tournament left few in doubt that it is fast becoming the most popular form of cricket to watch in Australia. The introduction of a women's BBL has contributed to this popularity, and we expect it to grow further in coming seasons.

We congratulate the MCG team, Melbourne Stars, on reaching the final. We hope next season the men (and women) in green can go one better and take the title.

OTHER EVENTS

The 2015/16 year saw the MCG host a number of major or new events that again demonstrated the versatility of the stadium and the precinct.

State of Origin rugby league returned to the MCG for the first time in 18 years when New South Wales played Queensland in Game II of

the series on June 17, 2015.

The event was an outstanding success, as a State of Origin rugby league record crowd of 91,513 saw the Blues score an upset win over the Maroons.

Our international reputation as a versatile, world-class stadium and tourist attraction was further enhanced the next month when we hosted three soccer matches in the Australia leg of the International Champions Cup.

Real Madrid, Manchester City and AS Roma each played two matches as part of the club-based tournament. Attendances were above expectations, with a massive crowd of 99,382 watching Real Madrid thump Manchester City 4-1 on July 24. We look forward to hosting three matches again in 2016, featuring Juventus, Tottenham Hotspur, Atletico Madrid and Melbourne Victory.

In response to the creation of a public holiday on the Friday before the AFL Grand Final, we worked with the AFL and Victorian Government to reroute the grand final parade to ensure it finished outside the MCG in Yarra Park. The sight of tens of thousands of fans cheering on their teams on a sunny afternoon



Real Madrid star Ronaldo sends one into attack during his team's 4-1 victory over Manchester City at the MCG in July, 2015 in front of 99,382 fans.



As a proud supporter of Breast Cancer Network Australia, the MCG turned pink for the Mother's Day weekend AFL match between Melbourne and Sydney Swans in May. Outside the stadium, thousands of pink silhouettes were planted to symbolise those affected by breast cancer.

was one to behold, and we look forward to enhancing this event in coming seasons.

The parade formed part of the AFL's Foxtel Footy Festival in Yarra Park, a three-day event designed to cement grand final week activities at the MCG's front door in the leadup to the big day.

Finally, we introduced a new event to the MCG calendar that was an instant success.

Cinema at the 'G, in partnership with Bank of Melbourne, saw more than 3500 people sit on the hallowed turf over two nights on February 12 and 13 to watch *Million Dollar Arm* and *The Martian* respectively. The latter movie was a sellout affair on a perfect Saturday evening.

SECURITY

The safety and security of staff and customers is paramount, and events overseas during the year caused us to seriously review the arrangements we have in place at the MCG, along with every other stadium and mass gathering venue.

The introduction of several new security measures for the cricket season, in particular an external perimeter fence to conduct bag searches and body scanning of patrons before entry, generated much discussion and opinion in the media and from our members and patrons.

While we did experience long queues for entry at the record Big Bash League match, this was as much to do with a lack of resources due to a larger-than-expected crowd. On the whole, we were pleased with how the majority of patrons accepted the new arrangements and heeded warnings to arrive earlier than usual.

At the conclusion of the cricket season, it was our view that the existing perimeter fence design would not be effective during the AFL season, with their consistently larger crowds

and different arrival patterns. However, we continue to look at longer-term solutions, which may involve a solid perimeter fence away from the stadium.

COMMUNITY AND ENVIRONMENT

MCC continued to support the community through a variety of initiatives, large and small, in association with many of our partners and stakeholders.

The highest profile of these initiatives centred around four events at the MCG to raise awareness and funds for several charitable causes.

While there was no Field of Women event in 2015, MCC provided support for the Pink Lady Match between Melbourne and Sydney Swans on May 9. Proceeds from public tickets were donated to Breast Cancer Network Australia to support Australians with breast cancer.

In the same month, the MCG again opened its doors for Melbourne City Mission's Sleep at the 'G event, raising more than \$500,000 to aid the fight against youth homelessness.

At the Queen's Birthday AFL match between Melbourne and Collingwood, the Freeze at the 'G concept made its debut, raising more than \$2.4 million for Motor Neurone Disease research. MCC was heavily involved in delivering the event and providing substantial promotional and in-kind support, as we seek to find a cure for MND. Former Melbourne coach and MND sufferer Neale Daniher's role in the success of this event cannot be overstated, as he continues to lead this significant cause.

A fortnight later, almost 3000 people took part in the third Stadium Stomp at the MCG to raise more than \$60,000 for a range of charity groups, including The Leukaemia Foundation. Participants climbed up and

down more than 7000 steps on the top and bottom levels of the MCG grandstands, before finishing with a hard-earned celebratory lap on the arena.

We continued our commitment to environmental sustainability during the year, following completion of an energy efficiency upgrade at the MCG with Siemens.

We are already seeing significantly reduced environmental impact of our operations through replacement of existing lighting systems with low-energy lighting technologies, installing a new building management system, implementing changes to heating and ventilation systems and installing new chilled water systems and modernised room control systems.

MCC also became one of the foundation members of the Sports Environment Alliance, demonstrating our commitment to be an industry and community leader on environment issues, both at a local and international level.

FOOD PRICE REDUCTIONS

One of the most significant activities to take place in 2015/16 year was our decision, together with our hospitality partner EPICURE, to lower the price of the most popular MCG food and beverage items to levels not seen for a decade. The selected items were deemed to be those that would benefit family groups especially.

This year is the first of a seven-year joint investment that sets the MCG apart from every other Australian stadium. No other stadium has matched what is being offered at the MCG.

We are very pleased with how fans have responded to the reduced food and beverage pricing at the MCG. These changes represent a significant financial investment, but we are



committed to making a day out at the MCG more enjoyable and affordable for fans.

The annual cost to the catering business model of lower prices was initially forecast at \$2 million per year for the seven years, for a total investment of \$14 million. However, the figure for the first year was closer to \$2.5 million, with the club not passing on higher-than-expected supply cost increases to the consumer.

STADIUM TECHNOLOGY

The club has spent substantial time and money in recent years undertaking important improvements to stadium technology and the match day experience for MCG visitors.

Among the new assets now being used by fans and stakeholders is a high-density WiFi network, an exterior LED lighting system that allows teams/clubs to theme the stadium and an Internet Protocol Television system that delivers digital content to screens throughout the stadium.

The scale of the WiFi project is on par with the world's best and biggest stadiums, with more than 227 kilometres of cable installed to enable WiFi connectivity throughout the entire stadium.

The works are the final phase in our \$40 million investment, which has already delivered the two largest, high-definition scoreboards in Australia and the next generation of high-definition television production facilities.

MCC also combined with Telstra to deliver the largest Distributed Antenna System of its kind to improve 3G and 4G mobile connectivity within the stadium. In conjunction with WiFi, spectators now have a world-class experience when they use their device from anywhere in the ground. We greatly appreciate Telstra's approach to provide our spectators with this improved service.

SPORTING PRECINCT VISION

A study has been completed into the feasibility of a range of options for decking the rail corridor between the MCG and Melbourne Park.

The study was initiated and funded by MCC and MCG Trust to address key safety and security imperatives. Following extensive consultation with multiple stakeholders, the study also investigated various scenarios relating to development options to ensure that the precinct remains the country's pre-eminent sporting facility.

Among the concepts are elevated pedestrian paths stretching from the MCG to Richmond Station, decking of the railway tracks between the MCG and Melbourne and Olympic Park, and creation of new public open space, parkland and other facilities to service the precinct. The separation of cars and pedestrians throughout the sporting precinct is the safest and most efficient method of all traffic movement.

The development, if it were to proceed,

would unite the two halves of the sporting precinct, currently divided by the Jolimont rail corridor, to enable greater utilisation of the precinct, attract more and better events to Melbourne and continue to generate a public legacy for the city well into the future.

The study has been tabled with the Victorian Government for consideration as they assess the future vision of Melbourne and the sporting precinct.

ROOF EXPERIENCE

Plans are being developed to bring an exciting new tourism product to the MCG.

With the assistance of a \$650,000 grant from the Federal Government's Tourism Demand Driver Infrastructure program, we are now developing the finer details behind a Roof Experience attraction at the MCG.

In addition to the existing stadium tour and National Sports Museum products, visitors will be able to walk on the MCG's northern stand roof, taking in spectacular views of the ground itself, as well as Melbourne's sporting precinct and city skyline.

Visitors will also be able to add to the thrill with a unique zipline that will transport participants from the city end scoreboard to a landing on the opposite side of the stadium.

The roof experience is expected to be in operation towards the end of 2017 and will enhance the MCG's existing multi-faceted tourism offering with a truly must-see attraction.

OPERATING RESULTS

The club recorded a net profit for the financial year ending March 31, 2016 of \$14.173 million.

We continue to meet our obligations with respect to the redevelopment debt, which stands at \$196 million (down from \$226 million in 2014/15) at year end. A significant event in March 2017 will be the final payment

against the \$150 million Great Southern Stand borrowings.

Extensive reporting to the Victorian Government allows for our business plan and objectives to be assessed, and therefore gives the state confidence in our ability to meet our debt schedule.

Treasurer Michael Happell will report in more detail on the club's financial results at the Annual General Meeting.

MCC MEMBERSHIP

Membership intake

The election of Full members in July 2015 comprised candidates on the waiting list nominated from May 1, 1990 to August 31, 1990.

Waiting list candidates nominated from August 1, 1996 to November 30, 1996 inclusive were offered Restricted membership.

Members by category

Full	62,700
Restricted	41,300
Total	104,000
Waiting List	242,000

Introduction of Provisional membership

The most significant membership activity for the year was an alteration to existing club rules to allow for the election of members into a new tier of membership, called Provisional.

While Provisional members have fewer benefits and less access to the Reserve than Full and Restricted members, their admission to the club is designed to prevent the already lengthy wait for membership of our club from extending to 40 years or more in generations



Hand-held metal detection of patrons was one of several enhanced security measures introduced at the MCG.



Hawthorn won its third consecutive premiership, and fourth in eight years, when it accounted for West Coast Eagles in the 2015 AFL Grand Final at the MCG.

to come.

At the MCC Annual General Meeting we put forward a proposal to change the rules to allow for an additional category of membership.

Our proposal was approved by Full members at the Annual General Meeting in August, with 70.49 per cent voting in favour. However, 30 members who attended the meeting requested, in accordance with the club rules, that the changes be put to the Full membership for consideration by postal vote.

Of the 18,719 votes cast, the results were For (67.1 per cent) and Against (32.9 per cent). The motion was supported by more than 50 per cent of votes and was therefore successful.

The first intake of Provisional members was elected during the 2015/16 membership season and will be reported on in further detail in next year's annual report.

FUNCTIONS AND TOURS

The club again held a number of entertaining functions for members and guests.

Among them were The Bradman Luncheon, Members' Dinner, Football Season Launch Luncheon, Norm Smith Oration, Brownlow Medal Dinner with the Coodabeen Champions, Test match breakfasts, comedy nights, golf days, induction functions for new members and luncheons for our volunteers and 50-year members.

The Norm Smith Oration continues to excel, as the club honours our great game through various identities who have such special connections to Australian football. Peter Gordon and Gerard Healy were inspired choices for the 2015 oration.

New events during the year included the Culinary Centre Experience, whereby an intimate gathering of members and guests enjoyed a unique dining experience in the MCG Culinary Centre.

Members were also treated to fine fare prepared by chef Karen Martini at a Long Room dinner. The concept, featuring a menu chosen and prepared by the chef's team, followed by an on-stage interview, is set to continue in 2016 with Adam D'Sylva in the kitchen.

Two members' tour groups travelled to the United Kingdom in June/July to coincide with the Ashes series. The History and Cricket Tour journeyed to Istanbul, Gallipoli, Paris and the Western Front, arriving at London to view the Lord's Test, while the Lord's and Danube Cruise group found themselves at Lord's after a relaxing European adventure through the Czech Republic, Germany, Austria, Hungary and London, and a stunning cruise through the Danube region.

The interaction of members and guests at many of the events that make up club life is to be applauded.

MCC CRICKET

Under the guidance of new coaches Andrew Walton (men's) and Keith Jansz (women's), the 2015/16 cricket season was a frustrating one for the club, with several teams reaching the finals but unable to win their respective titles.

In the men's competition, our First XI finished the home and away season in second place on the ladder before bowing out in the semi finals. The Second XI was eliminated in the quarter final, while the third and fourth elevens missed the finals after inconsistent seasons.

We congratulate Fitzroy-Doncaster on winning the First XI title and Richmond on securing the JA Seitz Club Championship as the best performed club across all four grades. We also acknowledge our own Andrew Kent, who became the third cricketer (behind Steven McCooke and Robert Templeton) to play 300 MCC First XI matches.

Our women's teams continued their rapid improvement in just their fourth year competing in the club colours. The First XI lost the final by an agonising five runs to Box Hill, while the First and Second elevens appeared in both mid-season Twenty20 finals, with the Second XI taking out the MCC's first women's title.

In the Club XI, defending Division 2 titleholders MCC Blue ended its season abruptly with a surprise 34-run semi final loss to Old Haileybury, while MCC Red missed the finals. Congratulations to Old Scotch, Old Haileybury and Old Mentonians who took out the MCC Club XI Division 1, 2 and 3 titles respectively.

MCC curator Scott West again earned the competition's 'Best Curator Award' after the Albert Cricket Ground was rated the best pitch and outfield in the competition.

At representative level, a highlight was



Western Bulldogs president Peter Gordon addresses the 2015 Norm Smith Oration at the MCG.



A National Sports Museum display titled Symbols of Australian sport brought together a number of items that illustrate the nation's iconic sporting symbols.

wicketkeeper batsman Sam Harper's Sheffield Shield debut for Victoria in February. The 19-year-old became the youngest-ever Victorian wicketkeeper, and his nine dismissals was the most on debut by any gloveman in Shield history.

SPORTING SECTIONS AND SPECIAL INTEREST GROUPS

In addition to cricket, our Sporting Sections again represented the club with distinction during the year. We now have 12 sections wearing the club colours - baseball, bowls, croquet, football, golf, hockey, lacrosse, netball, real tennis, target shooting, squash and tennis.

Congratulations to the Baseball Section's Ross Arthur, who was awarded the prestigious Hans Ebeling Award for outstanding service to the Sporting Sections.

A Life member of the Baseball Section, emulating the feat of his father, mother and brother, Ross began his baseball career with MCC in 1974.

A natural catcher, he would go on to play more than 400 senior games for the Demons, including the 1975/76 premiership. He was named MCC MVP on three occasions and also coached the club for seven seasons, leading the senior men's team to the premiership in 1987/88.

Ross is the sixth Hans Ebeling Award winner affiliated with baseball, following Ian Huntington (1983), Jack Francis (1990), John Cavanagh (1993), Graeme Howarth (1994) and David Went (2012). He undoubtedly belongs in such illustrious company.

The club's special interest groups – Bridge Club, Long Room Wine and Food Society, War Veterans Group, Women of MCC, XXIX Club and Young Members Club – continue to prosper. We encourage our members to become involved with the activities of these groups. You will not be disappointed, as the groups stage events that are most enjoyable and reinforce the benefits of club life.

HERITAGE

The eighth year of operation of the National Sports Museum and MCG Tours recorded in excess of 155,000 visitors, one of the highest ever outside a summer Olympic year.

The museum's temporary exhibitions and displays continued to provide additional and timely attractions for visitors, as well as maintaining the museum's public profile. Our staff curated a major temporary exhibition entitled Rally the Spirits: Sport on the home front in World War I.

A range of themes was covered by focus case displays on subjects as diverse as Ron Clarke, State of Origin rugby league, symbols of Australian sport, and deaf sports.

New acquisitions included a large collection of material relating to Australian high diver Dick Eve, including his gold medal from the 1924 Olympic Games; a guernsey worn by Denis Cordner during the 1956 Olympic Games Australian football exhibition match; and a 1938 British and Empire (i.e. Commonwealth) Games Australian team cycling top worn by Jack Molloy.

The NSM has also updated its Olympic-focused education resources to coincide with the 2016 Games in Rio, as well as developed and implemented new, Australian-curriculum specific, educational activities relating to mathematics, geography, design & technology, history and health & physical education.

Multimedia artist Khaled Sabsabi completed his National Sports Museum Basil Sellers Creative Arts Fellowship this year. The fifth and final fellow will be selected this winter from exhibiting artists at the Basil Sellers Art Prize.

Our volunteer personnel, numbering more than 370, continued to play a vital role in the delivery of the NSM, MCG Tours, MCC Library and MCC Archives. Their generosity of time and commitment is sincerely appreciated, as it contributes strongly to the fabric of what makes the MCC and the MCG such compelling institutions.

PARTNERS AND SUPPLIERS

The club is grateful for the support of the ground's key commercial Icon partners. To Alison Watkins (Coca-Cola Amatil), Ari Mervis (Carlton & United Breweries) and Scott Tanner (Bank of Melbourne) we value your role and that of your key staff in making these partnerships so effective.

We also maintained strong commercial relationships with a number of licensees, partners, contractors and suppliers.

Among them are Spotless/Epicure, Ticketek, Herald & Weekly Times, The Promotions Factory, MKTG, Patties Foods, Mondelez Australia (Cadbury), Tabcorp Holdings, Treasury Wine Estates, Peters Ice Cream, Simplot Australia, Mars Food Australia (Masterfoods), The Smith's Snackfood Company, Douwe Egberts and George Weston Foods.

During the year, we conducted competitive tenders for several supply contracts. Securecorp (security) was renewed, while we changed first aid service provider to Event Aid and awarded the audio-visual contract to Staging Connections.

ACKNOWLEDGEMENTS

This will be my final year-end report to members, as I step down sometime in 2017. I remain eternally grateful for the support that I have received as CEO from the beginning in 2000 through to this time.

There are far too many people to acknowledge. However, to all of the presidents (five), committees, trusts and staff, I know you have been very encouraging, forgiving and accommodating throughout my tenure.

To the volunteers and members, I thank you for your support of the club and its operations over this time.

I will most definitely miss the challenges, the enjoyment of life at the MCC and the MCG. However, I also know that the club will continue to flourish as it has done since 1838.



Melbourne Cricket Club & Controlled Entities

Annual Concise Financial Report for the year ended 31 March 2016

IMPORTANT INFORMATION FOR MEMBERS

The Committee Report, Concise Financial Report and Auditor's Report contained within this document represent a Concise Report.

Members wishing to receive the full financial report and Auditor's Report may arrange delivery by calling the Melbourne Cricket Club office on (+61 3) 9657 8888.

The Concise Report contained within this document has been derived from the full financial report of the Melbourne Cricket Club & Controlled Entities for the financial year ended 31 March 2016 and cannot be expected to provide as full an understanding of the financial performance, financial position and operating, financing and investing cash flows of the consolidated entity as the full financial report.



Committee Report

Your Committee submit their report for the year ended 31 March 2016.

COMMITTEE MEMBERS

The names of the Committee Members of the Melbourne Cricket Club (“the Club”) in office during the financial year and until the date of this report are as follows. Committee members were in office for the entire period unless otherwise stated.

Steven J. Smith, Michael J. Andrew AO, David S. Crow, Stephen C. Spargo AM, Michael J. Happell, James D. Bennett, Peter D. King, Sally G. Macindoe, Frederick H. Oldfield, Charles T. Sitch, Mark G. Smith, Karen J. Wood, A. Paul Sheahan (resigned 14 April 2015), Adrian C.R. Anderson (appointed 22 March 2016) and Clare V. Cannon (appointed 22 March 2016).

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the Club during the year were the ground management of the Melbourne Cricket Ground (“MCG”) and the encouragement and promotion of sport. The Club also performs the role of the Reserve Manager of Yarra Park.

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

RESULTS AND REVIEW OF OPERATIONS

The consolidated net profit of the Club amounted to \$14.173 million compared with the previous year’s net profit of \$4.525 million.

During 2015/16, more than 3.29 million patrons attended events held at the MCG, including highlights such as the Rugby League State of Origin and International Champions Cup Soccer matches. The 2015 AFL season was attended by approximately 2.5 million patrons, based upon 45 home and away matches and four finals. The Boxing Day Test between Australia and the West Indies drew 127,000 people while the one-day and Twenty20 internationals against India provided a further 106,000 people. The domestic T20 Big Bash League tournament saw more than 223,000 attendees, with the highlight being the clash between the Stars and the Renegades which drew a BBL record crowd of 80,883. The MCG also hosted four additional events – three International Champions Cup soccer matches (including a crowd of 99,382 to see Real Madrid v Manchester City) and a State of Origin rugby league match that drew an audience of 91,513 – a new Origin record.

The Club has continued a program of stadium initiatives designed to improve the experience for all MCG patrons. The Smart Stadium project came to its conclusion and was an outstanding success, with a Wi-Fi network, exterior LED lighting system and Internet Protocol Television screens all being installed and launched at the 2015 Boxing Day Test, which transformed the MCG into one of Australia’s most technically advanced and connected stadiums. To further enhance this experience, the MCC, together with the Customer Service Institute of Australia commenced a highly specialised training program for our event, catering and permanent staff which will continue over the next few years. The Club continued to support the food and beverage price reduction strategy. The MCG’s discounted prices on family friendly items remains the most significant benefit to patrons of any AFL/Cricket venue in Australia. Further 2015/16 initiatives included the successful adoption of the new Provisional membership category.

The Club continues to generate positive cash flows from its operating activities and cash flow management remains an important strategic focus for the Club. The Club’s objectives regarding cash flow management include: providing sufficient cash reserves to provide for the payment of significant debt that falls due in 2024 (\$26.160 million); continued investment in the latest technology programs and short term working capital objectives; commitment to longer term MCG and Yarra Park capital projects and the ongoing Asset Replacement Program required to keep the Melbourne Cricket Ground as a world-class venue.



Committee Report (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the Club's state of affairs during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no significant events occurring after balance date, which may affect either the Club's operations or results of those operations or the Club's state of affairs.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Committee does not expect any significant changes to the operations of the Club.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Club has undertaken its annual review and update of its Environmental Management Plan for the MCG to reflect additional objectives and targets for 2016/17 and incorporate any legislative and regulative changes. The plan provides guidelines and targets for energy, water and waste management in addition to meeting the obligations associated with legislative and regulatory compliance and social expectations. The Club has implemented the energy minimising solutions identified in the Energy Performance Contract with final commissioning completed during the year. The Energy Performance contract works has identified energy and carbon reduction strategies of 20 percent at the MCG and early verification processes indicate this energy reduction goal is being realised.

Major environmental undertakings during 2016/17 include embedding the Environment Management System into venue operations with changes to purchasing policies and incident reporting systems, the completion of landscape upgrade and public lighting works in Yarra Park and the installation of a new efficient building management system at the MCG. The ongoing work of the MCC environmental committee includes undertaking waste management audits, setting of environmental objectives and targets, assisting subcontractors in developing environmental plans, provision of environmental training and awareness to MCC staff and contractors, and annual reporting to the Department of Climate Change through the National Greenhouse and Energy Reporting System.

SECURITY

Given the MCG's status as an iconic event venue in Australia, the Club has placed high importance upon the management and mitigation of security risk issues. Accordingly, several strategic security management initiatives are ongoing. These measures have enhanced the safety of ground users on event and non-event days. The Committee and Club management will continue to develop, implement and assess security risk reduction strategies.

SAFETY

The Club provides a strong focus on Occupational Health and Safety at the MCG. This is evidenced by the Club maintaining its Advanced SafetyMAP accreditation following the annual independent audit.

SafetyMAP covers Committee, staff, contractors and MCG tenants and is continuously under review.

The review of policies and procedures occurs regularly through reporting to the Committee and its Sub-Committees, in addition to management and staff and the Health and Safety Committee.

INDEMNIFICATION AND INSURANCE OF COMMITTEE MEMBERS

The Club provided and paid premiums for Directors and Officers Liability and Legal Expenses insurance contracts, covering members of the Committee, and the Directors, Executives and Statutory Officers of the Club.

The insurance is in respect of legal liability for damages and legal costs arising from claims made by reason of any omission or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as members of the Committee or officers of the Club.

The total amount of insurance contract premiums paid during the period was \$54,150 (2015: \$46,500).

ROUNDING

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) (where rounding is applicable) under the option available to the Club under ASIC Class Order 98/0100. The Club is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Committee.

Steven J. Smith
President

Michael J. Happell
Treasurer

Melbourne, 11 July 2016



Consolidated Statement of Comprehensive Income

Year Ended 31 March 2016	NOTES	CONSOLIDATED	
		2016	2015
		\$000	\$000
Revenue	3(a)	138,081	130,292
Other income	3(b)	10,586	7,231
TOTAL INCOME		148,667	137,523
Arena expenses		(6,266)	(7,578)
Facilities expenses		(13,220)	(14,135)
Commercial Operations expenses		(8,689)	(9,609)
Member contributions to the gate		(12,316)	(13,639)
Membership and Customer Services expenses		(4,722)	(4,623)
Events Administration expenses		(20,093)	(19,591)
Administration expenses		(13,802)	(10,832)
Depreciation expenses		(32,653)	(32,027)
National Sports Museum Limited ("NSM") expenses		(3,400)	(3,123)
Yarra Park expenses		(3,047)	(2,655)
Finance costs		(16,286)	(15,186)
TOTAL EXPENSES		(134,494)	(132,998)
NET PROFIT		14,173	4,525
OTHER COMPREHENSIVE INCOME			
<i>Items that will be reclassified to profit and loss in subsequent periods:</i>			
Net changes in fair value of cash flow hedge		(156)	(125)
<i>Items that will not be reclassified to profit and loss in subsequent periods:</i>			
Revaluation increment on NSM collection assets		16	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD		(140)	(125)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		14,033	4,400



Discussion and Analysis

– Consolidated Statement of Comprehensive Income

TRENDS IN REVENUES AND EXPENDITURES

Income

Total consolidated income increased from \$137.523 million in 2015 to \$148.667 million in 2016 (see note 3 for further details). The major items contributing to this increase were:

- MCG contractual arrangement contributions increased from \$2.151 million to \$6.328 million. This revenue relates to capital contributions from corporate partners for capital re-investment into the MCG.
- Membership related revenues increased from \$50.892 million to \$54.780 million, predominantly driven by the introduction of the Provisional Membership category.
- Increased commercial operations related revenue of \$1.700 million was also a driver in increased revenues for the Club.
- Other revenues increased from \$2.681 million to \$4.106 million due to the highly successful special events (State of Origin Rugby and ICC Soccer) held during the year.

Expenses

Total consolidated expenses increased by \$1.496 million from \$132.998 million in 2015 to \$134.494 million in 2016. The key movements in material expense categories were:

- Administration expenses increased by \$2.970 million driven by additional expenditure for Information Technology maintenance due to the Club's ongoing technology upgrades, along with costs relating to the MCG Deck feasibility study.
- Finance costs increased by \$1.100 million due to break costs associated with the early repayment of debt made in November 2015 by the Club.
- Facilities expenses decreased by \$0.915 million driven by major improvements made to Yarra Park as part of the Yarra Park Landscape Upgrade in the prior year.
- Arena expenditure decreased by \$1.312 million due to the full ground turf replacement program completed in the prior year.
- Member contributions to the gate decreased by \$1.323 million, mainly due to reduced AFL attendances in 2015 when compared to the prior year, as well as higher cricket attendances in the prior year due to the Ashes Boxing Day Test.



Consolidated Statement of Financial Position

At 31 March 2016	CONSOLIDATED	
	2016	2015
	\$000	\$000
CURRENT ASSETS		
Cash and cash equivalents	31,307	57,626
Trade and other receivables	16,354	13,974
Other assets	1,125	909
Derivative financial instruments	381	-
TOTAL CURRENT ASSETS	49,167	72,509
NON-CURRENT ASSETS		
Property, plant and equipment		
MCG building improvements	474,046	456,887
Plant and equipment	19,678	16,640
Software assets	-	55
Work in progress	1,173	18,929
Yarra Park assets	15,302	16,314
NSM Collection assets	473	457
Derivative financial instruments	-	669
TOTAL NON-CURRENT ASSETS	510,672	509,951
TOTAL ASSETS	559,839	582,460
CURRENT LIABILITIES		
Trade and other payables	15,077	16,683
Income in advance	31,828	32,141
Interest bearing loans and borrowings	19,357	17,807
Provisions	3,577	3,449
TOTAL CURRENT LIABILITIES	69,839	70,080
NON-CURRENT LIABILITIES		
Income in advance	15,242	20,093
Interest bearing loans and borrowings	176,552	208,085
Provisions	307	336
TOTAL NON-CURRENT LIABILITIES	192,101	228,514
TOTAL LIABILITIES	261,940	298,594
NET ASSETS	297,899	283,866
EQUITY		
Accumulated funds	296,178	281,487
Reserves	1,721	2,379
TOTAL EQUITY	297,899	283,866



Discussion and Analysis

– Consolidated Statement of Financial Position

CHANGES IN THE COMPOSITION OF ASSETS AND LIABILITIES

Consolidated Net Assets increased from \$283.866 million to \$297.899 million.

Changes in Assets

The major changes were:

Current Assets

- Cash assets decreased substantially in the current financial year by \$26.319 million. This decrease is primarily driven by the Club's ongoing investment into technology upgrades and building improvements at the MCG, whilst continuing to reduce total borrowings related to the MCG Redevelopment.

Non-Current Assets

- An increase in MCG building improvements of \$17.159 million due to additions made during the year.
- A decrease in Work in Progress of \$17.756 million due to transfers to MCG building improvements and plant and equipment, following the completion of the Club's technology upgrades at the MCG.

Changes in Liabilities

The major changes were:

Non-Current Liabilities

- A decrease in interest bearing liabilities of \$31.533 million due to principal repaid on term loans associated with the MCG Redevelopment.
- A decrease in income in advance of \$4.851 million due to funds received from contractual arrangements with key MCG stakeholders in the prior year.



Consolidated Statement of Changes in Equity

Year Ended 31 March 2016	CONSOLIDATED				
	Accumulated Funds	Asset Revaluation Reserve	Yarra Park Reserve	Cash Flow Hedge Reserve	Total Equity
	\$000	\$000	\$000	\$000	\$000
Balance at 31 March 2014	276,943	10	1,702	811	279,466
Profit for the year	4,525	-	-	-	4,525
Transfer to Yarra Park reserve	(171)	-	171	-	-
Transfer of amounts for capital expenditure	190	-	(190)	-	-
Other Comprehensive Income for the year	-	-	-	(125)	(125)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,544	-	(19)	(125)	4,400
BALANCE AT 31 MARCH 2015	281,487	10	1,683	686	283,866
Profit for the year	14,173	-	-	-	14,173
Transfer to Yarra Park reserve	292	-	(292)	-	-
Transfer of amounts for capital expenditure	226	-	(226)	-	-
Other Comprehensive Income for the year	-	16	-	(156)	(140)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	14,691	16	(518)	(156)	14,033
BALANCE AT 31 MARCH 2016	296,178	26	1,165	530	297,899



Discussion and Analysis

– Consolidated Statement of Changes in Equity

CHANGES IN THE COMPOSITION OF TOTAL EQUITY

Consolidated total equity in the current year increased from \$283.866 million to \$297.899 million.

The major equity movements during the year were:

- The reported net profit of \$14.173 million and the movement in the cash flow hedge reserve of \$0.156 million.
- Included in the total result is the transfer of the deficit from the Club's management of Yarra Park of \$0.292 million to the Yarra Park Reserve.
- In accordance with the Yarra Park accounting policy, \$0.226 million was transferred out of the Yarra Park Reserve during the year, for expenditure relating to an ongoing project in the Yarra Park Reserve.



Consolidated Statement of Cash Flows

Year Ended 31 March 2016	NOTES	CONSOLIDATED	
		2016	2015
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating activities (inclusive of GST)		130,488	132,821
Payments to suppliers and employees (inclusive of GST)		(88,195)	(84,359)
Interest received		1,039	1,310
Interest paid		(16,227)	(15,049)
NET CASH FLOWS FROM OPERATING ACTIVITIES		27,105	34,723
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(34,027)	(20,811)
Contributions relating to MCG contractual arrangements		6,366	13,508
Contributions relating to Yarra Park Landscape Upgrade	3(b)	-	900
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(27,661)	(6,403)
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributions from related party	3(b)	4,220	4,180
Repayments of borrowings		(29,982)	(16,586)
NET CASH FLOWS (USED IN) FINANCING ACTIVITIES		(25,762)	(12,406)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(26,319)	15,914
Cash and Cash equivalents at beginning of the year		57,626	41,712
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		31,307	57,626

Discussion and Analysis – Consolidated Statement of Cash Flows

CHANGES IN CASH FLOWS

There was a net decrease in consolidated cash holdings during the year totalling \$26.319 million, with the Club reporting a closing cash position of \$31.307 million.

The major changes in cash movements during the year included the following:

- The Club's ongoing investment into technology upgrades and building improvements at the MCG, whilst continuing to reduce total borrowings related to the MCG Redevelopment
- Contributions relating to MCG Contractual arrangements reduced from \$13.508 million in the prior year to \$6.366 million in the current year.

Cash flow management remains an important strategic focus of the Club, with objectives to:

1. Increase the cash reserves to provide for the repayment of significant debt that falls due in 2024 (\$26.160 million).
2. Continue to invest in the latest technology programs and short term working capital objectives.
3. Commit to longer term capital projects and the ongoing Asset Replacement Program required to keep the MCG as a world class venue.

1. Debt Repayment

The club is forecasting to fund the repayment of external borrowings in accordance with the contractual repayment terms. The maturing repayment in 2024 of the interest only loan facility is \$26.160

million. The Club is aiming to build sufficient cash reserves over the next period to 2024 to facilitate the repayment of this debt.

2. Short Term Working Capital Objective / Technology Investment

In addition to building up cash reserves to meet the debt repayments, operating cash flow associated with the MCG is forecast to fund the following capital works in the next two years:

- Grandstand Facility Refurbishments
- Asset replacement Program
- National Sports Museum Upgrade
- MCG Roof Experience
- PA system Upgrade

3. Long Term Capital Projects and Programmes

The following special capital projects are currently forecast to be completed in the next 2-10 years:

- Refurbishment and asset replacement under the Great Southern Stand Master Plan
- National Sports Museum Upgrade
- Northern Stand refurbishments including upgrade of existing facilities in both the Members and public areas

In addition to the projects forecasted above the Asset Replacement Program for the period of 2016 to 2025 has been estimated at \$55 million, which will also draw upon existing and future cash reserves.



Notes to the Concise Financial Statements

31 MARCH 2016

1. BASIS OF PREPARATION OF ACCOUNTS OF THE CONCISE FINANCIAL REPORT

The consolidated concise financial report has been prepared in accordance with the requirements of Accounting Standard AASB 1039 *Concise Financial Reports*. The financial report is presented in Australian dollars.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the Club, MCC Nominees Pty Ltd (a subsidiary) and National Sports Museum Limited (“NSM”) (a controlled entity).

The ultimate parent is the Club. Specifically, the Club controls an investee if and only if the Club has:

- Power over the investee;
- Exposure, or, rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Club has less than a majority of the voting or similar rights of an investee, the Club considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Contractual arrangements with other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Club’s voting rights and potential voting rights.

The Club has determined it controls the NSM. The operations of NSM are consolidated within its financial statements, but the Australian Gallery of Sport and Olympic Museum (“AGOS-OM”) Sporting Collection is an asset recorded in the financial statements of the MCG Trust. The principal activities of the NSM are the operation of a sports museum at the MCG.

Amounts relating to the construction and fit out of NSM are recorded in the Club’s financial report as they are considered part of the MCG. There are no equity investments included in the parent entity relating to NSM.

In preparing the consolidated financial statements, all intergroup balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

The subsidiary and controlled entity are fully consolidated from the date on which control is transferred and cease to be consolidated from the date on which control is transferred out of the consolidated Group.

The Melbourne Cricket Club Foundation Limited (“Foundation”), a company limited by guarantee, is categorised as a director related entity and is not consolidated into the Club’s accounts on the basis that not all the three elements of the control definition are satisfied. Established as a vehicle to encourage and promote the playing of sports and preserve and manage the Foundation’s Museum and Library, it has a distinctly separate purpose to the Club, which acts as the manager of the MCG under a management agreement with the MCG Trust and the State Government of Victoria. . The Foundation provides funds for the MCC’s sporting sections to enable the participation and development of the 12 sports currently played.

(b) Yarra Park

Effective 15 March 2010, the Melbourne Cricket Ground and Yarra Park Amendment Act 2009 (“Yarra Park Amendment Act”) appointed the Melbourne Cricket Ground Trust (“MCG Trust”) as the Committee of Management for Yarra Park, thereby expanding the functions of the MCG Trust and specifying the management arrangements and the implementation of an improvements plan for Yarra Park.

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

The Yarra Park Amendment Act allowed the MCG Trust to delegate its functions and responsibilities for Yarra Park to the Club and it has done so via the execution by the MCG Trust, the Club and the relevant Ministers of the State Government of Victoria through 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 MCG Trust under the Yarra Park Amendment Act as the Reserve Manager of Yarra Park.

The Club has agreed a separate accounting policy with the MCG Trust that details those revenue and expense items that are received or incurred by the Club in the performance of their role as the Reserve Manager of Yarra Park. These amounts are included in the totals in the Statement of Comprehensive Income of the Club.

The net surplus / (deficit) of these identified items is then transferred to a separate reserve as a sub-component of equity so that these amounts can be identified and spent on the operation, management, maintenance and improvement of Yarra Park.

The Club has also recorded a number of Yarra Park plant and equipment assets that were contributed by the MCG Trust for nil consideration.



Notes to the Concise Financial Statements (continued)

31 MARCH 2016

	CONSOLIDATED	
	2016	2015
	\$000	\$000
3. INCOME		
(A) REVENUE		
Membership and Customer Services related revenue	54,780	50,892
Event related revenue	29,820	29,297
Commercial Operations revenue	32,172	30,472
NSM revenues	3,825	3,444
Yarra Park revenues	2,755	2,826
AFL revenues	9,001	8,870
Interest income	1,039	1,310
Revenue from sales	583	500
Other revenues	4,106	2,681
	138,081	130,292
(B) OTHER INCOME		
Distribution from the MCG Trust for repayment of debt	4,220	4,180
MCG contractual arrangement contributions	6,328	2,151
State Government of Victoria contribution – Yarra Park Landscape Upgrade	-	900
NSM contributions	38	36
	10,586	7,231
TOTAL INCOME	148,667	137,523



Notes to the Concise Financial Statements (continued)

31 MARCH 2016

4. SUBSEQUENT EVENTS

There have been no significant events occurring after balance date, which may affect either the Club's operations, or results of those operations, or the Club's state of affairs.

5. RELATED PARTY DISCLOSURES

(a) The Committee Members of the Melbourne Cricket Club and Controlled Entities during the financial year were:

Steven J. Smith (appointed President 14 April 2015)
Michael J. Andrew AO (appointed Vice-President 14 April 2015)
David S. Crow (Vice-President)
Stephen C. Spargo AM (Vice-President)
Michael J. Happell (Treasurer)
James D. Bennett
Peter D. King
Sally G. Macindoe
Frederick H. Oldfield
Charles T. Sitch
Mark G. Smith
Karen J. Wood
A. Paul Sheahan (resigned 14 April 2015)
Adrian C.R. Anderson (appointed 22 March 2016)
Clare V. Cannon (appointed 22 March 2016)

No remuneration was paid to the Committee Members during the year (2015: nil)

(b) The following related party transactions occurred during the financial year:

(i) *Transactions with other related parties*

a) MCG Trust

The Club is party to 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 MCG Trust and the State of Victoria, the Club's role as ground manager of the MCG has also been extended until 31 March 2042.

During the year, the Club paid the MCG Trust \$4.355 million (2015: \$4.312 million) in respect of its lease rental of the MCG.

The MCG Trust distributed \$4.220 million to the Club for the repayment of term loans and amortising inflation indexed bonds (2015: \$4.180 million).

From time to time, the Club undertakes transactions on behalf of the MCG Trust. As at year-end, amounts receivable by the Club from the MCG Trust were nil (2015: nil). Amounts owing to the Club are settled on 30 day terms and are non-interest bearing.

The MCG Trust has delegated its functions and responsibilities for the management of Yarra Park to the Club. It has done so via the execution by the MCG Trust, the Club and the relevant State Government of Victoria Ministers through 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 MCG Trust under the Yarra Park Amendment Act as the Reserve Manager of Yarra Park.

b) National Sports Museum Limited

From time to time, the Club undertakes transactions on behalf of NSM. As at year-end, amounts receivable by the Club from NSM were \$0.035 million (2015: \$0.013 million). Amounts payable by the Club to NSM were nil (2015: \$0.023 million). Amounts owing between the Club and NSM are settled on 30 day terms and are non-interest bearing. These amounts are eliminated in the consolidated financial report.

c) Other

Key management personnel are determined to be the Chief Executive Officer, General Managers and Executive Managers of the Club. During the year, a total annual remuneration of \$3,062,513 (2015: \$2,907,968) was paid to these personnel for the services provided to the Club.

(ii) *Transactions with director-related entities*

The Foundation is a director related entity of the Club.

During the year, the Club remitted to the Foundation \$5.671 million (2015: \$4.338 million) in line with the provisions of the amended Indemnity Deed between the MCG Trust and the Club.

From time to time, the Club undertakes transactions on behalf of the Foundation. As at year-end, amounts receivable by the Club from the Foundation were \$0.012 million (2015: \$0.005 million). Amounts payable by the Club to the Foundation were \$0.003 million (2015: \$0.019 million). Amounts receivable by NSM from the Foundation at year end were nil (2015: nil).

A number of the Club's Committee members held directorships with other entities during the current year. Names of Committee members and details of the relevant director related entities entering into business transactions with the Club on normal commercial terms and conditions during the year were:

Mr Michael J. Happell

– Chairman of PricewaterhouseCoopers Australia's Board of Partners

Mr James D. Bennett

– Managing Director of Aurecon

Mr Mark G. Smith

– Chairman of Patties Foods Limited

– Director of Toll Holdings Limited

These Committee members did not participate in the decisions to enter into business transactions with the Club.



Statement by the Committee

In accordance with a resolution of the Committee of the Melbourne Cricket Club, we state that:

In the opinion of the Committee members:

(a) the concise financial report of the consolidated entity for the year ended 31 March 2016 is in accordance with Accounting Standard AASB 1039 Concise Financial Reports; and

(b) the financial statements and specific disclosures included in this concise report have been derived from the full financial report for the year ended 31 March 2016.

Steven J. Smith
President

Michael J. Happell
Treasurer

Melbourne, 11 July 2016



Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au



Independent auditor's report to the members of the Melbourne Cricket Club

REPORT ON THE CONCISE FINANCIAL REPORT

We have audited the accompanying concise financial report of the Melbourne Cricket Club which comprises the consolidated statement of financial position as at 31 March 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and related notes, derived from the audited financial report of the Melbourne Cricket Club for the year ended 31 March 2016. The concise financial report also includes discussion and analysis and the statement by the Committee. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

COMMITTEE'S RESPONSIBILITY FOR THE CONCISE FINANCIAL REPORT

The Committee is responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports* and for such internal controls as the Committee determine are necessary to enable the preparation of the concise financial report.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with ASA 810 *Engagements to Report on Summary Financial Statements*. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the Melbourne Cricket Club for the year ended 31 March 2016. We expressed an unmodified audit opinion on the financial report in our report dated 11 July 2016. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the concise 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 controls. Our procedures included testing that the

information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year.

These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with AASB 1039 Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039 Concise Financial Reports. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of Australian professional accounting bodies.

AUDITOR'S OPINION

In our opinion, the concise financial report, including the discussion and analysis and the statement by the Committee of the Melbourne Cricket Club for the year ended 31 March 2016 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

Ernst & Young

Tim Wallace
Partner
Melbourne
11 July 2016



Governance Statement

TMelbourne Cricket Club is a body corporate incorporated under the Melbourne Cricket Club Act 1974 consisting of persons who under, and in accordance with, the provisions of the club's rules are members of the club.

The business and affairs of the club are overseen and controlled by a committee. The committee comprises members of the club elected to the following honorary office bearer positions, namely, a president, three vice-presidents and a treasurer, and up to nine other club members elected to the committee.

The club will be governed with integrity and in a responsible and accountable manner. The committee and management are dedicated in their approach to work continuously to improve strategies and structures in pursuit of excellence. This will be achieved by critically assessing performances while respecting the boundaries between the committee and management.

The committee meets at least 10 times a year for the purposes of overseeing all aspects of the club's business plan and objectives. It also deliberates on its responsibilities as ground manager of the Melbourne Cricket Ground and Yarra Park for the Melbourne Cricket Ground Trust, under the Melbourne Cricket Ground and Yarra Park Amendment Act 2009.

Additionally, the committee reviews the performance of the club's management team in consultation with the club's chief executive officer, measuring results against the business plan objectives, ensuring compliance with legal requirements and monitoring the strategic risk management plan.

Ten meetings of the committee were held during the period April 1, 2015 to March 31, 2016 and the record of attendance of members of the committee during the period is as follows:

A.P. Sheahan*	1/1	C.V. Cannon*	1/1
S.J. Smith	10/10	P.D. King	9/10
D.S. Crow	10/10	S.G. Macindoe	9/10
M.J. Andrew	10/10	F.H. Oldfield	9/10
S.C. Spargo	8/10	C.T. Sitch	9/10
M.J. Happell	7/10	M.G. Smith	10/10
A.C.R. Anderson	1/1	K.J. Wood	9/10
J.D. Bennett	6/10		

A.P. Sheahan vacated the committee on April 14, 2015
A.C.R. Anderson joined the committee on March 22, 2016
C.V. Cannon joined the committee on March 22, 2016

Because of inevitable committee absences, the club rules have been amended to provide for attendance by technology. A brief description of the club's approach to governance is outlined below.

MEMBERS' ROLE

The club's rules require that a meeting of Full members of the club be held annually ("the Annual General Meeting"). The purpose of the Annual General Meeting is to:

- Receive reports and audited financial statements from the committee in respect of the immediately preceding financial year.
- Elect office bearers and other members of the committee.

•Consider any other business for which notice has been given in accordance with the rules set out in the club's constitution.

All Full (voting) members of the club are advised in the notice of the Annual General Meeting about committee retirements and nominations for election or re-election. Full members are encouraged to attend the Annual General Meeting.

COMMITTEE COMPOSITION

(as at March 31, 2016)

The names and details of the members of committee in office at the date of this statement are set out elsewhere in this annual report.

The composition of the committee reflects the broad range of experience, skills and knowledge required to oversee the management and control of the club's business and affairs.

SUB-COMMITTEES

To assist in the execution of its responsibilities, the committee has established a number of sub-committees to which the president appoints committee members.

Sub-committees operate principally in a review or advisory capacity (except where powers are expressly conferred on or delegated to a sub-committee by the committee).

Sub-committees meet as required either monthly or, in some cases, bi-monthly. The current composition and functions of the sub-committees are summarised below:

EXECUTIVE

Deals with specific committee referrals, succession and urgent matters between committee meetings.

S.J. Smith (chairman, 10/10 meetings attended), D.S. Crow (10/10), M.J. Andrew (9/9), S.C. Spargo (10/10) and M.J. Happell (8/10).

CLUB

Monitors the club's membership policies and arrangements including nomination and admission procedures and membership benefits and services. It also oversees compliance with the rules set out in the club's constitution.

M.J. Andrew (chairman, 2/3), P.D. King (7/7), F.H. Oldfield (6/7), K.J. Wood (6/7), C.V. Cannon and S.J. Smith (ex-officio, 7/7).

CRICKET

Oversees all matters in relation to the cricket activities of the club and its relationship with cricket authorities.

D.S. Crow (Chairman, 5/5) and P.D. King (5/5).

FINANCE AND AUDIT

Oversees the club's accounting and reporting practices including effectiveness of accounting and internal control systems, management reporting and compliance with policy, regulatory and legal requirements.

Also reviews risk and evaluates procedures, the scope and quality of audit practices and oversees and monitors IT performance.

M.J. Happell (chairman, 5/6), M.J. Andrew (4/6), F.H. Oldfield (6/6) and M.G. Smith (5/6).

GROUND

Reviews and monitors the club's ground management operations including management of the MCG and outside grounds, commercial relationships, buildings, facilities, events, human resources and occupational health and safety matters.

M.G. Smith (chairman, 6/6), S.C. Spargo (4/6), J.D. Bennett (4/6), S.G. Macindoe (4/6), C.T. Sitch (5/6), A.C.R. Anderson and S.J. Smith (ex-officio, 4/6).

OTHER COMMITTEE RESPONSIBILITIES

In addition to the formal sub-committees established by the committee, members of committee are involved in the following additional sub-committees and related funds or corporate bodies which meet on an as needs basis: MCC Sporting Sections, Legal, AFL, Melbourne Cricket Club Foundation, Property and Sporting Sections, Melbourne Football Club and National Sports Museum Limited.

Members of the committee who are appointed to cricket and the club's various Sporting Sections as committee representatives are set out below:

Cricket:	P.D. King
Baseball:	K.J. Wood
Bowls:	F. H. Oldfield
Croquet:	C.V. Cannon
Football:	S.C. Spargo
Golf:	M.J. Andrew
Hockey:	S.G. Macindoe
Lacrosse:	C.T. Sitch
Netball:	J.D. Bennett
Real Tennis:	M.J. Happell
Squash:	A.C.R. Anderson
Target Shooting:	P.D. King
Tennis:	M.G. Smith

COMMUNICATION TO MEMBERS

The committee aims to ensure that members are informed of all major developments affecting the club. Information is communicated as follows:

•An annual report is made available to all members, either via post or electronically.

It includes relevant information about the operations of the club during the year, changes in the state of affairs of the club and details of future developments, in addition to other disclosures required by the club's rules and policies or by law.

•The MCC News magazine is made available to members three times yearly, in print and online.

•Regular emails are broadcast to members who have submitted their email address to the club.

•The MCC, MCG and NSM websites are regularly updated.

•The club uses social networking sites as a forum to engage with members.

MCC Health and Safety Policy

OUR COMMITMENT

To provide a safe environment for employees, contractors, promoters, tenants and patrons at all our sites.

We believe:

- Safety of everyone who visits or works at an MCC managed site is a priority.
- Safety is everyone's responsibility.
- Working safely is a condition of employment for all staff and contractors.
- Everyone's involvement in health and safety is essential.
- Training and leadership are critical in creating a safety culture.
- Creating a safety conscious workplace is a management priority.

We will create a safe environment by:

- Providing safe work conditions and safe systems of work.
- Providing the necessary training to staff and contractors.
- Ensuring legislative compliance through implementation of a rigorous health and safety system.
- Monitoring our performance through internal and external auditing of our safety systems against SafetyMAP criteria.
- Having an active and encompassing Health and Safety committee.
- Identifying risks and implementing controls to reduce the risk to as low as reasonably practicable.



MELBOURNE
CRICKET CLUB

Melbourne Cricket Ground PO Box 175 East Melbourne Victoria 8002 Australia
T 61 3 9657 8888 F 61 3 9650 5682 www.mcc.org.au ABN 92 871 871 964

