



ANNUAL REPORT

2020-21

THE SOVEREIGN HILL MUSEUMS
ASSOCIATION LIMITED

OUR STORY

We were born in 1970 with a rebellious spirit and an innovative vision. We have a sharp eye for history and want to ensure that Ballarat's vibrant gold rush heritage and the story of its impact on our nation can inspire future generations.

Founded by locals as a not-for-profit organisation, we are connected to our community and dedicated to the growth and success of the people and businesses in our part of the world.

We are passionate believers and advocates for adaptation and change, and we bring the people of the goldfields to life through stories of resilience, opportunity, curiosity, change, connection and conflict.

It has taken many cultures, many people and more than 60,000 years to build a country like Australia, and while the story of our nation is still being written, we tell an important part of it like no one else can.

Sovereign Hill is the story of us.

WADAWURRUNG ACKNOWLEDGMENT

Sovereign Hill acknowledges the Wadawurrung people as the Traditional Owners of the land on which we operate. We pay our respects to their Elders past and present, and to all of the Aboriginal and Torres Strait Islander people who live and work on Wadawurrung Country.

We acknowledge their unceded sovereignty over Wadawurrung Country, and the ongoing hardship and trauma as a result of colonisation. The history and continuous culture of the Wadawurrung people is an important part of our shared story.

OUR STRATEGY

OUR VISION

Connecting people through our history to adapt for a better future

OUR MISSION

Providing meaningful immersive experiences that tell stories of our humanity

OUR VALUES

Our values identify how we will interact with each other, our visitors and our stakeholders

Integrity

Our business is conducted with honesty and integrity

Safety

Ensuring the safety of our people and visitors underpins everything we do

Sustainability

We strive to balance social, environmental and economic priorities

Respect

We respect each other, and we respect our visitors, partners, resources, reputation and collections

Service

We are passionate about creating a positive and memorable visitor experience

Equality

We are committed to achieving equality and we value diversity

OUR OBJECTIVES

Excellence in Visitor Experience

Provide immersive and tailored experiences that are relevant and meaningful

Places and Spaces

Reimagine our spaces and places, creating environments and experiences that transport all visitors

Bold Narratives

Reveal and share stories of our humanity that provoke connection, curiosity and change

Reach and Impact

Transform our reach and impact on-site, offsite and online

Workplace of the Future

Create a progressive workplace that values our people and promotes diversity and inclusion

Future Proofing

Build a resilient business for sustainability and agility

OUR DECISION-MAKING CRITERIA

Innovative | Data Informed | Risk and Return Assessed | Purpose Aligned | Culture and Capability Fit | Excellence in Visitor Experience



CONTENTS

OUR STORY	2
OUR STRATEGY	3
PRESIDENT’S REPORT	6
CEO’S REPORT	7
SOVEREIGN HILL’S COVID-19 JOURNEY	8
REACH & IMPACT	10
EXCELLENCE IN VISITOR EXPERIENCE	12
PLACES & SPACES	14
BOLD NARRATIVES	16
WORKPLACE OF THE FUTURE	18
FUTURE PROOFING	20
TRIBUTES TO RETIRING BOARD MEMBERS	22
THE SOVEREIGN HILL FOUNDATION	24
MAJOR SPONSORS, GRANTS & DONORS	25
OUR ORGANISATION - SUPPORTERS & STAFF	26
FINANCIAL & STATUTORY REPORTS	29

PRESIDENT'S REPORT



In this, our 50th anniversary year, I am confident to say that there has never been a period in Sovereign Hill's journey that can compare to the past 12 months. The global devastation caused by COVID-19 is something that has impacted us all.

For The Sovereign Hill Museums Association it has meant that for the first time in our 50 years of operation we have closed our doors to the public not once, but seven times since the pandemic commenced in March 2020. The lockdowns have impacted our operations, the way we function, and critically, our most important asset - our staff and volunteers.

Throughout all this turbulence, strong support and commitment of our staff and volunteers has meant that we have managed to keep our organisation open, whenever possible, and move it forward in the right direction. Let me pause now and put the enormity of COVID-19 aside for just a moment to reflect on some of the positives that this year has brought us.

Firstly, it was a great joy to symbolically cut the cake to celebrate our 50th anniversary on 29 November, despite not being able to celebrate with a broader group of our valued supporters. Considering the ongoing uncertainty, we have endeavored to extend the birthday celebrations across the entire 2021 year and with such a significant milestone in our shared history, it is important to acknowledge each and every person who has been involved with Sovereign Hill over this journey.

Another extraordinary highlight during the financial year was launching our 20-year Master Plan on 27 November 2020. Our Master Plan is truly astonishing, and boldly sets out a vision and road map for the next 20 years and beyond. Channeling the rebellious and innovative spirit of our founders, our Master Plan seeks to build on the incredible success of Sovereign Hill. The first phase sets us up to continue to inspire future generations through the development of two significant centres for deep learning; the Australian Centre for Gold Rush Collections and the Australian Centre for Rare Arts and Trades in addition to enhancing the Outdoor Museum.

At this year's Annual General Meeting we will farewell two of our long-serving Board members, Peter McCarthy and Adrian Doyle. Peter's involvement with Sovereign Hill spans back to the late 1970s when he was Sovereign Hill's registered Mine Manager. Peter has been a Director from 1981-89 and 2010-21. Likewise, Adrian has made a significant contribution to the Board since he was elected in 2010 and served as the Association's President from 2016 to 2018.

In closing, I want to extend a genuine and heart-felt thank you to all our staff and volunteers who have continued to support, engage, and strive to keep The Sovereign Hill Museums Association going during these difficult times. I also want to thank our CEO Sara Quon and her Executive Team who have continued to work extremely hard with a focus on always doing what is best for our staff and volunteers. Although this time has been challenging, we have continued to modify and adapt to situations as they arise.

I also want to reassure everyone that the Board are firmly committed and focused on the next stages of the journey ahead. Whilst it will be difficult, I am very confident that with our ongoing hard work and perseverance, we will get through COVID-19 together and enter a stronger, brighter future.

Craig Fletcher
President

CEO'S REPORT



Without question there has been nothing normal about 2020-21. Around the world, and close to home, our communities have dealt with COVID-19 in different ways. With the responsibility for operationalising our organisation through this time, the safety of our staff and visitors has been foremost in our mind as Victoria has numerous lockdowns at the time of writing, four during the financial year of focus.

Our key visitation market of Melbourne has now spent 200 days in lockdown, state borders have been closed more than they've been open and international visitation is most likely at least a year away. Through this, the resilience, agility and fortitude of our staff, volunteers and supporters have been demonstrated time and again. This is not how we imagined our 50th year would look. However, every day we thank those who have worked before us to build such a strong base. Our financial result is testament to the hard work from every corner of our organisation to ensure we will be here on the other side of this pandemic.

While the enormity of ensuring Sovereign Hill can survive through the devastating impact of COVID-19, we have also focused on harnessing 50 years of momentum to deliver our Sovereign Hill Master Plan 2020-40.

Our new Master Plan has given us the opportunity to celebrate our 50-year milestone by looking ahead and creating a bold vision for the future of Sovereign Hill. So many in our community accepted our invitation to share their views on our organisation's potential over the next 20 years. My thanks to all who participated - our founders and past leaders, our staff and volunteers, Ballarat youth representatives, disability advocates, educators, government leaders and the business community. The Master Plan forms our light on the hill during this difficult time. It fills us with optimism and hope that we will thrive once again and inspire future generations in new ways.

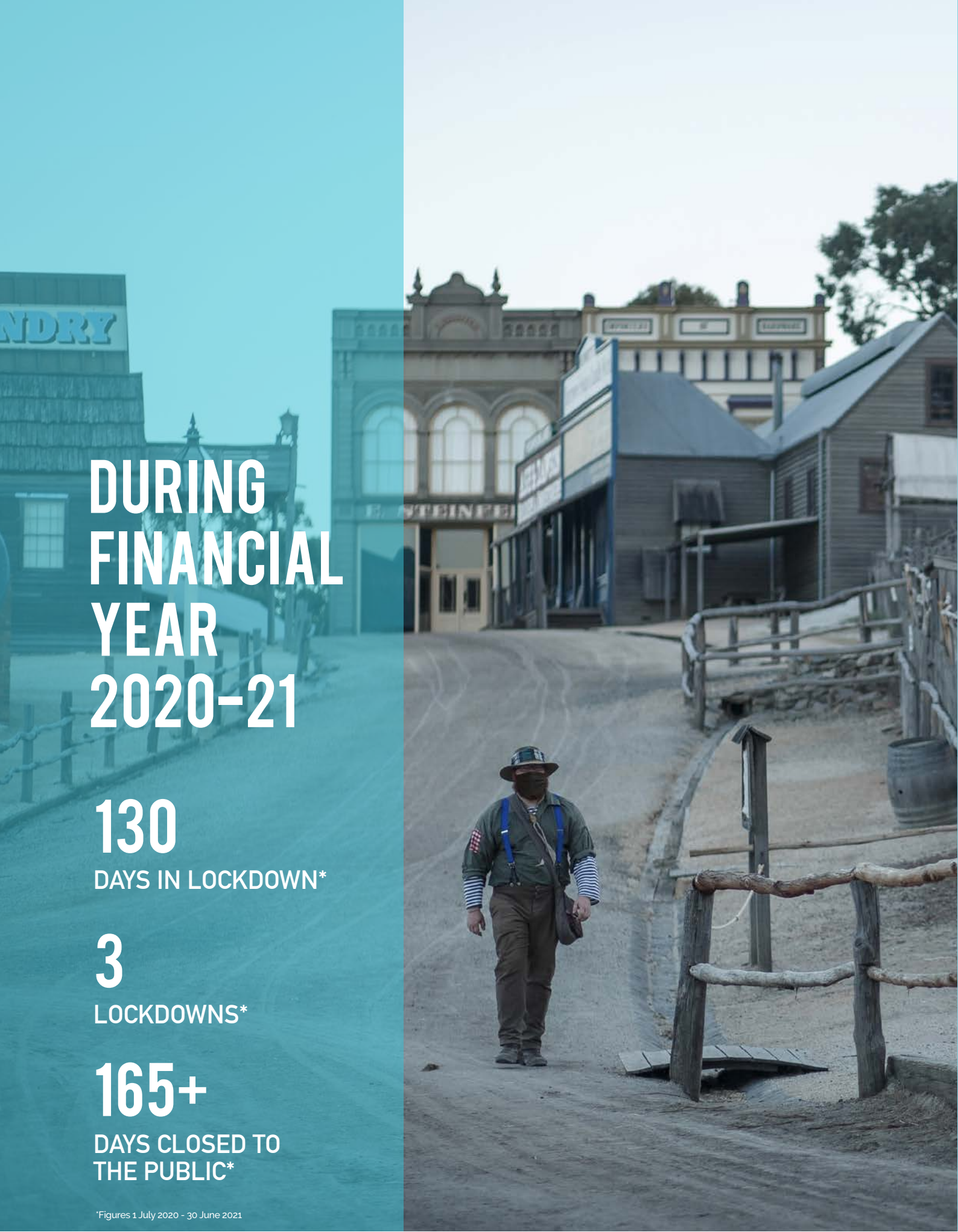
I acknowledge that during this challenging time we have also made the decision not to reopen the Gold Museum in its existing format. Instead, we will use the skills and foresight of those that built it - nearly 43 phenomenal years ago - to lean into a bold, new project to strengthen our impact. We are grateful for the support we've received as the Gold Museum transitions into this exciting new phase.

In June 2021, we acknowledged the valued contribution of the Bilney Family - Percy, Faye and Neville, upon their departure from Sovereign Hill. For almost 48 years, they brought to life the Soho Foundry and Clarke Bros. Tinsmiths exhibits in the Main Street, which both added greatly to the visitor experience. Their skilled craft in making quality hand-made pieces from the art of metal spinning was truly admired. During 2021, the Board were pleased to bestow Life Membership upon Percy and Faye, recognising their significant contribution to Sovereign Hill over many years.

A crisis is a time when leaders lean in and are called on more often and in more ways. My utmost respect to our frontline team and back-of-house staff who have weathered so much. Our team - from maintenance and education to front entrance and collection care - turn up every day to ensure we deliver an amazing experience to our visitors. Everyone in our team has not wavered from their desire to delight and engage our visitors who have needed the joy and connection that our unique Sovereign Hill experience provides. My significant thanks to our Executive and Senior Leadership Team who have done more with less. They have kept facing ahead, while supporting one another and bringing creative thought and new ideas to the table. Our President, Craig Fletcher, and every one of our Board members have put in countless extra hours to diligently consider each new insight or change of direction that the Management Team has had to put in front of them. It has been a true partnership of our Board and Management Team, and I am immensely grateful for their support both personally and professionally.

Throughout this year, dedicated supporters have come forward from all corners, patient with our team, often with a supportive word at just the right time, a letter of encouragement or, in some cases, a donation or grant. This unified belief in our direction has continually buoyed us. Sovereign Hill is the story of us, and our supporters are the heart of that story. My thanks to all of you for standing by us and working alongside us.

Sara Quon
Chief Executive Officer



DURING
FINANCIAL
YEAR
2020-21

130
DAYS IN LOCKDOWN*

3
LOCKDOWNS*

165+
DAYS CLOSED TO
THE PUBLIC*

*Figures 1 July 2020 - 30 June 2021

SOVEREIGN HILL'S COVID-19 JOURNEY

In a time like no other 2021 will be defined by a rare viral pandemic that swept across the globe.

At the time of writing more than 50% of Australians are in lockdown. They're unable to travel more than ten kilometres from their homes, send children to school or attend their workplace. Face masks are compulsory in all indoor and outdoor settings, and recreational international travel has been closed for over 18 months. The financial and social devastation caused by COVID-19 cannot be understated.

The first Victorian lockdown occurred in March 2020, making it the first time that Sovereign Hill Outdoor Museum had closed to the public in its 50-year history. Currently, Victoria is in its sixth lockdown since the pandemic began.

LOCKDOWNS & SOVEREIGN HILL CLOSURES TO 30 JUNE 2021	START	MELBOURNE LOCKDOWN DATES	DAYS SPENT IN LOCKDOWN
Lockdown 1 - Sovereign Hill Closed	20/3/20	30/3/20 - 12/5/20	43
Sovereign Hill Open Weekends Only	6/6/20		
Sovereign Hill Open 7 Days	27/6/20		
Lockdown 2 - Sovereign Hill Closed	8/7/20	8/7/20 - 27/10/20	111
Sovereign Hill Open Weekends Only	31/7/20		
Sovereign Hill Closed	5/8/20		
Sovereign Hill Open Weekends/Schools	31/10/20		
Sovereign Hill Open 7 Days	26/12/20		
Lockdown 3 - Sovereign Hill Closed	12/2/21	12/2/21 - 17/2/21	5
Sovereign Hill Open 7 Days	20/2/21		
Lockdown 4 - Sovereign Hill Closed	28/5/21	27/5/21 -10/6/21	14
Sovereign Hill Open 7 Days	12/6/21		

179,383

PEOPLE VISITED ONSITE

167,260

FROM VICTORIA

43,311

EDUCATIONAL
EXPERIENCES
DELIVERED



Photo taken prior to pandemic social distancing requirements.

SH

REACH & IMPACT

This year we refreshed our brand and made it a priority to integrate lifelong learning outcomes into everything we do, while we focused on ensuring our site was open and accessible to the public during a tumultuous year of lockdowns.

VICTORIANS DEMONSTRATED HOW MUCH SOVEREIGN HILL IS WELL-KNOWN AND LOVED

Over the past 12 months, 179,383 people visited Sovereign Hill to enjoy our immersive experience. During this period, over 90,000 people visited from Melbourne (making up 50% of total visitation); 56,804 people visited from regional Victoria (comprising 32% of our total visitation); and 20,145 people visited from our local Ballarat community (making up 11% of all attendances). Our website attracted more than 480,000 users, generating over 3.1 million page views and our social media channels were followed by over 160,000 people.

WE DELIVERED UNIQUE SOVEREIGN HILL EXPERIENCES ONLINE

While our doors were closed and Victorians were in lockdown, we continued to engage our visitors through dynamic online content through our 'Sovereign Hill at Home' program. Our visitors were able to experience Sovereign Hill remotely through behind-the-scenes tours, live demonstrations on Facebook, hands-on activities, learning resources and blogs via our website and social media channels. 'Sovereign Hill at Home' provided much-needed relief to our visitors dealing with home-schooling. The program attracted strong engagement from our online audience, with nearly 70,000 views of our live demonstrations and tours on Facebook, along with over 30,000 users on our website.

OUR LEARNING PROGRAMS CONTINUED TO PROVIDE A UNIQUE AND IMMERSIVE EDUCATIONAL EXPERIENCE FOR STUDENTS

We delivered over 46,000 learning experiences to students and educators across our sites, including the Outdoor Museum, Costumed Schools, AURA, Narmbool and online.

We diversified our learning programs to broaden and deepen the capacity of our visiting schools, to make learning connections across our sites and increase student-led discovery and inquiry. New program design includes Goldfields STEM, 'We Built This City on Rock n Gold', 'Creating a City' and 'Living in the Past – A Changing Society'. Our object-based learning programs have been redesigned to focus our collection across Kindergarten to Grade 6, and enable schools to visit annually to build on how they learn about the past.

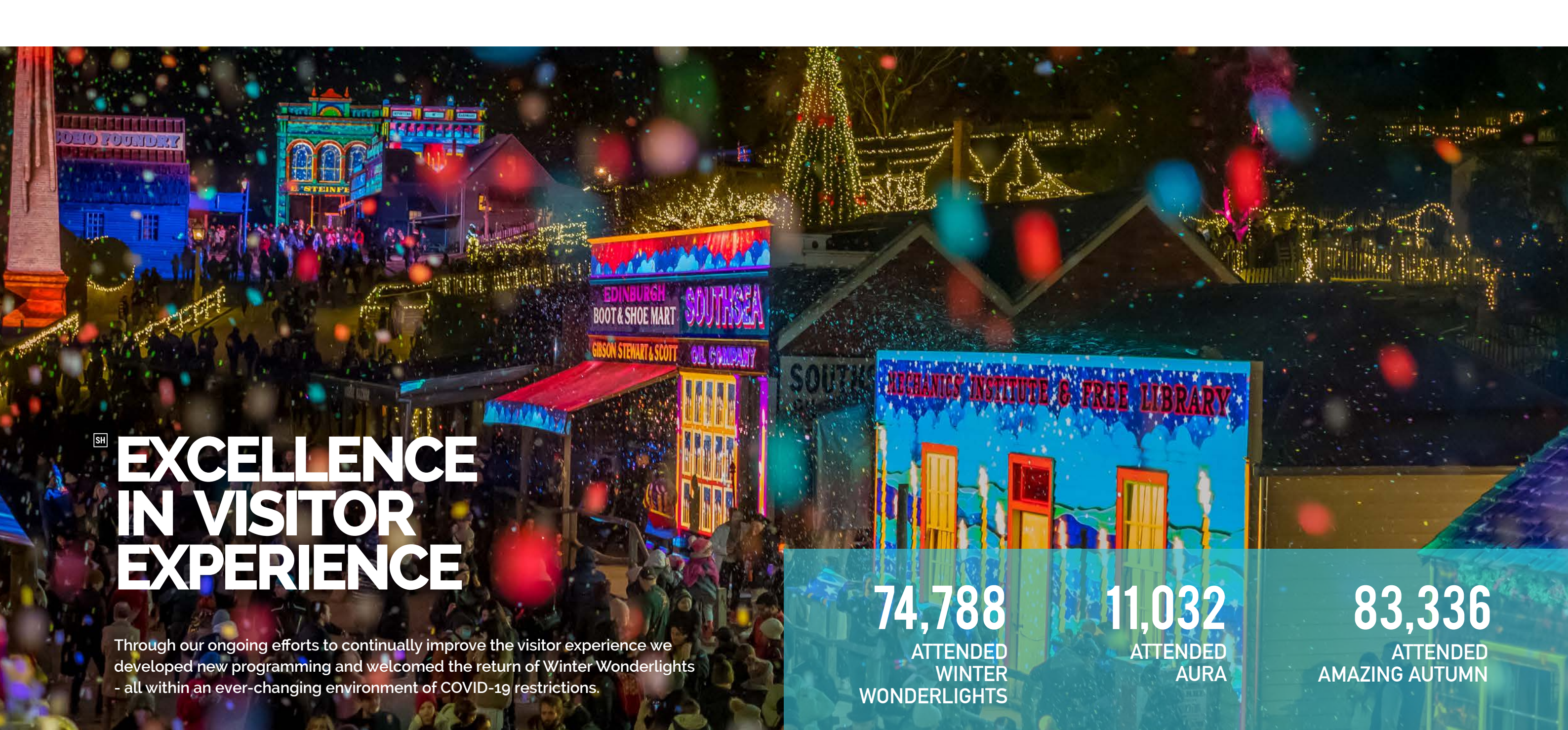
WE WORKED HARD TO SUPPORT STUDENTS DURING LOCKDOWN

We produced seven online digital learning packages to support schools in their remote learning of the Victorian Curriculum. Subjects included the 'Industrial Revolution', 'Goldfields STEM', 'Object Based Learning – Life on the Goldfields', 'Colonial Life', 'Aboriginal People on the Goldfields', 'Environmental Impacts of the Goldfields' and 'Nineteenth Century Migration'.

These learning packages were curated learning materials and resources for teachers and students. The packages attracted high levels of engagement. They reached 99,264 students, while 80% of teachers registering for our digital resources had not previously accessed our learning materials.

We launched our 'We Live in Colour' three-hour school holiday program. There were a total of three creative, hands-on sessions in 2021, with 50% of participants being local and the remainder from Melbourne.

This year we signed a new memorandum of understanding with Youthrive, a rural leadership program for young people. Our ten-year partnership reflects a shared interest both organisations have in supporting the leadership development of young regional people. This year, despite COVID-19 constraints, Youthrive was able to hold two residential leadership programs at Narmbool, with Sovereign Hill staff providing coaching and mentoring over six days in December 2020 and again in January 2021.



SH EXCELLENCE IN VISITOR EXPERIENCE

Through our ongoing efforts to continually improve the visitor experience we developed new programming and welcomed the return of Winter Wonderlights - all within an ever-changing environment of COVID-19 restrictions.

74,788
ATTENDED
WINTER
WONDERLIGHTS

11,032
ATTENDED
AURA

83,336
ATTENDED
AMAZING AUTUMN

WE ALTERED OUR PROGRAMMING TO DELIVER A BETTER VISITOR EXPERIENCE

In August 2020, our organisation began implementation of 'Zoned Programming' as part of a package of strategic program reform. 'Zoned Programming' is a major overhaul of the visitor experience at Sovereign Hill, focused on activating core precincts across the day. While our signature experiences are available all day, 'Zoned Programming' means that the sounds, sights, and stories move and change across the Museum throughout the day. Visitors can more easily engage in experiences full of atmosphere and energy, while the program highlights areas of the Museum that can sometimes be forgotten or missed.

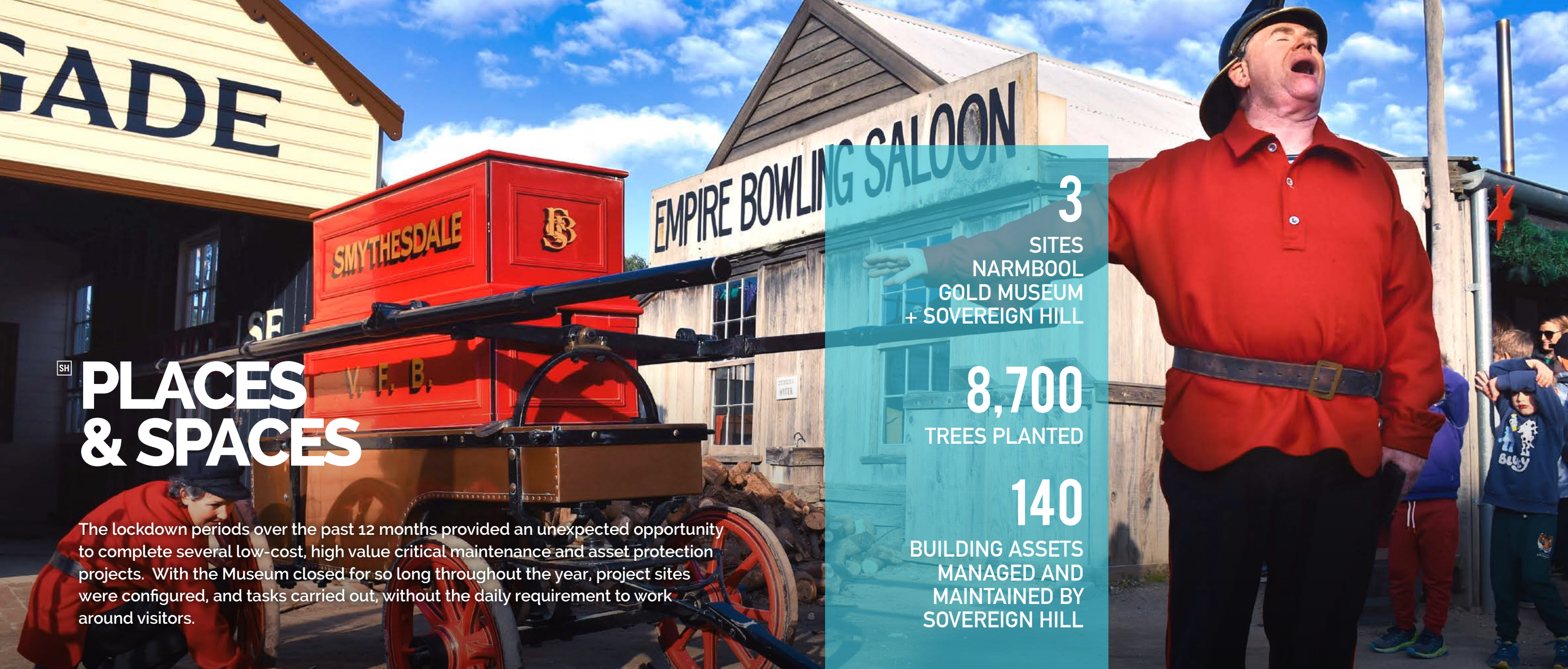
COVIDSAFE PLANS WERE THE ONGOING THEME OF THE YEAR

With four lockdowns in this financial year alone, the Occupational Health and Safety and Museum Experience teams developed and executed 19 different COVIDSafe plans as government requirements changed to keep our staff, volunteers, visitors, and our community safe. The COVIDSafe plans included assessment of each evolving set of government requirements to ensure compliance including density quotients, distancing, and mask requirements. Schools proved a challenge to ensure 'bubbles' could operate effectively on day excursions and camps so we could continue to deliver an engaging experience for students.

WINTER WONDERLIGHTS 2021 ALLOWED US TO SHINE AGAIN

A major achievement this year was the successful return and delivery of Winter Wonderlights. Launched with the theme 'Now We Shine', the event was an opportunity for Victorians to come and celebrate together, reconnect with each other and with places and experiences that they love. Highlights included a fireworks-themed new illumination inspired by the Vauxhall Gardens of the nineteenth century, toffee apples and

St Nicholas. With a snap lockdown (Lockdown 5) just four weeks before the opening, contingency and back-up plans kicked into place. Winter Wonderlights attracted over 74,788 people – a remarkable achievement considering the limited interstate visitation and the absence of international attendees, and the event being cut short by three days due to a sixth snap lockdown. Sovereign Hill notes with gratitude the support of the Victorian Government Regional Recovery Fund assistance which included Winter Wonderlights. Note: Winter Wonderlights figures run across the 2020-21 and 2021-22 financial year.



SH

PLACES & SPACES

The lockdown periods over the past 12 months provided an unexpected opportunity to complete several low-cost, high value critical maintenance and asset protection projects. With the Museum closed for so long throughout the year, project sites were configured, and tasks carried out, without the daily requirement to work around visitors.

3

SITES
NARMBOOL
GOLD MUSEUM
+ SOVEREIGN HILL

8,700
TREES PLANTED

140
BUILDING ASSETS
MANAGED AND
MAINTAINED BY
SOVEREIGN HILL

WE TOOK ADVANTAGE OF OUR LOCKDOWN PERIODS TO DELIVER CRITICAL ASSET MAINTENANCE

During a normal operating environment, the maintenance team would typically have unhindered access to Museum buildings for about three hours per day. We focused on the following much needed areas of work during the extended periods of lockdown:

- Replacement of timber gutters along 160 metres of roadway, the timber floor in the Charlie Napier Hotel Men's Parlour, and the front fence outside St Ives – major safety enhancements.
- Renewal of the boardwalks across the front of the Hewitt's Yarrowee Soap and Candle Works and the Criterion Store, as well as the school change-rooms in Beasley's Cottage for major safety enhancements.
- Renewal and repainting of the Fire Station building.

With the support of the Ferry Family Charitable Trust several renewal projects were completed at Narmbool throughout the year, including:

- Replacement of the cladding across the south wall and a number of timber windows at the Lodge.
- An upgrade of a number of switchboards at Narmbool to improve safety and comply with the latest electrical regulations.

NARMBOOL REMAINED FRONT AND CENTRE IN OUR SUSTAINABILITY INITIATIVES

This was our busiest year in terms of revegetation work at Narmbool. The importance of this revegetation work is paramount to Narmbool's identity and value, and extends the legacy of its previous owners and our Narmbool patrons, Robin and Andrew Ferry, who planted thousands of trees and shrubs from 1980 to 2000.

Conservation Volunteers Australia staff and two Working for Victoria crews joined our Narmbool team to deliver our part of 'The 20 Million Trees Project' and the 'Scotsburn – Phoenix Bushfire Recovery Project', planting 8,700 grasses, shrubs, and trees across the 2,000-hectare pastoral property. Ballarat Wild Plants supplied indigenous plants for the revegetation project. This work has been essential for increasing local biodiversity in order to rebuild a thriving ecosystem across the site.

The revegetation work has also produced additional 'shelter belts' to create protection from the strong seasonal winds as well as wildlife corridors to allow animal movement from the north of the property to the south.

OUR MASTER PLAN PROJECTS BEGAN AND ARE HEADING IN THE RIGHT DIRECTION

Works on all Master Plan projects started and will be completed in stages over the next 12 months. These projects form part of

the \$10.1 million funding received from the Federal Government as part of the Tourism Icons of Australia program. These include:

- Decommissioning gallery spaces within the Gold Museum and relocating/rehousing of all collection items previously displayed in the galleries.
- Refitting John Alloos and the Carver & Dalton buildings to provide a new indoor flexible learning space with enhanced accessibility.
- Constructing a new schools' toilet aimed at improving accessibility and safety to visiting school children.
- Developing plans for a new multi-function events space, as well as a new area for costume production.
- Developing a long-term plan for the diggings precinct.
- The start of upgrades to the steam and mine precinct.
- A food roadmap across all sites.
- Arrival enhancements including better digital ticketing



150,000

OBJECTS CARED FOR
ACROSS THE MUSEUM
COLLECTIONS

80,000

OBJECT RECORDS
AVAILABLE ONLINE AND
ACCESSIBLE TO ALL

250

HISTORY AND COLLECTION
RELATED QUERIES RESPONDED
TO OVER THE YEAR

SH

BOLD NARRATIVES

One of the ambitions of Sovereign Hill is to ensure we reflect stories of humanity with clarity and consistency in our interpretation. The main themes we focus on are conflict, change, curiosity, connection, resilience, opportunity, and entrepreneurship. There has also been a desire to shine a light on many of the gold rush's hidden stories, such as women, immigration, youth and indigenous people. We continue to ensure our collections are world class.

WE IMPROVED THE FOUNDATIONS FROM WHICH WE INTERPRET HISTORICAL CONTENT AND STORYTELLING

This year we have made significant progress towards completing a framework for contextual essays focusing on zones across the Museum. These essays guide our training, new content and future interpretive development. Two companion documents sit with each contextual essay: an interpretive significance statement and a collections document. The significance statement explains the function and purpose of each zone, including the physical structures within that area. The collections document identifies the collection items that support the interpretation in that zone.

WE LAUNCHED A NEW AND SIGNIFICANT DEEP LEARNING COLLECTIONS CENTRE

In November 2020, we announced the launch of the Australian Centre for Gold Rush Collections as part of the Sovereign Hill Master Plan project. This centre will be home for our collections and associated research and will provide a hub for collection-based education and public programs. Currently caring for over 150,000 objects of national and international significance connected to the Victorian gold rush era, the Centre will ensure the prominence of collections, expand access for the community and facilitate scholarly research. The existing collections include our own, as well as those from the Ballarat Historical Society, City of Ballarat, and other organisations. The new Australian Centre for Gold Rush Collections will open in mid-2022.

WE CONTINUED TO UNCOVER AND SHINE A LIGHT ON HIDDEN STORIES

In early 2021, Sovereign Hill secured the Local History Grant from the Public Records Office of Victoria. The grant has been used to research and publish an e-book on a famous photographic montage of 'pioneer women' in Ballarat – one of the impressive Ballarat Historical Society collection items cared for by the Museum. While the 32 women in the montage are identified, there is little or no context provided as to how or why they were chosen for inclusion in the montage. The e-book reveals the importance of these women as shopkeepers, hotelkeepers and publicans, laundresses, performers, and in some cases, gold-seekers, as well as their traditional role as wives, mothers, and daughters.

WE CURATED COLLECTION STORIES ONLINE

With audiences unable to visit for long periods, our External Engagement and Collections and Curatorial teams engaged our supporters through online tours of the collection. Behind-the-scenes tours of our costume and Chinese processional collections were live streamed through our Facebook page and drew a strong global audience. The tours received over 15,000 views and have been amongst our most popular Facebook live streams.



SH WORKPLACE OF THE FUTURE

Our people have shown great resolve and resilience through a year of immense change and challenge. They continue to deliver an exceptional visitor experience that has brought joy to so many visiting the Museum. Our people agenda remains central to our visitor experience and as a workplace there are many new and exciting possibilities for our team.

359
PERMANENT
AND CASUAL
EMPLOYEES

207
VOLUNTEERS

2,769
COVID-19 TRAINING
PROGRAMS

WE CONTINUE TO INVEST IN OUR PEOPLE

The way we attract, develop, and mobilise our teams ensured the right number of people with the necessary skills were able to deliver on our goals. Through the development of an agile workforce, new possibilities and greater training opportunities emerged. This approach continues to build our progressive credentials for the next generations of workers. Cross training team members in new areas across the business was focussed on and will be an ongoing priority.

WITH AN EYE ON THE FUTURE, WE REDESIGNED OUR ORGANISATIONAL STRUCTURE

In early 2020, we kicked off our organisational redesign plans and managed to pull through the toughest of periods with no redundancies and a major redeployment initiative. The

restructure regrouped critical areas of our visitor experience with programming and strengthened our support functions to better deliver our purpose. The change process, in conjunction with extensive employee consultation, was implemented in March 2021. With the restructure, came a commitment to a new Executive and Senior Management Team structure. We commenced the journey with a workshop involving 40 members of our Management Team and the Executive. The result instilled a 'one team' positioning that set us on a trajectory of building a capable, visible, and accountable leadership team.

EXPANDED HYGIENE AND SAFETY MEASURES WERE A PRIORITY TO KEEP OUR PEOPLE AND VISITORS SAFE

Heightened communication and training with our people was a critical component of our response. This included introducing area-specific COVIDSafe plans and COVID-19 Marshal training.

With the Museum closed to the public during state lockdowns, we implemented work from home arrangements and offered remote training and development opportunities to our frontline workers where possible.

VOLUNTEERS

The year would not be complete without thanking our 207 strong volunteers who generously contributed support to our staff and visitor experience. Of the 207 volunteers, 145 have volunteered since December 2020. A total of 8,912 volunteer hours were contributed during the 2020-21 year. We also put 150 volunteers through inductions and COVID-19 safety training. With self-directed engagement during lockdown, our volunteers remained connected and committed to Sovereign Hill. Our social impact survey revealed great insight into why our volunteers choose Sovereign Hill to invest in their own development.

Some of the feedback we received included the following:

'The biggest change has been that rather than focusing on how much I know and can share with others, I now focus on how much I can learn from others. I also have come to increasingly rely on the very positive impact that volunteering here, (and the interactions I have with staff, volunteers, and visitors) has on my mental and physical health. It is like a tonic and is far better than any medicine or therapy.'

'I thoroughly enjoy my time at Sovereign Hill. I wasn't sure after I moved so far away whether I would continue, but after the compulsory time away I missed it so much that I decided to continue.'



50

YEARS OF BEING A
COMMUNITY-FOCUSED,
NOT-FOR-PROFIT
ORGANISATION

1

NEW FOOD AND
HOSPITALITY
PARTNER

10

MAJOR TRANSFORMATIVE
PROJECTS REVIEWED

SH

FUTURE PROOFING

WE ENTERED A NEW ERA OF FOOD SERVICES AND HOSPITALITY

After an approximately 20-year partnership, Delaware North Companies Australia made the decision to exit the hospitality agreement at Sovereign Hill. Delaware North have been a key partner in the growth and success of the Museum, from co-investing in the development of the Sovereign Hill Cafe, to the success of Winter Wonderlights.

After an exhaustive search, in April 2021 we welcomed the Peter Rowland Group as our new partner for the provision of hospitality and food services at Sovereign Hill and Narmbool. Key considerations for selecting a new provider were their capacity to support local suppliers, an excellent food safety record, adaptiveness, and their capacity to grow with our organisation into the future.

WE EMBRACED OUR IDENTITY AS A NOT-FOR-PROFIT ORGANISATION AND BEGAN DIVERSIFYING OUR FUNDRAISING

We developed a comprehensive fundraising strategy focused on new ways to attract diverse philanthropic support. During Melbourne's extended three-month lockdown period, we ran a public-facing fundraising campaign, 'Sustain Sovereign Hill', and extended our donor base. We also embarked on delivering our renewed Gold Lottery. At \$50 per ticket, the Lottery sold just under 10,000 tickets in a ten-week campaign period which provided vital support for our not-for-profit organisation when it was critically needed.

WE CONTINUED TO EVOLVE OUR BUSINESS MODEL ENSURING SURVIVAL INTO THE FUTURE

From April to September 2020, we brought people from across the business together to consider how we could transform The Sovereign Hill Museums Association and come out of COVID-19 stronger than ever. We investigated 20 different options that could strengthen our financial viability, improve our visitor experience, and achieve our strategic plan.

Each project was reviewed, highlighting those that would provide the best value for effort. The organisation has put some of these into practice and is preparing others for future investment. A fundamental part of the value of this work was

building business analysis skills amongst our team, the tools and templates developed for use, and deeper understanding of our business. When considered overall, the forecast is to provide between \$2 million and \$3 million a year of benefit to the Museum within the next five years.

Over ten projects were reviewed and approved, with general major transformation projects including:

Transforming the steam machinery experience

We explored the potential to transform the way we deliver the story of nineteenth century steam machinery. This project is now being delivered within the Master Plan.

Agile rostering

We were able to develop a significant new operating model that brings frontline staffing levels more in line with predicted visitor numbers.

Price reset

We used price elasticity modelling to review our pricing structure, and as a result, reduced prices by around 30%. This is expected to significantly increase visitation and provide positive financial return to the organisation while making Sovereign Hill more accessible to more people.

OUR NARMBOOL FARM CONTINUED TO SHOWCASE BEST PRACTICE

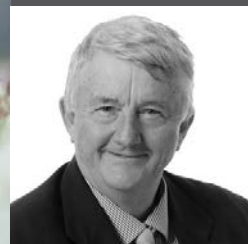
While our Narmbool education facilities were closed to the public for a large part of the year, our farming practices at the property were the beneficiary of excellent weather which, under the watchful eye of our long-term Farm Manager, enabled outstanding results. These included a 3% increase in sheep and ram numbers and a 7% increase in lamb and sheep sales. During the year, our Narmbool team focused on continued improvement of the pastures and farm infrastructure, including the installation of additional fencing to further sub-divide a number of larger paddocks. This was done to support increased productivity and continued high standards of animal welfare into the future. We also audited our farm practices through this period to provide benchmarks with very positive results.

A safety-first approach led to the purchase of a number of minor capital improvements including a new sheep loading ramp and farm vehicles. These will enable the Farm Manager to safely access all areas of the site to watch over the flock. This strong performance will enable future investment into the education programs offered at Narmbool and ongoing commitment to the financial and environmental sustainability of the site.



SH TRIBUTES TO RETIRING BOARD MEMBERS

PETER MCCARTHY 1981 – 89, 2010 – 21



Peter's involvement with Sovereign Hill began in the late 1970s when he joined as a registered Mine Manager to oversee the development of the Quartz Mine exhibit in the Museum. This was a significant undertaking. It involved complex underground tunnelling and the restoration of the above ground assets with recommissioning of the steam boilers, engines, stamp battery and the operation of the Cornish Beam Pump.

The Board were keen not to lose Peter's expertise when he left Sovereign Hill in 1980 so he was invited to join the Board in 1981. He served in this capacity until 1989 and was an outstanding contributor to the Museum's Outdoor and Mining Committee in that period.

In 2010, Peter was elected to the Board for a second period. His firsthand expertise at Sovereign Hill has been an invaluable resource over the many years of his involvement, and the safe operation of the underground mining exhibits owes much to his valued contribution and advice.

In more recent years, Peter has been a Board representative on the Sovereign Hill Master Plan Steering Committee which is overseeing the development and execution of the 2020-2040 Sovereign Hill Master Plan. Peter has also been a working group member of the Steam Precinct project which will see operational changes and an enhancement of the visitor experience through the activation and improved interpretation of this area.

ADRIAN DOYLE 2010 – 21



Adrian joined the Board in 2010, bringing with him a sound knowledge of project management, development, valuation, and property consultancy. Coming from a family farm in Shepparton, Adrian had a keen interest in Narmbool. He made a valuable contribution as a member and then Chair of the Narmbool Committee.

Adrian became the 20th Board President in 2016 and commenced his term with Sovereign Hill winning both the State and National Tourism Awards for Major Tourist

Attraction that year. Winter Wonderlights was also a significant highlight for Adrian during his term, with attendances reaching over 110,000 for this signature event.

Adrian will always remain a strong advocate for Sovereign Hill as he continues his involvement across many sectors in the local community.

THE SOVEREIGN HILL FOUNDATION (INC. NAMED ACCOUNTS)

Established in 1996 as an internal fund of The Sovereign Hill Museums Association Limited, the Sovereign Hill Foundation provides a capital base for investment to support Sovereign Hill's long-term financial viability.

We thank the Foundation Committee Chair, Dr Ross Wilkie, and fellow committee members for their unwavering encouragement for the Board during the most challenging time in the Association's 50-year history. We are most appreciative of the generosity of those Named Account donors who are listed below for supporting this initiative for the future benefit of the Museum.

The Peter and Richard Nicholson Family gift
Jane Cowles Bequest
The Isobella Foundation
Delaware North Companies Australia
McDonald's Australia
D & J McKenzie Account
Bruce & Kay McKnight Bequest
The Colin & Shirley Prowse Family Gift
GH & AJ Troon Account
SJ Weir (Ballarat) Pty Ltd Account
Ross & Elizabeth Wilkie
Voi Williams Family Gift
The Barry James Account
The John & Catherine Davis Account
Jim and Betty Gay Family Gift
Jeremy & Anne Johnson Family Gift

JG King Pty Ltd
Terry & Sue Lloyd Gift
Jim & Irene Stephen Account
Gull & Company Gift
Adroit Insurance & Risk (Directors)
Doug Sarah & Penny Russell (Win Sarah Memorial) Gift
Dorothy & David Baird and Family Gift
Sophie and Steven Coltman Family Gift
Neil & June Jens Family Account
John Collier Bequest
Alizzi Family Account
Bruce & Adela Bartrop Account
Rod & Melinda Unmack Family Gift
Dean & Pauline Stevens Family Gift
Bentley Family Gift
Plush Family Gift

MAJOR SPONSORS, GRANTS & DONORS

MAJOR SPONSORS & GRANTS

City of Ballarat
Catholic Education Commission of Victoria
Victorian Government Department of Jobs, Precincts & Regions – Regional Recovery Fund
Victorian Government Department of Education & Training
Victorian Government & Public Records Office Victoria
Ferry Family Charitable Trust
Helen Macpherson Smith Trust
Integra Group Pty Ltd

The Museum also acknowledges the support of Creative Victoria and its Organisational Investment Program.

The Sovereign Hill Museums Association also acknowledges the support of the Australian Government under the 2019 National Tourism Icons Program for the development and delivery Phase 1 of the Association's Master Plan which was launched in November 2020 and will be completed by late 2022.

DONORS

(From 1/7/2020 to 30/6/2021)
Adroit Insurance & Risk
Bone R
Campana T & L
Dale J
Davis J
Ferry A & R
Ferry Family Charitable Trust
Hinchey R & N
Hiscock P & Y
Isobella Foundation
Longden M & L
McKnight B & K
Moss D & S
Nelson J
Plush J
Robson V
Russell J
Sarah D
Torney G W Estate
Webster M
Wilkie R & E

We also acknowledge with our thanks the online donors that took part in our 'Sustain Sovereign Hill' fundraising campaign. Their collective contribution has made a real difference.

OUR ORGANISATION - SUPPORTERS & STAFF

PROSPECTORS

Prospectors are passionate supporters of Sovereign Hill who make an annual donation, and enjoy social gatherings at Sovereign Hill. The past year has made it difficult to gather our Prospectors together for an on-site event. However, we are regularly in contact with this cohort to provide updates several times a year. We are looking forward to welcoming our Prospectors back to Sovereign Hill when the opportunity presents.

We are pleased that Mr Steve Moneghetti AM remains a Patron of this coterie.

Ball D	Moss S
Brooke D	Nelson J
Campana T & L	Oliver N
Corcoran I	O'Sullivan F
Cowles J E	Perrin K
Dale J	Platzer W
Davis J	Plush J
Glover J	Prowse C
Kannourakis G	Selkirk R
Lloyd T	Stone B
McKnight B	Webster M
Moneghetti S	

SIR HENRY BOLTE FUND SUB-COMMITTEE

The Sir Henry Bolte Fund is an internal fund of The Sovereign Hill Museums Association Limited that supports Sovereign Hill by funding acquisitions to underpin our historical research and help build the Museum's collections. Our sincere thanks go to the following volunteer sub-committee members:

Nicholson R (Chair)
McKnight B (Deputy Chair)
Elder S
McGregor W
McNamara P
Prowse C
Thompson D
Trudgeon R
Fletcher C (Ex-officio)
Quon S (Ex-officio)

PATRONS, CIVIC PATRONS, NARMBOOL TRUST

Patrons

The Hon. John Cain
The Hon. John Brumby AO
The Hon. Steve Bracks AC
The Hon. Jeffrey Kennett AC
The Hon. Denis Napthine
The Hon. Ted Baillieu

Patrons of Narmbool Trust

Andrew Ferry OAM
Robin Ferry OAM

Civic Patrons

Mayor of the City of Ballarat, Cr Daniel Moloney (from 11/11/2020)
Mayor of the City of Ballarat, Cr Ben Taylor (to 11/11/2020)
Chancellor of Federation University Australia, Terry Moran AC

BOARD MEMBERS & ADVISORS

Board Members

Craig Fletcher (President)
Angela Carey (Vice-President)
Chris Alizzi
Catherine Brown (from 19/10/2020)
Damien Butler
Adrian Doyle
Marie Jackson (from 13/08/2020)
Peter McCarthy
Janelle Ryan (to 28/7/2020)
Judy Verlin AM

Board Advisors

Josie Rizza
Benjamin Mountford (to 14/12/2020)

SENIOR EXECUTIVE

Chief Executive Officer

Sara Quon

Deputy CEO and Chief Museums Officer

Katrina Nitschke

Chief Financial Officer

Angela Morrison

Chief Engineering Officer

Chris Hutton

Chief People Officer

Kez Tacar (from 11/1/2021)

Chief Development Officer

Will Flamsteed

COMMITTEE CHAIRS, COMMUNITY SUPPORT

Committee Chairs

Finance & Risk Committee – Alizzi C
President's Advisory Committee – Fletcher C
Narmbool Committee – Doyle A K
Sir Henry Bolte Fund – Nicholson R
The Sovereign Hill Foundation – Wilkie R

Community Support

We are grateful for the on-going support of the following members of the community who have served on Sovereign Hill Board committees during the past financial year:

Boyd A	Prowse C
Carlson M	Rodd A
Dore J	Schinck A
Elder S	Sebastian P
Ferry R	Thompson D
McGregor W	Trudgeon R
McKnight B	Westbrook L
Moneghetti S	Wilkie R
Mountford B	

Auditors - MOR Accountants
Bankers - National Australia Bank
Mining Consultant - Darveniza P

Leased Business Managers

Catering – Peter Rowland Group (from 1/4/2021)
Catering – Delaware North Companies Australia Pty Ltd (to 31/3/2021)
Soho Foundry & Clarke Bros. Tinsmiths – Bilney P & F (to 31/12/2020)

Honorary Music Historian

FitzSimons T

Honorary Mining Historian

d'Auvergne P

LIFE MEMBERS

*New Life Member

Addison J
Agostino C
Agostino J D
Baird A
Baird D
Baird M
Baird S E
Baird S N
Ballinger J
Bartrop B E
Battersby D
Benjamin T M
Bilney F*
Bilney P*
Blomley D
Bonthorne J
Brown G W
Brown N
Bruce C
Bruce E
Bruce G
Bruce T
Bunning P R
Butler C
Butler D
Butler J
Butler K
Butler N
Butler X
Byrne A
Byrne P M
Chandler J
Chester C
Christie R B
Christofi A
Christofi C
Coburn C
Coburn I
Coburn P I
Coburn P J
Collier D
Collier D
Collier J
Collier P
Coutts L
Crabb S
Craig O
Creelman T
Davies P R
Davis J
Davis K
Davis P
Davis T
Dunne M
Elder S
Evans L
Fairhurst J
Farnell M R
Faulkner J
Faull J
Ferry A
Ferry R
Fitzgerald D
Garrisson B
Garrisson H
Garrisson V
Gay C
Gay D
Gay M
Gay R
Gilbert J
Glenn S
Goodbourn P
Goodbourn R
Goodbourn W
Grant E
Grant L
Gribble N
Gull S
Gull S
Hayden J M
Hayden M
Hayden P
Hayden R
Heres K
Hinchey N
Hinchey R
Hiscock P McL
Hiscock Y*
Hocking D
Houston J
Howard M
Hunt R V M
Hunt V D U
Jackman R
Jacobs L

James B
James B
James D
James G
James G
Jenkins L
Jens N
Johnson A
Johnson C
Johnson D M
Johnson J A
Johnson J W M
Jones C E
Jones D K
Jones P K
Jones R
Judd P
Judkins B
Kaess D
Kaess J
Kelleher L
Kennard D
Kershaw P
Kinchington T
King J
King J
King L
King N
Knight F
Le Lacheur T
Llewellyn W
Lloyd A
Lloyd J
Lloyd S
Lonsdale G
Lyons G N
Mann P L
Martino N
Mason K
Matthews R E
McArthur L
McArthur R
McCarthy P
McDonald-Williams A
McDonald-Williams S
McGrath D
McGregor H C
McGregor H H
McGregor R E

McKenzie D
McKenzie J
McKnight I
McKnight T
McKnight W
McMahon K L
Montgomery T
Morrison K
Moss D
Moss S
Myer B
Myer S
Nemeth R
Nevill J
Nicholson A W
Nicholson C
Nicholson E A
Nicholson J E
Nicholson P
Nicholson P C
O'Sullivan F
O'Sullivan F C
O'Sullivan J
O'Sullivan M
Pandazopoulos J
Pettit M
Peuker H
Pickett N
Pleydell C R
Prowse C
Prowse D
Prowse G D
Prowse M
Prowse R
Prowse S L
Prowse T
Ramsay T D
Rice-Jones R
Robertson G H
Robinson A
Robinson R J
Robson V G
Runnalls T H
Sarah Le-Lacheur O
Sarah V J
Schmid R
Selkirk I
Selkirk J
Smith D*

Smith M
Stephen I
Stephen M
Stephen J
Stepnell J
Stone B
Stone P C
Storey P
Taylor P L
Tarkowsky C
Thacore V
Thomas K
Thompson D
Titheridge N W
Tribe J
Troon A
Troon S
Trudgeon R
Turner P
Unmack M
Unmack R
Vagg F
Vendy D N
Webster M
Wilkie E
Wilkie J
Wilkie R
Williams C
Williams J
Williams V
Wilson P R
Young A

LIFE GOVERNORS

Akers M T
Coltman S
Cowles J E
Jones E C
Lloyd T
Lonsdale B J
McGregor W H
McKnight B
Nicholson R W
Perry A
Prowse C R
Sarah A D
Selkirk R J
Valentine N

FINANCIAL REPORT 2020-21

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED
ABN 87 565 053 651

BOARD PROFILE

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651



CRAIG FLETCHER
PRESIDENT

Elected to the Board in 2020. Chairman of the President's Advisory Committee. Ex-officio member of all Committees. Extensive experience working with a wide range of stakeholders and the Ballarat community as a former Councillor and Mayor. Craig currently runs his own private building surveying company and has more than 35 years' experience in project management and delivery.



ANGELA CAREY
VICE-PRESIDENT

Elected to the Board in 2015. Member of the President's Advisory Committee. Angela is an Engagement Practitioner working in disaster recovery and also a former Editor of the Ballarat Courier.



MARIE JACKSON

Elected to the Board in 2020. Marie is a member of the Finance & Risk Committee. Marie is based in Melbourne and has a background in tourism, business events and destination marketing. Marie has board and governance experience, serving as a trustee of the Melbourne Convention and Exhibition Centre and a board director of the Indigenous Art Code Limited.



PETER MCCARTHY

Elected to the Board in 2010. Former Board member 1981-89. Member of the Sovereign Hill Master Plan Steering Committee. A Chartered Professional Engineer. Peter has served as a non-executive director of five public gold mining companies.



JANELLE RYAN

(to 28/7/2020)
Elected to the Board in 2018. Head of Strategy for a workplace law firm with over 10 years' experience in senior communications and stakeholder engagement roles in corporate and government sectors.



JUDY VERLIN AM

Elected to the Board in 2011. Member of the Sovereign Hill Master Plan Steering Committee. Strong connections to the Ballarat community having served a number of terms as Mayor of the City of Ballarat.



CHRIS ALIZZI

Elected to the Board in 2017. Chairman of the Finance and Risk Committee. Member of the President's Advisory Committee. Extensive knowledge of business operations and financial oversight as an Automotive Dealer Principal.



CATHERINE BROWN

Elected to the Board in 2020. Member of the Finance & Risk Committee. Catherine has a deep background in Human Resources having owned and managed her own business as well as working in the higher education sector. Catherine is a graduate of the Australian Institute of Company Directors (AICD) course.



DAMIEN BUTLER

Elected to the Board in 2005. A Past-President. Member of the President's Advisory Committee, Narmbool Committee and Finance & Risk Committee. Principal of Butler Pty Ltd, a Chartered Accountancy Practice. Damien is a Chartered Accountant and Chartered Taxation Advisor.



ADRIAN DOYLE

Elected to the Board in 2010. A Past-President. Chairman of the Narmbool Committee. Certified Practising Valuer at a Property Consulting Firm, based in Ballarat and operating across regional Victoria.



SARA QUON
CHIEF EXECUTIVE OFFICER

Chief Executive Officer since January 2019. Sara is a strategy and marketing professional with two decades of experience across tourism, major events and fast-moving consumer goods. Sara currently sits on the Board of Visit Victoria and the Committee for Ballarat and also serves on the Council of Australian Museum Directors executive.



ANGELA MORRISON
COMPANY SECRETARY

Chief Financial Officer, The Sovereign Hill Museums Association Limited.



JOSIE RIZZA
BOARD ADVISOR

Josie was invited to the Board as an Advisor on 22 June, 2021. Josie has extensive experience in accounting, risk management and governance. Managing her own consultancy practice and currently sitting on a number of Boards. Josie is a Chartered Accountant and a graduate of the Australian Institute of Company Directors.

DIRECTOR'S REPORT

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

The Directors present this report on the Association for the financial year ended 30 June 2021.

The names of each person who has been a Director during the year and to the date of this report are:

- Mr C Fletcher – President
- Ms A Carey – Vice President
- Mr C Alizzi
- Ms C Brown (from 19/10/2020)
- Mr D Butler
- Mr A Doyle
- Ms M Jackson (from 13/8/2020)
- Mr P McCarthy
- Ms J Verlin AM
- Ms J Ryan (to 28/07/20)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPLE ACTIVITIES

The Sovereign Hill Museums Association Limited is a Ballarat member-based non-profit organisation, which runs museum and education programs across its Golden Point precinct, incorporating the Sovereign Hill Outdoor Musuem, and Narmbool, a sustainability focused pastoral property. The interpretive focus is to use Australia's rich history to education and provoke visitor thinking.

STRATEGY AND KEY PERFORMANCE INDICATORS

The following figure illustrates the Association's Purpose, Mission, Values and Strategic Pillars.

PURPOSE Connecting people through our history to adapt for a better future.		MISSION To provide meaningful, immersive experiences that tell stories of our humanity.			
VALUES INTEGRITY SAFETY SUSTAINABILITY RESPECT SERVICE EQUALITY					
EXCELLENCE IN VISITOR EXPERIENCE Providing immersive and tailored experiences that are relevant and meaningful.	PLACES AND SPACES Reimagine our spaces and places, creating environments and experiences that transport all visitors.	BOLD NARRATIVES Reveal and share stories of our history and humanity that provoke connection, curiosity and change.	REACH AND IMPACT Transform our reach and impact onsite, offsite and online.	WORKPLACE OF THE FUTURE Creating a progressive workplace that values our people and promotes diversity and inclusion.	FUTURE PROOFING Build a resilient business for sustainability and agility.
DECISION MAKING CRITERIA Innovative, data informed, risk and return assessed, purpose aligned, culture and capability fit, excellence in visitor experience.					

KEY PERFORMANCE MEASURES

The previously reported Key Performance Indicators continue to be monitored by the Directors to assess the financial sustainability of the Association and whether the Association's short-term and long-term objectives are being achieved. The Strategic Key Performance Indicators are:

- Performance against budget in recurrent and capital expenditure particularly operating surplus, status of General Reserve and Foundation funds, insurance premium against sector benchmarks, and membership numbers and income
- Yield per visitor across business areas
- Visitor demographic patterns (international, interstate and domestic)
- Website use statistics
- Occupancy rates for accommodation facilities
- Conversion ratios for Sovereign Hill visit with key onsite paid offerings, Aura patronage and Sovereign Hill Lodge accommodation
- Environmental performance indicators (including recycling volumes, waste volumes, reduced utilities costs, % water in storage and accessible for use, solid fuel use)
- OH&S incident reports and analysis/mapping
- Workforce demographics (including staff and volunteers, turnover, gender and age mapping and labour costs)
- WorkCover premium rating and claims record.

SIGNIFICANT CHANGES AND LIKELY DEVELOPMENTS

During the financial year ended 30 June 2021, the operations of The Sovereign Hill Museums Association once again experienced significant disruptions as the Association, together with the rest of Victoria, responded rapidly to evolving COVID-19 pandemic situation. While the Outdoor Museum was able to open to the public for a short period at the start of the financial year, all sites were closed to the public from Sunday 2 August 2020 through to the Melbourne Cup Day Weekend 2020 after which time the Outdoor Museum reopened, firstly on weekends only and then returning to seven days a week from late December 2020 through to 30 June 2021 outside of the periods initiated by changing Government restrictions. We were delighted to be able to welcome visitors again to our Narmbool site for the School Terms 1 and 2 and to our AURA sound and light show from January 2021 when we were able to be open to the public and it was a particular highlight for the Directors, staff and visitors that the Association was able to launch its signature winter event "Winter Wonderlights" on Friday 25 June having been unable to offer the event in 2020.

Throughout the year, the Association's wholesale confectionery and online sales businesses, together with the Narmbool working farm continued to operate alongside essential onsite services and construction activities.

The impact of the pandemic is keenly felt in the financial result for the year. In the financial year ended 30 June 2019, the last full financial year prior to the impact of the pandemic, the Association reported total revenue of \$32.8M. During the financial year ended 30 June 2021 total revenue was reported at only \$23.8M, a reduction of \$9M or 27%. This reduction in revenue across the two years included a 70% reduction in revenue from entrance takings, a 48% reduction in sales of goods and a 83% reduction in rents and commissions, including income from the Association's food and beverage contract. The Association remains grateful for the support of both the Victorian and Commonwealth Governments during the financial year which has resulted in total government grants of \$10.9M being reported for the year, representing 46% of total revenue for the year and a significant increase from the \$0.8M reported in the 2019 financial year. In particular we are thankful for the Victorian Government's support through the Regional Recovery Fund in 2021 in addition to the continued support of the Department of Education and Training and Creative Victoria and for the Commonwealth Government's support through the Job Keeper program which provided support for our employees, many of whom experienced periods of stand-down and / or reductions in rostered hours.

DIRECTOR'S REPORT

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

For the full year the Association has reported an operating deficit of \$1.5M which is underpinned, together with the revenue impacts noted above, by significant reductions in operating expenditure, including a reduction in Employee Expenses of 24% as compared to the financial year ended 30 June 2019 and 21% as compared to the financial year ended 30 June 2020 in which the Association first experienced the impact of the current pandemic. Administration, Marketing and Maintenance expenses reported a reduction of 47% and 37% when compared to the 2019 and 2020 years respectively. The cost reductions demonstrate the significant work undertaken by management to review and refine the operating model of the Association and include changes in cost structures which will enhance the ability of the Association to operate in a financially viable model into the future.

The directors would also like to acknowledge the support of the Australian Government under the 2019 National Icons Program, with the provision of \$0.3M during the financial year for the development of the Associations Master Plan which was delivered in November 2020 and a further \$0.6M of Capital Grants for the delivery of the first stage of delivery of the Master Plan, the works in relation to which are currently underway.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

As we closed the financial year ended 30 June 2021 Sovereign Hill's Winter Wonderlights 2021 was in full swing; however, the event was sadly cut short as the first three months of the current financial year have been disrupted by a number of short periods of closure in light of restrictions prohibiting or significantly limiting operations. The Directors again expect the financial year ending 30 June 2022 to present ongoing challenges as the organisation navigates through the restrictions in place at the time of reporting and changes to those restrictions as we move forward out of the COVID-19 pandemic. It is considered highly likely that Sovereign Hill's visitation levels will not return to those experienced in the years immediately pre-COVID during the current financial year as international and interstate border restrictions remain in place and this is, once again, expected to result in an operating deficit being reported for the financial year ending 30 June 2022. However, the Directors believe the Association is in a strong position to maintain operations through this period and to recovery quickly as the impact of the pandemic lessens in Australia and globally.

NON-AUDIT SERVICES

The auditor did not provide any non-audit services during the year.

INSURANCE OF OFFICERS

Insurance premiums have been paid totaling \$24,570 for directors and officers liability insurance during the financial year which cover any person who is, or has been an officer of the company.

DIRECTOR ATTENDANCES

The Attendances of each Director of the Association at meetings for the period July 2020 to June 2021 were:

	BOARD MEETINGS		FINANCE & RISK COMMITTEE		PRESIDENT'S ADVISORY COMMITTEE	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
C J Alizzi	15	13	6	5	4	3
C Brown (from 19/10/2020)	9	9	3	3		
D E Butler	15	13	6	6	4	4
A L Carey	15	13	3	3	3	3
A K Doyle	15	12			1	1
C Fletcher (from 16/7/2020)	15	15	5	5	3	3
M Jackson (from 13/8/2020)	12	11	3	3		
P L McCarthy	15	15				
J A Ryan (to 28/7/2020)	2	2				
J A Verlin	15	15			1	1

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration in accordance with Division 60 of the Australian Charities and Not-for profits Commission Act 2012 for the year ended 30 June 2021 has been received and can be found on the following page.

Dated this day 23 September 2021.

C Fletcher
President

C J Alizzi
Chair of the Finance and Risk Committee

AUDITOR INDEPENDENCE DECLARATION

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

MORAccountants

Formerly – Molloy, Orr and Ronan

Chartered Accountants

Ballarat
Cnr Dana & Dawson Streets
Ballarat Vic 3350
Telephone: (03) 5333 3202
Facsimile: (03) 5333 3381

Melbourne
By Appointment
Level 23 Herald Weekly Tower
40 City Road, Southgate Vic 3006
Telephone: (03) 9674 0416

Postal
406 Dana Street, Ballarat Vic 3350
Email: info@mor.net.au
www.mor.net.au

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651

DIRECTOR’S REPORT

AUDITORS INDEPENDENCE STATEMENT UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

To the directors of The Sovereign Hill Museums Association

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- The auditor independence requirements as set out in Division 60 of the Australian Charities and Not-For-Profits Commission Act 2012 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

D G Abbott
Partner
MOR Accountants
406 Dana Street, Ballarat

Date 23/09/2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

	Note	2021 \$	2020 \$
Revenue from Operating Activities	2	23,841,297	31,664,655
- Sale of goods		4,249,119	6,590,210
- Entrance takings		5,447,088	13,575,588
- Rents and commissions		178,958	679,986
- Other revenue (including donations and accommodation)		2,792,424	3,497,366
- Interest and dividends received		279,535	445,459
- Government grants		10,894,173	6,876,046
Other Income	2	28,772	(520,896)
Employee benefits expense		(12,414,571)	(15,887,117)
Depreciation and impairment of non-financial assets	3	(5,273,450)	(2,889,602)
Administration, Marketing, Maintenance expense		(5,886,638)	(9,361,724)
Cost of Sales		(1,100,353)	(1,803,141)
Other expenses		(692,218)	(209,302)
Operating Profit	3	(1,497,161)	992,873
Capital receipts	2	43,845	179,359
Result for the year attributable to the members of The Sovereign Hill Museums Association Limited		(1,453,316)	1,172,232
OTHER COMPREHENSIVE INCOME			
Fair value (losses)/gains on available-for-sale financial assets		912,239	(503,887)
Total comprehensive income for the year attributable to the members of The Sovereign Hill Museums Association Limited		(541,077)	668,345

Liability limited by a scheme approved under Professional Standards Legislation

Partners & Directors D.J. Molloy CA | G.L. Orr CA | N.G. Ronan CA | P.R. Hansen CA | J.A. Edgar CA
P.A. White CA | D.G. Abbott CA | S.R. Cartledge CA | S.R. Corbett CA



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	8,867,820	2,840,116
Trade and other receivables	5	1,499,437	1,959,913
Inventories	6	964,481	1,227,578
Biological assets	7	2,343,535	2,261,323
Other current assets	8	699,992	424,123
Financial assets	9	1,426,492	1,784,463
TOTAL CURRENT ASSETS		15,801,757	10,497,516
NON-CURRENT ASSETS			
Financial assets	9	6,815,976	6,208,630
Property, plant and equipment	10	49,466,983	54,503,961
Collections assets	10	8,833,203	8,829,323
TOTAL NON-CURRENT ASSETS		65,116,162	69,541,914
TOTAL ASSETS		80,917,919	80,039,430
CURRENT LIABILITIES			
Trade and other payables	11	3,458,592	2,067,124
Borrowings	12	-	-
Short term provisions	13	1,223,356	1,206,202
TOTAL CURRENT LIABILITIES		4,681,948	3,273,326
NON-CURRENT LIABILITIES			
Long term provisions	13	642,443	631,499
TOTAL NON-CURRENT LIABILITIES		642,443	631,499
TOTAL LIABILITIES		5,324,391	3,904,825
NET ASSETS		75,593,528	76,134,605
EQUITY			
Retained Earnings		58,517,860	59,312,189
Reserves		17,075,668	16,822,416
TOTAL EQUITY		75,593,528	76,134,605

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

	Retained Earnings	Asset Revaluation Reserve ##	General Reserve	Sir Henry Bolte Trust	The Sovereign Hill Foundation	Collections Reserve	Total
BALANCE AT 30 JUNE 2019	58,258,133	512,186	2,189,592	1,225,394	4,457,273	8,823,682	75,466,260
Total comprehensive income for year	1,172,232	(503,887)					668,345
Transfers (to)/from reserves							
- General Reserve	(152,077)						(152,077)
- The Sovereign Hill Foundation	126,664						126,664
- Sir Henry Bolte Trust	(87,123)						(87,123)
- Collections	(5,640)						(5,640)
Transfers from retained earnings			152,077	87,123	(126,664)	5,640	118,176
BALANCE AT 30 JUNE 2020	59,312,189	8,299	2,341,669	1,312,517	4,330,609	8,829,322	76,134,605
Total comprehensive income for year	(1,453,316)	912,239					(541,077)
Transfers (to)/from reserves							
- General Reserve	(65,595)						(65,595)
- The Sovereign Hill Foundation	758,175						758,175
- Sir Henry Bolte Trust	(29,714)						(29,714)
- Collections	(3,880)						(3,880)
Transfers from retained earnings			65,595	29,714	(758,175)	3,880	(658,987)
BALANCE AT 30 JUNE 2021	58,517,860	920,538	2,407,264	1,342,231	3,572,434	8,833,202	75,593,528

This reserve records the revaluation increment of shares, hybrid securities and floating notes in Corporations listed on a prescribed Stock Exchange.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sales from small businesses		4,536,894	7,249,231
Other revenues from operating activities		20,439,558	24,959,386
Interest and dividends received		279,535	445,459
Payments to employees		(12,386,473)	(15,815,005)
Interest paid		(6,792)	(11,279)
Payments for materials and contracts		(7,336,012)	(12,827,622)
Net cash generated from operating activities	18	5,526,710	4,000,170
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital receipts		43,845	179,359
Proceeds from sale of property, plant and equipment		3,746	32,400
Proceeds from disposal of investments		1,138,775	1,906,678
Purchase of investments		(421,015)	(2,282,835)
Purchase of property, plant and equipment		(264,357)	(1,369,433)
Net cash used in investing activities		500,994	(1,533,831)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		750,000	775,000
Repayment of borrowings		(750,000)	(775,000)
Net cash used in financing activities		-	-
Net (decrease)/increase in cash held		6,027,704	2,466,339
Cash and cash equivalents at the beginning of the year		2,840,116	373,776
Cash and cash equivalents at the end of the year	4	8,867,820	2,840,116

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Sovereign Hill Museums Association ("the Association") is a company limited by guarantee..

New, revised or amending Accounting Standards and Interpretations adopted

The Association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Refer Note 1 (bb) for commentary on Standards issued but not yet effective..

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association..

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Division 60 of Australian Charities and Not-for-profits Commission Act 2012. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar..

ACCOUNTING POLICIES

(a) Revenue

Revenue from Contracts with Customers

The Association applies the following accounting policies to its key categories of revenue from contracts with customers:

- Revenue from Sale of Goods and Services, including ticket sales, is recognised upon the delivery of goods or provision of services to customers or the expiry of the rights of customers to receive goods or services.
- Donations and bequests are recognised as revenue when received, except where they represent financial assets received to acquire or construct a non-financial asset. The policy for accounting for financial assets received to acquire or construct a non-financial asset is detailed below.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR
THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

iii. Grant revenue is recognised in the profit or loss when the Association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably. If distinct performance obligations are attached to the grant which must be satisfied before the Association is eligible to receive the contribution, the recognition of grant revenue as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Grants where financial assets are received to acquire or construct a non-financial asset are recognised as detailed below.

Financial assets received to acquire or construct a non-financial asset

Where the Association receives a cash grant to acquire or construct a recognisable non-financial asset that the Association will control, the Association recognises a liability for the difference between the initial carrying amount of the financial asset received (cash) and the amount recognised under AASB 1058 being the Association's obligation to acquire or construct the non-financial asset.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive the dividend has been established.

Volunteer Services

The Association receives Volunteer Services across each of its main sites. The services provided provide enhancement to the visitor experience and management of the Association's collections. The services provided by volunteers would not have been purchased had they not been provided voluntarily and their fair value cannot be reliably measured. Accordingly, these services are not recognised within the financial statements of the Association.

All revenue is stated net of the amount of goods and service tax (GST).

(b) Inventories

Inventories are measured at the lower of average cost and net realisable value.

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, accumulated depreciation and impairment losses.

Property

The Association includes an Outdoor Museum that represents Ballarat in the Victorian goldfields for the period 1851 to 1861. All the buildings exhibits in the museum precinct have extensive ongoing maintenance to ensure their standards are in keeping with this 11-year time period. Consequently, the Directors believe that buildings will have an estimated useful life of 150 years and therefore depreciation has been calculated at 0.67% pa.

Other buildings are depreciated over a shorter estimated useful life dependent on the nature of the individual building.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR
THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

Land

Land is freehold land recorded at cost and does not incur a deprecation charge.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amounts of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight-line basis over their useful life to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of asset	Depreciation of asset
Buildings - historic	0.67%
Buildings – other	15% – 10%
Plant, equipment and vehicles	2.5% - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset class' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss in the period in which they arise.

(d) Assets held for sale

Assets held for sale are valued at the lower of cost and net realisable value. Profits are brought to account on the signing of an unconditional contract of sale.

(e) Collections assets

Collections Assets controlled by the Association are works of art and other heritage assets, including the property Narmbool, which have been donated to the Association and are recognised at fair value at the time of the donation. They are anticipated to have very long and indeterminate useful lives. Their future economic benefits have not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of them.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR
THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

(f) Biological Assets

From 1 July 2013 the control of Narmbool farm operations has transferred to the Association. Biological assets consist of the following categories of sheep: Dohne Merino, Cross bred and Rams. All biological assets are carried at fair value less costs to sell. Changes in the fair value of biological assets are recognised in the profit or loss.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit and loss' in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(h) Financial assets at fair value through profit and loss

Financial assets are classified at 'fair value through profit and loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR
THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

(i) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

(j) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(k) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Borrowings are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(l) Available-for-sale investments

Available-for-sale investments (i.e. shares, hybrid securities, fixed interest, convertible and floating notes) are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period

(m) Impairment of financial assets

At the end of each reporting period, the Association assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial assets, a significant or prolonged decline in the value of the instrument is considered to indicate that impairment has arisen. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

(n) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR
THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

(o) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using assumptions that market participants would use when pricing an asset or liability, assuming they act in economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(p) Impairment of non-financial assets

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

(q) Compensation for impairment

The impairment of property, plant and equipment are recognised in accordance with *AASB 136 Impairment of Assets*. The derecognition of items of property, plant and equipment retired are offset against any compensation for impairment in Capital Receipts in the Statement of Profit or Loss and Other Comprehensive Income.

(r) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for these benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national corporate bonds with terms to maturity that match the expected timing of the cash flows.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

(s) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR
THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

(t) Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

(u) Income tax

No provision for income tax has been raised as the Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(v) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(w) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(x) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(y) Contingent Assets & Liabilities

The Association has entered into a contract which contains elements that provide for variations in certain circumstances. As at 30 June 2021, the Association had not yet agreed the final amount payable in respect of a construction project completed during the financial year ended 30 June 2019 due to extended rectification of defects. As the value to be paid is unable to be quantified and remains contingent on activities to be completed post 30 June 2021, a liability arising from this contract is not recognised within these financial statements.

(z) Leases

Operating Leases

Operating leases are recognised in accordance with AASB 16. As at 30 June 2021, the Association has entered into a small number of low value leases such as relate to office equipment and, as such, has applied the exception for short-term and low-value assets. Any new qualifying leases entered into from 1 July 2021 will be recognised on the balance sheet in the form of a lease liability and a right-of-use asset.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR
THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

Right of Use Assets: Peppercorn Leases

Peppercorn Leases are measured at cost (present value of lease payments). The Association holds the following peppercorn leases as at 30 June 2021.

- 1. Provided by the Minister for Environment and Conservation (Crown land). The term is 50 years from 30th November 2000 for a rental amount of \$2.00 per annum, the full term has been paid in advance. The land is used for the main site of Sovereign Hill Outdoor Museum and the Gold Museum.
- 2. Provided by the Minister for Energy, Environment and Climate Change (Crown land) under a license arrangement. The term is 10 years from 1st April 2019 for a term license fee of \$300.00 paid in full. The land is used for grazing land.
- 3. Provided by the Minister for Energy, Environment & Climate Change (Crown land). The term is 20 years from 18 November 2019 with a further term of 10 years for a rental amount of \$1 per annum payable on demand. The land is located on the southern side of Elsworth Street Ballarat on the Southern border of the main site of the Sovereign Hill Outdoor Museum. The land is held for future utilisation.

(aa) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key Judgements

Available for Sale Investments: The Association maintains a portfolio of securities with a carrying value of \$8,242.468 at the end of the reporting period. These valuations are the current market value on the stock exchange as at reporting date. The Directors believe there is no impairment of these investments.

(bb) Standards Issued but not yet effective

The Association has reviewed standards issued but not yet effective, including amended standards which are not mandatory for the 30 June 2021 reporting period and has not identified any material impacts on the financial reporting of the Association.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR
THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

	2021	2020
	\$	\$

NOTE 2 Revenue

REVENUE FROM OPERATING ACTIVITIES

- sale of goods	4,249,119	6,590,210
- entrance takings	5,447,088	13,575,588
- rents and commissions	178,958	679,986
- other revenue (including donations and accommodation) *	2,792,424	3,497,366
- interest and dividends received	279,535	445,459
- government grants **	10,894,173	6,876,046
Revenue from Operating Activities	23,841,297	31,664,655

OTHER INCOME

- gain (loss) on disposal of property, plant and equipment	(20,141)	(263,548)
- gain (loss) on disposal of available-for-sale financial assets	48,913	(257,348)
Other Income	28,772	(520,896)

CAPITAL RECEIPTS

Capital grants from Government	566,400	11,880
- donations and collection assets donated	32,700	206,279
Less expenditure against capital receipts	(555,255)	(38,800)
	43,845	179,359
Total Revenue	23,913,914	31,323,118

* Other revenue includes:

Donations recognised in full with future obligations	64,288	312,932
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** Government grants includes:

Grants recognised in full with no future obligations	6,237,476	3,226,046
Grants recognised in full with future obligations	4,656,697	3,650,000
Creative Victoria (included in above)	253,000	331,388

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

	2021	2020
	\$	\$

NOTE 3 Operating Profit

OPERATING PROFIT INCLUDES THE FOLLOWING:

Depreciation		
- Land and Buildings	1,463,578	1,476,554
- Plant and Equipment	1,176,769	1,413,049
Total Depreciation	2,640,347	2,889,603
Non-financial Assets		
Impairment loss	2,633,103	-
Total depreciation and impairment of non-financial assets	5,273,450	2,889,602
Auditor Remuneration		
- Audit Services - external	48,500	44,690
Employee benefits expense:		
- Contributions to defined contribution superannuation funds	820,444	1,125,801
Interest paid on borrowings	6,792	11,279
SIGNIFICANT REVENUE AND EXPENSES		
Net gain/(loss) on disposal of non-current assets		
Investments		
Proceeds on disposal	1,138,775	1,906,678
Disposals at written down value	(1,089,862)	(2,164,026)
Net profit (loss) on disposals	48,913	(257,348)
PROPERTY, PLANT AND EQUIPMENT		
Proceeds on disposal	3,746	32,400
Disposals at written down value	(23,887)	(295,948)
Net (loss)/gain on disposals	(20,141)	(263,548)

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

	2021	2020
	\$	\$

NOTE 4 Current assets – cash and cash equivalents

CURRENT

Cash at Bank	8,781,432	2,812,564
Cash on hand	86,388	27,552
	8,867,820	2,840,116

NOTE 5 Current assets – trade and other receivables

CURRENT

Trade receivables	1,345,645	907,331
Provision for doubtful debts	(60,787)	(28,903)
Other receivables	214,579	1,081,485
	1,499,437	1,959,913

The Association does not have any material credit risk exposure to any single receivable or group of receivables. The Association has impaired debtors with a provision for doubtful debts resulting from COVID-19 uncertainty.

NOTE 6 Current assets – inventories

CURRENT

At lower of average cost and net realisable value		
Stock	964,481	1,227,578

NOTE 7 Current assets – biological assets

CURRENT

At fair value less cost to sell		
Sheep		
Balance at the beginning of the year	2,261,323	1,857,320
Net movement in valuation during year	(782,226)	(777,596)
Fair value movement of biological assets	864,438	1,181,599
Balance at end of year	2,343,535	2,261,323

NOTE 8 Current assets – other assets

CURRENT

Pre-payments	699,992	424,123
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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

	2021 \$	2020 \$
NOTE 9 Financial assets		
CURRENT		
Held-to-maturity investments	1,426,492	1,784,463
NON-CURRENT		
Available-for-sale financial assets	6,815,976	6,208,630
- includes \$960,833 attributable to The Bolte Foundation (refer note 21)		
- includes \$3,921,124 attributable to The Sovereign Hill Foundation (refer note 21)		
- includes \$1,934,019 attributable to The Sovereign Hill General Reserve (refer note 21)		
Available-for-sale financial instruments comprise shares, hybrid securities, convertible and floating notes in corporations listed on a prescribed Stock Exchange at market value. There are no fixed returns or fixed maturity dates attached to these investments. Held-to-maturity investments comprise cash accounts with financial institutions.		
NOTE 10 Non-current assets – property, plant and equipment		
LAND		
At cost	4,746,713	4,746,713
Total land	4,746,713	4,746,713
BUILDINGS		
At cost	53,389,057	53,313,779
Less accumulated depreciation	(12,321,978)	(10,858,400)
Less impairment loss	(2,633,103)	-
Total buildings	38,433,976	42,455,379
PLANT AND EQUIPMENT		
At cost	25,462,659	26,789,675
Less accumulated depreciation	(19,176,365)	(19,487,806)
Total plant and equipment	6,286,294	7,301,869
PROPERTY, PLANT AND EQUIPMENT	49,466,983	54,503,961
COLLECTIONS ASSETS		
At fair value	8,833,203	8,829,323
Total Collections Assets	8,833,203	8,829,323

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

Movements in Carrying Amounts	Land \$	Buildings \$	Plant and Equipment \$	Collections Assets \$
2020				
Balance at the beginning of the year	4,746,713	43,189,818	8,354,011	8,823,682
Additions at cost	-	843,874	519,918	5,641
Disposals	-	(107,970)	(187,978)	
Impairment loss	-	-		
Depreciation expense	-	(1,470,343)	(1,384,082)	
Carrying amount at end of year	4,746,713	42,455,379	7,301,869	8,829,323
2021				
Balance at the beginning of the year	4,746,713	42,455,379	7,301,869	8,829,323
Additions at cost	-	75,278	185,199	3,880
Disposals	-	-	-23,887	
Impairment loss	-	-2,633,103		
Depreciation expense	-	-1,463,578	-1,176,886	
Carrying amount at end of year	4,746,713	38,433,976	6,286,295	8,833,203
NOTE 11 Current liabilities - trade and other payables				
CURRENT				
Trade payables			339,706	544,955
Prepaid tickets and school deposits			1,470,644	423,191
Other current payables			1,648,242	1,098,978
			3,458,592	2,067,124

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

2021
\$

2020
\$

NOTE 12 Current liabilities - borrowings

CURRENT

Interest-only loan	-	-
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Loan liability is secured by assets of the Association

NOTE 13 Current liabilities - provisions

CURRENT

Provision for employee benefits: annual leave	820,696	800,733
Provision for employee benefits: long service leave	402,660	405,469
	1,223,356	1,206,202

NON-CURRENT

Provision for employee benefits: long service leave	642,443	631,499
	1,865,799	1,837,701

ANALYSIS OF TOTAL PROVISIONS

Opening balance	1,837,701	1,765,589
Additional provisions raised during year	972,417	826,719
Amounts used	(944,319)	(754,607)
Balance at end of year	1,865,799	1,837,701

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect to long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

2021
\$

2020
\$

NOTE 14 Capital Commitments

Commitments for uncompleted capital projects at 30 June (matched by government grant and private fundraising)	688,537	500,243
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NOTE 15 Events after the Reporting Period

No events after the reporting period

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

2021
\$

2020
\$

NOTE 16 Key Management Personnel Compensation

Key management personnel compensation	1,032,545	1,444,603
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NOTE 17 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year, a Board Member was the director of a company that provided valuation services to the Association totalling \$1,400.

2021
\$

2020
\$

NOTE 18 Cash Flow Information

RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT

Operating Profit	(1,497,161)	992,873
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NON-CASH FLOWS

Depreciation and impairment of non-financial assets	5,273,450	2,889,602
(Decrease)/increase in employee entitlements	28,098	72,112
Profit on sale of non-current assets	(28,772)	520,896
Write-down of non-current assets	-	-

CHANGES IN ASSETS AND LIABILITIES

Increase in inventories	180,885	(27,940)
Decrease/(increase) in receivables	370,786	(522,137)
Decrease/(increase) in receivables related to investment activities	83,825	-
(Increase)/decrease in other assets	(275,869)	500,585
(Increase)/decrease in trade and other payables	1,391,468	(425,821)
Cash flows provided by operating activities	5,526,710	4,000,170

The Association has a bank overdraft facility available to the extent of \$500,000.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR
THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR
THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

NOTE 19 Financial instruments

FINANCIAL RISK MANAGEMENT

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	8,867,820	2,840,116
Receivables	1,499,437	1,959,913
Held-to-maturity investments (ii)	1,426,492	1,784,463
Available-for-sale financial assets (i)	6,815,976	6,208,630
TOTAL FINANCIAL ASSETS	18,609,725	12,793,122

FINANCIAL LIABILITIES

Financial liabilities at amortised cost:

- trade and other payables	3,458,592	2,067,124
TOTAL FINANCIAL LIABILITIES	3,458,592	2,067,124

FAIR VALUES

- (i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss, the fair values have been based on closing quoted bid prices at the end of the reporting period. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).
- (ii) Fair values of held-to-maturity investments are based on quoted market prices at the ending of the reporting period.

NOTE 20 Fair Value Measurement

The Association measures the following assets and liabilities at fair value on a recurring basis:

- Financial assets
- Biological assets

- (i) Fair value hierarchy
AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1

Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value at 30 June 2020:

Recurring fair value measurements	Level 1	Level 2	Level 3
Available for sale financial assets	\$6,815,976	-	-
Biological assets	-	\$2,343,535	-

Fair value of the biological assets is based on valuation performed by independent, professionally-qualified valuers as at 6 July, 2021.

- (ii) Transfers between levels of the hierarchy
There were no transfers between levels of the fair value hierarchy
- (iii) Highest and best use
The current use of each asset measured at fair value is considered to be its highest and best use.

The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Directors at each reporting date.

NOTE 21 Reserves

The Sovereign Hill Foundation Reserve was established to grow the corpus to underpin Sovereign Hill's long-term financial viability.

The Sir Henry Bolte Trust Reserve is used as the main acquisitive fund for collections.

The General Fund Reserve exists to provide a major financial underpinning of Sovereign Hill's operations.

The Collections Reserve recognises collections assets controlled by the Association. They include works of art and other heritage assets which have been acquired by or donated to the Association.

The Asset Revaluation Reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as available-for-sale.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR
THE YEAR ENDED 30 JUNE, 2021

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

NOTE 22 Entity Details

The registered office of the Association is:
The Sovereign Hill Museums Association Ltd
39 Magpie Street
Ballarat Vic 3350

The principal place of business is:
The Sovereign Hill Museums Association Ltd
39 Magpie Street
Ballarat Vic 3350

NOTE 23 Controlled Entity

SUBSIDIARIES OF SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED:	COUNTRY OF INCORPORATION	2021	2020
Sovereign Hill No. 1 Pty Ltd	Australia	100%	100%

On 26 June 2014 Sovereign Hill Museums Association Limited acquired 100% interest in Sovereign Hill No.1 Pty Ltd. No transactions have occurred in this company from the date of acquisition to 30 June 21.

NOTE 24 Members' Guarantee

The Association is incorporated under the Australian Charities and Not-for-profits Commission Act 2012 and is a company limited by guarantee. If the Association is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the Association. At 30 June 2021 the number of members was 300.

DIRECTORS' DECLARATION

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

The Directors of the Association declare that:

1. The financial statements and notes, as set out on pages 29 to 58 are in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position of the Association as at 30 June 2021 and of the performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated this day 23 September 2021.

C Fletcher
President

C J Alizzi
Chair of the Finance and Risk Committee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

THE SOVEREIGN HILL MUSEUMS ASSOCIATION LIMITED | ABN 87 565 053 651

MORAccountants

Formerly – Molloy, Orr and Ronan



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Independent Auditor's Report to the members of The Sovereign Hill Museums Association

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of The Sovereign Hill Museums Association (the Association), which comprises the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes comprising to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the financial report of The Sovereign Hill Museums Association is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including

- (a) giving a true and fair view of the Association's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for our Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. The directors are responsible for the other information in the annual report. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Liability limited by a scheme approved under Professional Standards Legislation

Partners & Directors D.J. Molloy CA | G.L. Orr CA | N.G. Ronan CA | P.R. Hansen CA | J.A. Edgar CA
P.A. White CA | D.G. Abbott CA | S.R. Cartledge CA | S.R. Corbett CA



MORAccountants

Formerly – Molloy, Orr and Ronan



In connection with our audit of the financial report, our responsibility is to read the other information, and report only if the other information is materially inconsistent with the financial report. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australia Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Association'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 the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

David Abbott

D G Abbott
Partner
MOR Accountants
406 Dana Street, Ballarat

Dated : 23/09/2021



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SOVEREIGN

HILL

MUSEUMS
ASSOCIATION