



SMTA
SYDNEY MECHANICS'
SCHOOL OF ARTS EST 1833
MAKING A DIFFERENCE THROUGH LEARNING

ANNUAL REPORT
AND AUDITED ACCOUNTS
1 January – 31 December 2017

This Annual Report has been
prepared by Staff and Directors.

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OUR VALUES

- **Valuing heritage:** carrying history and tradition into the future;
- **Integrity:** we are committed to being accountable, responsible and transparent to our members/constituency and ensuring our financial sustainability consistent with our status as a not-for-profit organisation;
- **Inclusion and mutual respect:** we create a friendly welcoming environment which is accessible and inclusive of diversity to benefit all the community;
- **Creativity and innovation:** we are flexible and adaptable to enhance our relevance to the wider community in the longer term;
- **Quality and professionalism** which underpins our credibility; and
- **Lifelong and life-wide learning:** we impart knowledge and promote learning to create a more informed society.

OUR VISION

is to transform our society for the better through learning.

OUR MISSION

is to create learning opportunities that inspire, enrich and positively influence civil society.

OUR PATRON

The History of Our Patronage

Governor Bourke was an enthusiastic supporter of the Sydney Mechanics' School of Arts from its earliest stages. In fact, one of the first orders of business of the newly formed School was to thank the Governor formally for his 'kindly interest' and to petition him to become our first Patron (*The Sydney Herald*, Monday, 25 March 1833, page 2).

The SMSA continued to enjoy the unbroken patronage of successive Governors of New South Wales until 1935 when Air Vice-Marshal Sir Philip Game GB GCVO GCB KCMG DSO ceased to be Governor.

In 2008, the Governor of the time, Professor The Honourable Dame Marie Bashir AD CVO agreed to resume Patronage in honour of the 175th anniversary of the Sydney Mechanics' School of Arts.

Our Current Patron

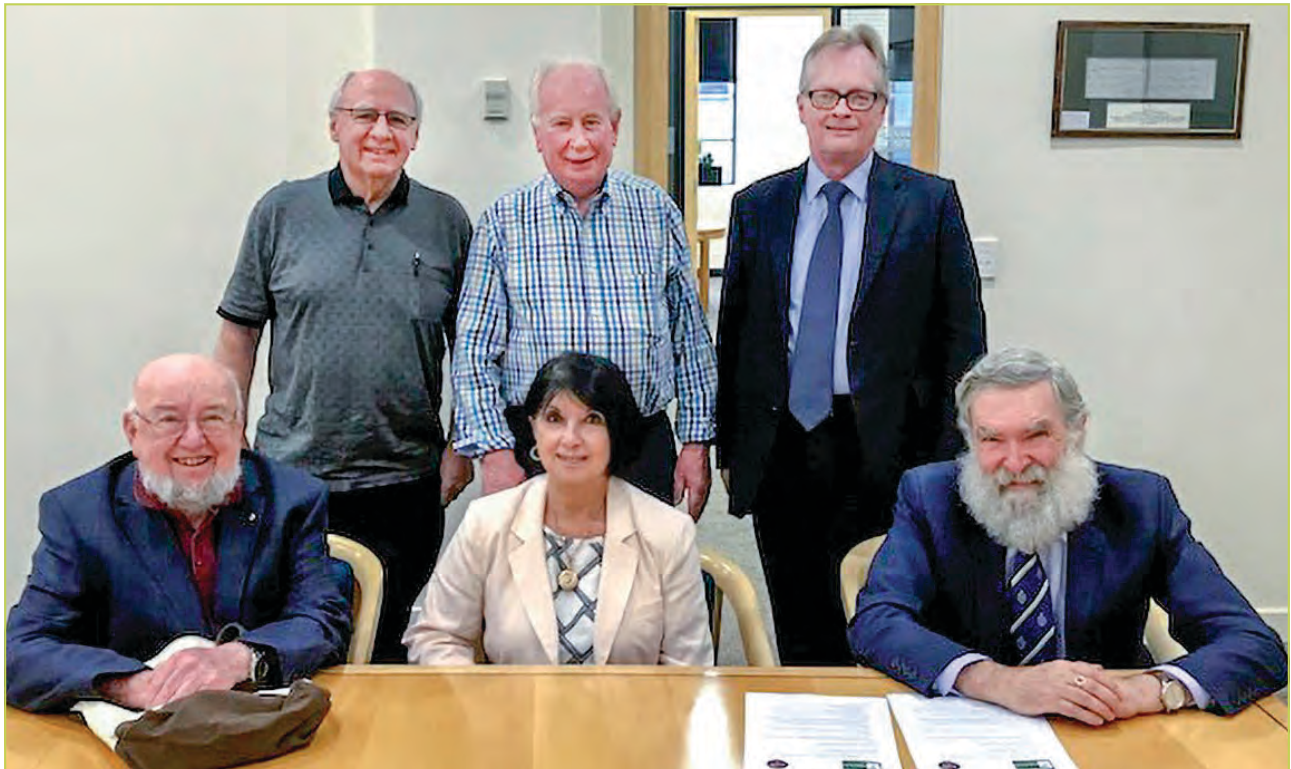
In 2014, His Excellency General The Honourable David Hurley AC DSC (Ret'd), Governor of New South Wales kindly consented to become the Patron of the Sydney Mechanics' School of Arts.

Prior to his appointment as Governor, His Excellency served for 42 years in the Australian Army, concluding his service as the Chief of the Defence Force. His Excellency was awarded a Companion of the Order of Australia in 2010 for eminent service to the Australian Defence Force, and a Distinguished Service Cross for his leadership during Operation SOLACE in Somalia in 1993.

We are honoured and delighted that His Excellency the Governor has continued the Vice Regal Patronage of our historic School.



The SMSA's patron, His Excellency General The Honourable David Hurley AC DSC (Ret'd), Governor of New South Wales.



The Sydney Mechanics' School of Arts and the Royal Society of New South Wales signed a strategic agreement in October 2017. Back row (L to R), Em. Professor Robert Clancy AM, FRSN; Mr Denis Mockler, Vice President, SMSA; Mr John Hardie FRSN. Front Row (L to R): Mr Thomas Keneally, who has strong links to both organisations; Ms Winsome Allen, President, SMSA; Em. Professor David Brynn Hibbert, FRSN, President, Royal Society of NSW.

FROM THE PRESIDENT

I have been honoured and humbled to be elected as only the second female President in the School's 184 year history. 2017 has been a very rewarding year in which the Board has been planning strategically, and with this in mind, has reviewed and developed new statements of our Vision, Mission, Values and Goals to guide the School's operations. Continuing to move forward, whilst recognising our heritage, is critical to the School's future and its legacy to future generations.

In October 2017, the Sydney Mechanics' School of Arts and the Royal Society of New South Wales signed an historic strategic agreement to mutually support and promote both organisations. This agreement brings together the two oldest institutions in NSW dedicated to education, the discussion of ideas and discovery. The Royal Society traces its origins to the Philosophical Society of Australasia, established in 1821, which was the first scientific society in NSW.

The School and the Royal Society have also collaborated on a highly successful program of talks, The Enlightenment series, that will continue into 2018.

We were also honoured that one of our leading founders, the Reverend Dr. Henry Carmichael was inducted into the International Adult and Continuing Education Hall of Fame, which operates under the auspices of the University of Oklahoma. The award acknowledges Carmichael's significant contribution to Adult Education, and in particular, his role in founding Sydney Mechanics' School of Arts. Dr Roger Morris AM, former President of the SMSA, accepted the award and, with the agreement of Dr. Carmichael's descendants, the medallion is now proudly displayed at the School where it takes pride of place in the Boardroom.

As part of our Outreach program, I have been delighted to speak to various Probus groups and Historical Societies at their meetings, as well as host several tours of the SMSA and its facilities. This program aims to promote the Sydney Mechanics' School of Arts and inform the community about our activities.

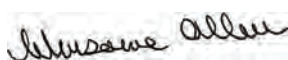
I would like to give my sincere thanks to the SMSA volunteers, many of whom have been with us since the opening of the Tom Keneally Centre in 2011.

Special thanks to all our wonderful staff. Kathy Sale and Erica Samonte, with the help of the casuals in the library, continue to provide the friendly and professional service that the SMSA is known for. Melanie Ryan and Kylie Campbell have successfully delivered an expanded and revitalised events program, introducing several new initiatives and achieving record audiences. Wendy Man's excellent service to our venue hirers is reflected in repeat business. Our new Accountant, Michael Ludowici, very ably supported by Tom Connelley, has added a valuable level of professionalism and enthusiasm in the evolution of accounting policies and practices.

I would like to extend my thanks to Secretary, Brian Johnston, who has given me great support and advice during my first year as President. Under his guidance, significant strides have been made in Strategic Planning, along with a review the School's policies and accounting practices.

My sincere thanks are due to my fellow Directors for their support, valuable contributions and commitment to the School and its future. I would like to take this opportunity to recognize the service to the School of Alister Wong, who resigned as Director in September. My special thanks to Tom Thorburn, whose many years of distinguished service as a Director came to a conclusion at the last Annual General Meeting. Tom is one of our longest-standing members and was awarded Life Membership in 2010.

Last, but not least, I would like to thank our members for their continued support of the School.



Winsome Allen
President

OUR DIRECTORS



The SMSA Board and Secretary for 2017.

Standing (L to R): Denis Mockler, Brian Johnston (Secretary), Eugene Stawski, Max Williams, Paul Reid, Geoff Webb, Steve Warren.
Seated (L to R): Shirley Hunt, Cecile Cornford, Winsome Allen, Anne Devrell, Carole O'Brien. Inset: Mark Brandon

Winsome Allen — President

Elected President 2017.

Winsome is a former Chairperson of the fundraising committees for the Cerebral Palsy Alliance (formerly known as the Spastic Centre of NSW) and the Benevolent Society of NSW for whom she is also a Life Governor. She is Vice President of AMISA (Association of Mechanics' Institutes and Schools of Arts). Winsome is an active member of Toastmasters International, and has previously served as Area Governor several times and Education Pathways Ambassador. Winsome has owned several successful businesses that have provided her with opportunities for community involvement. A passionate supporter of the SMSA, Winsome enjoys getting to know our members in the Library and at events, and coordinates the volunteer program. Winsome also promotes the School through talks to community groups about its history and significance.

Cecile Cornford — Vice President

Re-elected 2017. Appointed VP 2017.

A former SMSA Librarian, Cecile had previously been a member of the School for many years. Cecile has always worked in Customer Service and related roles in banking, as a medical secretary and an air hostess. Cecile is passionate about the School and, as an avid reader and lover of literature, she is interested in maintaining the quality of good reading that we now have in the Library. A new grandmother, Cecile enjoys travel, history, theatre, film, science, cooking and all things French, archaeology, cats and other animals.

Paul Reid — Vice President**Re-elected 2017. Re-appointed VP 2017.**

Paul is the father of three adult children, as well as the very proud grandfather of four grandchildren. Recently retired, Paul worked as a Training and Educative Services Manager, delivering industrial relations based training to people from diverse educational and employment backgrounds. He is a strong advocate of human rights and has been a past Secretary of an NGO. Paul has served on the Public Sector Industry Advisory Board as Director for over 10 years and as a Trustee and member of the Finance and Governance Committee of Unions NSW for 4 years. Paul's varied interests include theatre, cinema, art, cooking and travel. Paul has previously served as President of the Sydney Mechanics' School of Arts for 4 years. He is very proud of the history of the SMSA and strongly supports its vision.

Geoff Webb — Vice President**Serving (Re-elected 2016). Re-appointed VP 2017.**

Geoff has been a member of the SMSA for over 30 years and has served on the Board since 2009, and has been a Vice President for 7 years, being chair of the Building, Membership and Grants committees during that time. He is a professional engineer with broad experience in engineering work, with a particular emphasis on project management and documentation. Geoff is interested in family and local history and enjoys reading science fiction and mystery books. He also enjoys travelling.

Max Williams — Treasurer**Re-elected 2017. Appointed Treasurer 2017.**

Max retired from corporate life after a career in financial services in both the public and private sectors. Prior to retiring, he was engaged in financial management for a large General Insurer and held the role of Company Secretary of a Computer Facilities Management Company. Max assisted the SMSA as Acting Secretary for a period in 2010 and joined the Board of the School in 2013. He has chaired the Building Committee, the Strategic Planning Committee and is currently the Treasurer of SMSA. His outside interests revolve around a large family including many grandchildren who provide a very enjoyable distraction.

Eugene Stawski — Assistant Treasurer**Serving (Re-elected 2016). Re-appointed AT 2017.**

Before retiring a number of years ago, Eugene was the Financial Controller of Carpet Court Northern. Following his retirement, he held a part-time position with SMSA several years ago as Accounting Officer, making changes, contributions and suggestions for the improvement of the accounting system. His interests include tennis, skiing, canoeing, travelling, reading, family and friends. As director of the SMSA, Eugene focuses on continued success of the School financially.

Mark Brandon OAM — Director**Elected 2017.**

Mark has held senior executive and CEO roles in government programs, health insurance, accreditation and aged care. He has director and board experience in community and for profit organisations. For example, he is a director of VETEA Ltd (a training organisation), a director of Aged Care Industry Association; previously a director and chair of the audit committee at Macquarie Community College, board member Australian Centre for Evidence Based Aged Care at La Trobe University, committee member West Pennant Hills Football Club. Mark has an appointment in the School of Business at Notre Dame University (Sydney). He chairs an international interest group 'Quality in Social Care for Older Persons'. Mark's most significant role (2002–13) was a CEO of the government's Standards and Accreditation Agency responsible for promoting quality, accreditation and education programs to all nursing homes in Australia. Mark is experienced working with diverse communities. He is a member of AICD, a Fellow of the Australian Institute of Management, an Associate Fellow of the Australasian College of Health Service Management and a mentor in the ACHSM mentoring program (2010–15).

Anne Devrell — Director**Elected 2017.**

Anne has been a member of the School for 30 years and has previously served on the board. She has belonged to various organisations in community roles. Currently she is on the committee of the Blue Mountains Family History Society and Blacktown-Macquarie Trefoil Guild. Anne volunteers at the SMSA in the Tom Keneally Centre.

Shirley Hunt — Director**Serving (Re-elected 2016).**

Shirley has been a member of the Sydney Mechanics' School of Arts for over 15 years and was first elected to the Board in 2012. An avid reader, Shirley enjoys the ambience of the Library and is a staunch supporter. She enjoys meeting other members at SMSA events and regularly volunteers in the Tom Keneally Centre. Shirley's interests include theatre, films, swimming, walking and volunteering.

Denis Mockler — Director**Re-elected 2017.**

Denis is the principal of a small legal firm and is a former Acting District Court Judge, Arbitrator in the District and Local Courts and Assessor for the Motor Accidents Authority. As a long-standing member of the SMSA and Board member, Denis has held a number of positions including President, Treasurer and Vice President. Denis remains a strong advocate for the library and for the provision of increased services for members of the SMSA. He is also an advocate for strengthening our Governance and working with the Board and staff to ensure that the SMSA can impact on and reach a greater number of people.

Carole O'Brien — Director

Serving (Re-elected 2016).

Carole has been a member of the SMSA since 1982. She previously served on the Board from 1984–2005, has chaired several committees and was President from 1997–2002. Before retiring, Carole worked in a number of companies, mostly supervising record keeping, customer service and accounts. An avid reader, Carole belongs to several municipal libraries as well as the SMSA. Her favourite books are mystery and crime, and she has been a member of the School's Reading Group since its inception. She has volunteered in the Tom Keneally Centre since its opening in 2011. Carole's other interests are going to the theatre and trying to grow things — with moderate success, and her re-homed cat Millie.

Alister Wong — Directors

Re-elected 2016. Resigned September 2017.

Alister served on the SMSA Board and was its Treasurer since 2005. A member of the CPA (Certified Practising Accountants) Australia with IT qualifications from the UK, Alister works in the Department of Education as a Project Manager. He is a JP and was a Board member and Treasurer of the Sydney Gay and Lesbian Business Association as well as an independent member of the Finance and Audit Committee of ACON. Alister brings broad management and financial skills to the SMSA. His interests include reading, classical music, theatre, travel and good food.

Steven R Warren — Director

Elected 2017.

Steven's background in long-term community development and experience in education, training and events management have given him the skills to make positive contributions to the SMSA in the areas of policy development, management and strategic planning. Steven has previously served on a university Board and Academic Senate, held National Secretary and Executive roles for the Australian postgraduate student body, as well as having served on a range of community based organisations. He has a long-standing commitment to equality in all these roles.

Attendance at Board Meetings — 2017

Board Member	Attended	Jan	Feb	Spec	Mar	AGM	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec
Allen, Winsome	14 of 14	✓	✓	✓	✓	Elected Pres.	✓	✓	✓	✓	✓	✓	✓	✓	✓
Brandon, Mark	10 of 10	n/a	n/a	n/a	n/a	Elected	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cornford, Cecile	12 of 14	✓	✓	apol	✓	Re-elected	✓	✓	✓	✓	✓	apol	✓	✓	✓
Devrell, Anne	8 of 10	n/a	n/a	n/a	n/a	Elected	✓	apol	✓	✓	✓	✓	apol	✓	✓
Hunt, Shirley	12 of 14	✓	✓	✓	✓	Serving	✓	✓	✓	✓	apol	apol	✓	✓	✓
Mockler, Denis	13 of 14	✓	✓	✓	apol	Re-elected	✓	✓	✓	✓	✓	✓	✓	✓	✓
O'Brien, Carole	14 of 14	✓	✓	✓	✓	Serving	✓	✓	✓	✓	✓	✓	✓	✓	✓
Reid, Paul	13 of 14	✓	✓	✓	✓	Re-elected	✓	apol	✓	✓	✓	✓	✓	✓	✓
Stawski, Eugene	13 of 14	✓	✓	✓	✓	Serving	✓	✓	✓	✓	✓	✓	apol	✓	✓
Thorburn, Tom	5 of 5	✓	✓	✓	✓	Retired	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Warren, Steven	10 of 10	n/a	n/a	n/a	n/a	Elected	✓	✓	✓	✓	✓	✓	✓	✓	✓
Webb, Geoff	14 of 14	✓	✓	✓	✓	Serving	✓	✓	✓	✓	✓	✓	✓	✓	✓
Williams, Max	12 of 14	apol	✓	✓	✓	Re-elected	✓	✓	✓	✓	✓	✓	apol	✓	✓
Wong, Alister	7 of 11	✓	✓	✓	apol	Serving	✓	apol	apol	apol	✓	✓	n/a	n/a	n/a

COMMITTEE REPORTS

BUILDING COMMITTEE

GEOFF WEBB VICE PRESIDENT AND CHAIR

The Building Committee was active over the past year in attending to a number of projects affecting the running of the SMSA building. I wish to record my thanks to the committee members for their support in looking after this valuable asset.

Premises

280 Pitt Street (formerly Lincoln House) comprises 11 Levels with the SMSA occupying three floors and leasing out the other floors as Grade 'B' office space. Built in 1924, the building was designed by the architects Spain and Cosh and is listed in both the City of Sydney Local Environment Plan Heritage List and in the NSW State Heritage Register. The façade is of particular importance.

The building underwent a major renovation after its acquisition in 1996. This was completed and occupancy commenced in 1999 with the official opening in 2000.

Tenants

The building continued to be almost fully tenanted throughout the year and our ratio of leasing to Not-For-Profit and/or organisations engaged in educational activities continues to be substantial. A review has been conducted of rents in the market place to ensure that our rates are aligned with rents in this part of the city, with special consideration being given to Not-For-Profit organisations.

Venue Hire

Strong demand continues for our venue hire facilities.

Whilst the charges have been revised with the new rates applying in 2017, these are modest increases and they keep pace with normal cost increases associated with running the venues.

Building Projects

There have been a number of projects undertaken this year to keep the building in good condition, to improve the usefulness of the building to both tenants and room hirers and to save costs. Work carried out included refurbishment of kitchens and toilets.

Our Building Managers, StrataChoice, through Arthur

Alibrandi, have continued to provide valuable advice and service to the School and has helped to maintain the building and provide services to tenants and room hirers.

Planning is well underway to refresh and upgrade the Mitchell Theatre with revised seating and lighting. Planning is also underway to install an accessible toilet on the 1st floor and to upgrade the accessible toilet on the ground floor to current building standards.

Cuthbert's, the members' coffee nook in the Library, has proved to be very popular leading to it costing significantly more than budgeted and this is a concern to the Board.

Tenants as at 31 December 2017

Level	Tenants	Space
LG	Council On The Ageing**	0.7%
LG	National Council of Women of NSW **	0.7%
LG	ASCCA **	1.6%
LG	SMSA's Own Use**	0.5%
LG	ACR Travel	1.5%
LG	Animal Justice Party**	0.9%
LG	Far and Wide Migration Services	0.7%
G	Doppio Espresso	0.1%
G	Sydney City Pharmacy	4.7%
1, 2 and 3	SMSA's own use **	30.8%
4	Austop Group	10.2%
5	First Peoples Disability Network **	2.2%
5	NAATI **	2.4%
5	Positive Recruitment	4.7%
6	Council On The Ageing **	4.6%
6	New Oriental Vision Overseas Consulting Australia	5.1%
7	Life Education Australia **	4.5%
7	MIT Institute **	4.8%
8	Castrisos Kanaris and Co	4.4%
8	Fiji Airways	3.2%
8	Health Consumers NSW **	1.6%
9	MIT Institute **	10.2%
Area occupied or under lease as of 31/12/2017		100.0%
Total area occupied by non-profit or education		65.3%

** Denotes not-for-profit organisations and/or those tenants engaged in educational activities.

The lifts have required some maintenance during the year, and we express our apologies for any inconvenience caused to members.

The replacement of the old circular fluorescent lights on the ground, first, second and third floors with LED fittings was completed this year, and has led to significant cost savings. Due to the better efficiency of the new lights, members may notice some lights in the library have been turned off to reduce glare.

The Norman Selfe Room outside the Tom Keneally Centre on the third floor has been modified into a more flexible layout, with the new folding doors and improved access.



The Norman Selfe Room on Level 3 has been renovated to offer a more versatile venue hire area.

GOVERNANCE COMMITTEE

PAUL REID VICE PRESIDENT AND CHAIR

The Governance Committee has had another active year, demonstrating the issue of Good Governance is front and centre in the minds of the SMSA Board of Directors.

Good corporate governance is essential for the Sydney Mechanics School of Arts even though it resides in the Not-For-Profit sector.

Accordingly, the Governance Committee of the Board has a core group of Directors including Paul Reid, Mark Brandon, Cecile Cornford, Anne Devrell and Denis Mockler to deal with matters under this portfolio.

Other Directors can attend, but cannot vote on recommendations of the Committee. The other SMSA Committees run on the same lines.

Some of the matters considered by the Governance Committee over the last 12 months include:

- Monitoring of Board Performance;
- Life Membership Nomination Process;
- Revision of Terms of Reference;
- Time Off In Lieu policy (working additional hours); and
- Dignity in the Workplace (joint Director/Staff training).

We have continued our practice of obtaining a Declaration of Conflicts of Interest annually from all Directors and staff members.

I thank my fellow Governance Committee members and the Secretary, Brian Johnston for their support in the work of this Committee.

MEMBERS' SERVICES COMMITTEE

CECILE CORNFORD VICE PRESIDENT AND CHAIR

The Members' Services Committee met several times during the year. I wish to thank the members of the committee for their valuable and constructive input and support.

Many thanks, also, to the wonderful SMSA Volunteers who assist in the Tom Keneally Centre, in the Library and, on occasion, provide support for events. We really couldn't do it without you.

I would like to thank the Library staff, consisting of Kathy, Erika, Stephen, Venettia, Marlene, Phil, and Kathleen for their assistance, support, and providing helpful and friendly service to our members.

My thanks also to Melanie and Kylie, our events and communications staff, who organise a varied program of interesting talks and events. Melanie and Kylie keep us all up-to-date with what is happening at the School via our website and our enews.

Sincere thanks must also be given to Wendy in our Venue Hire area who consistently goes above and beyond.

Finally, I would like to thank our members for their continued support of the School.

Membership

The number of members at the end of December 2017 stood at over the 1,600 mark, with the grace period for renewal of membership extending to 31 January 2018. A number of members also availed themselves of the option to purchase extra subscriptions (which increases the number of books they are entitled to borrow).

Subscription Rates

Effective 1 July 2017, the annual membership subscription rates for the Sydney Mechanics' School of Arts changed as shown below following a review by the Board.

Ordinary Membership	\$20
Concession Membership	\$15
Reader's Ticket	\$15 (no voting rights)
Additional Subscription(s)	\$5 flat fee

SMSA's fees were last reviewed 10 years ago in 2007.

The new subscription rates reflect the value of the School's offerings to members while remaining very affordable.

In future, the Board will review the membership subscription rates on an annual basis.

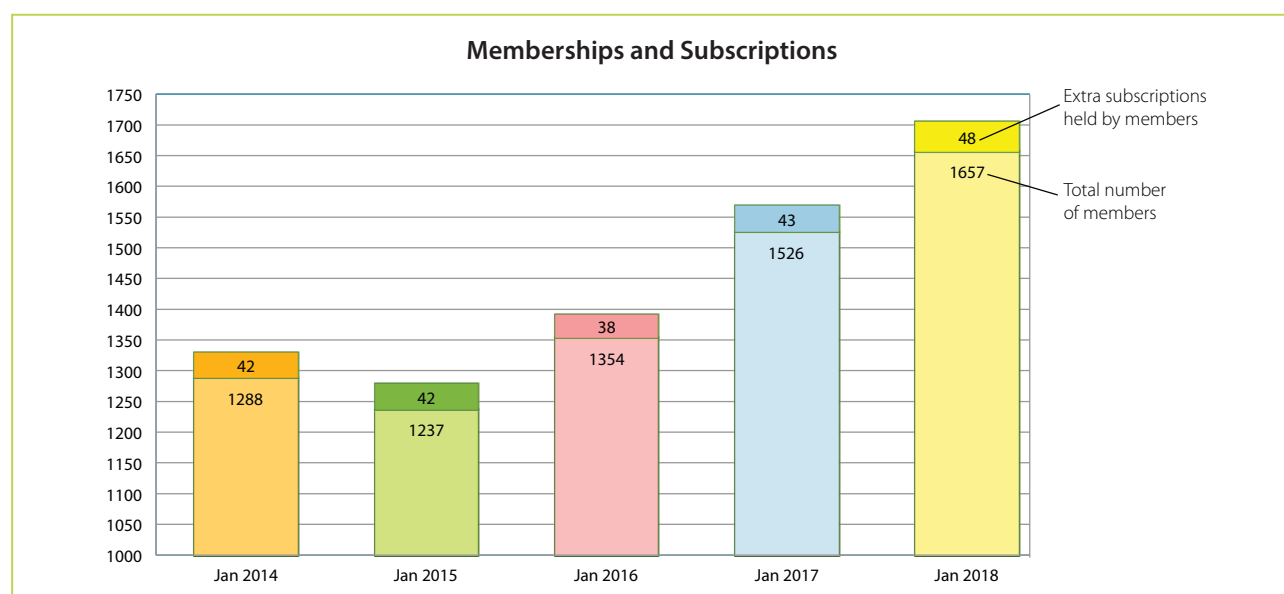
Members' Services and Benefits

When members join the Sydney Mechanics' School of Arts, they become part of an organisation that has been serving the community in Sydney for over 184 years, since 1833.

SMSA offers an array of services to our members, including borrowing rights at our members' Library and the Tom Keneally Centre, access to our members' activities and events, and our public talks.

Find out more in the What We Do section of this report on page 12.

Members can read the full list of benefits and discounts on our website: smsa.org.au/benefits



STRATEGIC PLANNING COMMITTEE

ALISTER WONG VICE PRESIDENT AND CHAIR (UNTIL 18 SEPTEMBER 2017)

MARK BRANDON AND STEVE WARREN CO-CHAIRS (FROM 13 NOVEMBER 2017)

Substantial progress has been made in this important area. Alister Wong assumed responsibility for this portfolio from Max Williams in April and led activities until his resignation from the Board in September. Subsequently two Directors, Mark Brandon and Steve Warren, have co-chaired the process.

Through a series of workshops, new statements as to the vision, mission and goals of the organisation have been developed and adopted. They are highlighted in this annual report together with a reaffirmation of the values that underpin how the School wishes to be regarded by members, staff and external observers. The current challenge is to determine the strategies to be used to pursue these goals and the measures by which progress can be assessed.

Much of the planning focus has been to draw on the School's fundamental purposes as provided in its Act of Incorporation from 1886. Although this piece of legislation is now more than 130 years old, the core objectives still apply:

"S.2 The objects of the said Institution namely the intellectual improvement of its members and the cultivation of literature science and art shall be promoted the maintenance of a library and reading-room the delivery of lectures the encouragement of social intellectual and physical recreation and by such other means as the Committee of management may from time to time deem advisable."

In this task the School has been guided by external consultants that have provided both professional expertise and objectivity. It had been some time since the organisation's strategic directions were examined in detail. The Board sees the review and continuing evolution of the School's strategic priorities as a key responsibility, which is in line with contemporary governance practice.

The School is so much more than either the building it occupies or its Library. The property asset we have is of considerable value, but the question is whether it can provide sufficient operating income to support and grow the School's activities. Its value will vary both in real and market terms over time. However, we all need to remind ourselves of the good fortune that enabled the School to emerge from the difficulties of past and to acquire the present home. The primary challenge is to set future directions that ensure the continuing success of the organisation well into its 3rd century of serving the people of New South Wales.

This report has been prepared in consultation with the President and the current Co-Chairs.

TREASURER'S REPORT

The SMSA has achieved a positive result for the 2017 Financial Year. This is a good outcome in the light of losing one of our major tenants midway through the year. Credit is due to our Secretary who, through his negotiating skills, has managed to renew leases that expired during the year at rates in keeping with market value.

We have also been fortunate that the cost of maintaining the building was less than expected with no major equipment repairs required.

The loss of tenants is not easy to anticipate and, because our income is almost solely dependent on rents received, the SMSA continues to be challenged to achieve break even or a modest surplus each year.

Professional advice received by the Board from office leasing specialists suggests the rental rates we have been able to command in the past will not continue. This is because new office buildings which are due for completion in the next two to three years will generate a trickle-down effect and increase supply of office accommodation that will be superior to what we can offer.

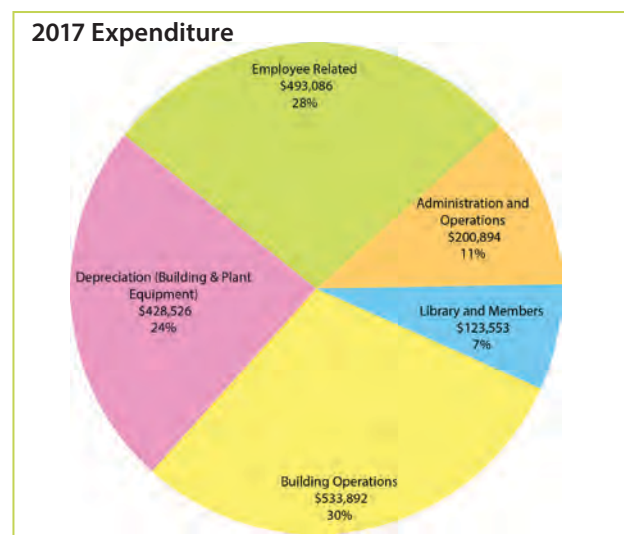
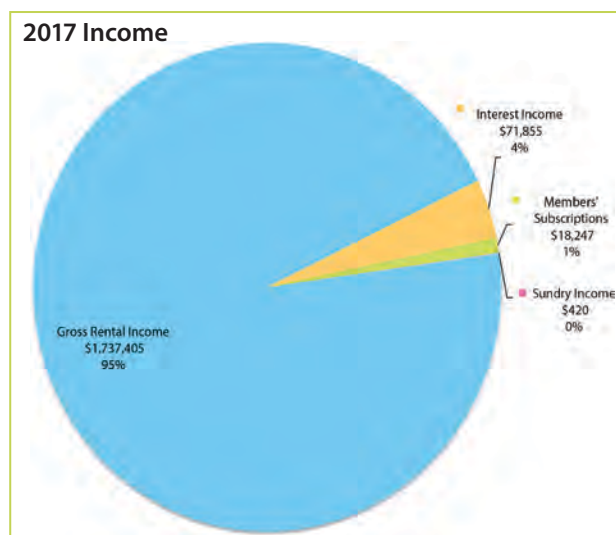
Our building is now 21 years on from the last major renovation and while it is still functional we do not have the capital to bring it up to the standard required to maintain our revenue stream into the future.

In this scenario, the SMSA Board will be planning for alternative sources of income to maintain the level of services now provided.

I wish to compliment our new accountant and our current staff who support him for the excellent recording and reporting of the financial operations over the 2017 year.



Max Williams
Treasurer



WHAT WE DO

OUR FACILITIES AND SERVICES

The SMSA Library

The heart of the SMSA, our Library on level 2 is the longest-running lending library in Australia, operating since 1833. It is open Monday to Friday from 8:45am–6:00pm and on Saturdays from 9:00am–1:00pm.

Our Library team, ably led by Coordinator Kathy Sale, consists of Erika Samonte and casual library staff, Stephen Elliott, Venettia Miller, Kathleen Fernandes, Marlene Smith and Phil Jang.

Library Collection

Our collection of over 30,000 books is unique, with our members calling it the 'best fiction library in Sydney'. You'll find books on our shelves that you won't find in other libraries—and our Mystery and Crime section is of particular pride.

Books Borrowed in 2017 (by Genre)

Animal Stories	120	0.80%
Biography	898	4.80%
Classics	269	1.70%
Cooking	59	0.50%
Craft	19	0.30%
Gardening	26	0.20%
General Novels	5,096	23.50%
Historical Novels	531	5.20%
Mystery	9,373	46.10%
Non-Fiction	1,322	11.00%
Poetry	64	0.50%
Romance	314	0.80%
Science Fiction and Fantasy	518	2.80%
Travel	358	1.80%
SMSA Library Books Subtotal	18,967	100.0%

Magazines Subtotal

2,502

Audiobooks	585
eBooks	1,003
eMagazines	920
Electronic Library Subtotal	2,508

Biography	9
General Novels	20
Non-Fiction	21
Special Collection	1
Tom Keneally Centre Subtotal	51

TOTAL LOANS 24,028

The Library's layout was streamlined in 2017 as part of ongoing collection management activities, grouping genres more logically and making it easier to locate books. This included moving the Mystery paperbacks into a dedicated room.

As in previous years, we have made culled books available 'Free to a Good Home' in the Library and on Level 1 near the meeting rooms.

Electronic Services

eBooks and Audiobooks have continued to be popular, with more titles being added to the collection throughout the year. Nearly 1,600 titles in total were borrowed from the 24/7 service during 2017.

Our eMagazines are available for members to download on the same day that the print edition is released. 920 eMagazines were checked out during 2017.

Both services introduced new apps in 2017.

Members' Computers and iPads

Four members' computers are now available in the Library, along with an additional computer in the Tom Keneally Centre. We have also installed a printer for members' use.

Three iPads are available for members to borrow.

The Tom Keneally Centre (TKC)

The Tom Keneally Centre continued to open on Tuesdays, Thursdays and Fridays between 10:30am–2:30pm during 2017 with the assistance of our dedicated team of volunteers, and was also the venue for cultural events such as authors talks and other activities.

Tom Keneally was 'in residence' at the TKC on a regular basis during 2017, and has committed to the same in 2018.

The Tom Keneally Centre is very much a living library! We encourage SMSA members to borrow from the TKC's collection and to make use of its comfortable facilities on a regular basis. Remember to bring along a friend, too; the TKC is open to everybody, although you do have to be a member to borrow.

Venue Hire

The SMSA's Venue Hire facilities provide conveniently located, affordable meeting space in the CBD. Hirers use the rooms for a wide variety of purposes—from Annual General Meetings, seminars and training, through to discussion and recreation groups.

Wendy Man coordinates our Venue Hire area, providing support and assistance to our many repeat hirers.

Facilities

Seating 170 people, the Mitchell Theatre has a full audio-visual set up including a data projector, screen, computer, lectern, roving microphones, lapel microphones and sound system. With two additional display screens to improve visibility, a hearing loop and a handrail on the stage, the Mitchell Theatre is both accessible and great value.

Our level 1 meeting rooms have folding walls that allow them to be flexibly configured according to hirer requirements.

The Tom Keneally Centre on level 3 offers a unique venue amid the books and memorabilia which form Thomas Keneally's living legacy. Comfortable and cosy, it is a perfect venue for literary events, product launches and other special events

The newly renovated Norman Selfe Room is perfect for just about any meeting, and can also be used as a breakout room for the Tom Keneally Centre.

Another new addition is the Windeyer Room on the Lower Ground Floor which offers a boardroom-style configuration.



SMSA members enjoy using the Library and its facilities such as reading nooks, members' computers and ipads, visiting and borrowing from the Tom Keneally Centre and attending our popular talks and events. The Mitchell Theatre and meeting rooms are also available for venue hire.

PUBLIC PROGRAM (TALKS AND EVENTS)

SMSA's program of events, managed by Melanie Ryan with the assistance of Kylie Campbell, achieved record audiences in 2017, reflecting the quality and variety of the programming. We further broadened our program of talks this year with the addition of monthly Science talks, and an exciting lecture collaboration with the Royal Society of New South Wales.

Suggestions from members are always welcome; we'd love to hear about the themes and speakers that you would like to see in the future.

Event photos can be found on page 17.

Talkabouts

Our regular Talkabout series, held twice monthly on Tuesdays, again had great success with record audience numbers. Some of the most popular talks, with several full houses, were:

- Warren Fahey — Tales of Old Rookwood;
- Dr Robert Austin — Castro, Cuba and Communism;
- Meredith Burgmann — Green Bans, Red Union;
- Susannah Fullerton — Jane Austen: 200 Years; and
- Vladimir Dubossarsky — The October Revolution: 100th Anniversary.

Science, Health and Environment Talks

2017 saw the introduction of a regular monthly stream of talks on science, health and the environment. With a focus on making STEM topics accessible to the general public, these talks have proven very popular, with the following standing out as highlights:

- Dr Nicola Gates — A Brain for Life: Preventing Dementia;
- Professor Muireann Irish — The Time Travelling Brain;
- Dr Cullum Brown — The Private Lives of Sharks;
- Kerrie Dougherty — Australia in Space: WRESAT 50th Anniversary; and
- Distinguished Professor Lesley Hughes — Climate Change and Australia.

The Good Life Series

The Good Life series of health, wealth, well-being and lifestyle talks continued to be well-received. Highlights included:

- Power of Attorney — Choose Who Manages Your Finance When You Can't;
- Protecting Yourself Online — Cyber Safety for Seniors; and
- Taking Control of Your Health.



Other Talks, Readings and Screenings

Our author talks and readings continued to be popular whether held more intimately in the Tom Keneally Centre or in the larger Mitchell Theatre.

- Walter Mason — Cecil Beaton, *Beauty & My Fair Lady*;
- Happiness and Wellbeing with Alana Fairchild;
- Russell Workman — Sydney in the 1960s; and
- *Mabo: Life of an Island Man* (documentary screened for the 25th anniversary of the Mabo Decision).

Additionally, the Poetry at SMSA group gave several well-received readings including Poems for Winter, Coleridge's Masterpieces and Poems for Christmas. There will be more readings by the group in 2018.

Classic Film Nights

Our Classic Film Night screenings were once again well attended and will continue on the second Thursday of each month. The top films were:

- *The Sting* (1973);
- *Who's Afraid of Virginia Woolfe* (1966); and
- *Wild Strawberries* (1957).

Collaborations

The Enlightenment Series

The Royal Society of NSW and the Sydney Mechanics School of Arts (SMSA) partnered to present a collaborative lecture program. Examining the influence of the Enlightenment on Australia's development as a nation, the first two lectures of the Enlightenment series took place late in 2017:

- Susannah Fullerton — Samuel Pepys: His Library and The Enlightenment; and
- Em. Professor Robert Clancy — The Freedom to Use Your Own Intelligence.

Two further lectures and a 'sophistry' will take place in 2018, and both organisations look forward to future series of talks in collaboration.

Dead Men Talking

The School was also delighted to partner with Warren Fahey to present two special performances of *Dead Men Talking*, a two-man play starring Max Cullen as Henry Lawson and Warren Fahey as Banjo Patterson. The bush poets were both long-standing members of the SMSA in their era.

Outreach Program

President Winsome Allen continued to promote the SMSA to community groups through our Outreach program, giving a number of talks to Probus groups and Historical Societies about our history. This initiative is free of charge. If you are interested in booking an Outreach talk or a tour of the SMSA for your group, please contact Kylie Campbell on 02 9262 7300 or admin@smsa.org.au to discuss dates and details.

Special Events

Members' Christmas Party

Members joined SMSA Directors and staff on Level 1 for a fun-filled night of food and music, and the chance to celebrate a successful year, with entertainment provided by The Blue Panthers jazz band. The School would like to thank Paul Delprat, principal of the Julian Ashton Art School and his wife Sue Delprat for making the wonderful artworks from the Julian Ashton Art School's Annual Staff and Student Exhibition available once again.

Christmas Party photos can be viewed on page 16.

Members' Activities and Events

Recreation and Discussion Groups

The following member-coordinated groups met regularly during the year,

- The Mystery and Crime Reading Group;
- The Poetry at SMSA group; and
- The Mah Jong group.

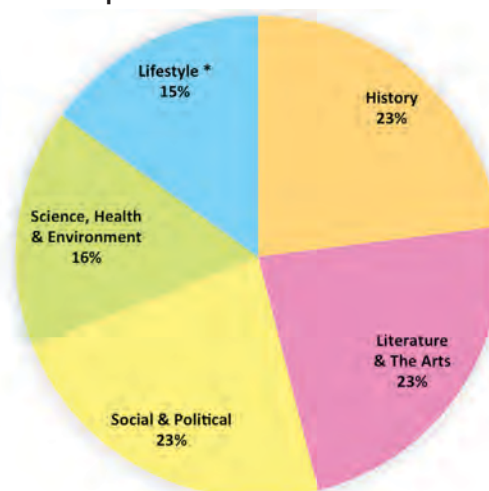
Teas and Tours

The Library and Admin staff coordinated an afternoon tea to celebrate Library Lovers' Day in February, with a Whodunnit? theme. Members enjoyed lots of goodies while dressing up with various crime and detective related props.

Several tours were also held for members during 2018:

- The History of 280 Pitt Street, a tour of SMSA's building; and
- To celebrate Rookwood's 150th anniversary, on two occasions SMSA members participated in a tour hosted by the Friends of Rookwood and Rookwood Cemetery Trust.

2017 Talk Topic Distribution



* Lifestyle incorporates health, well-being, financial and legal, etc.

Graph shows the talk topic distribution for 2017 across Talkabouts, Science, Good Life and Other Talks. (NB: Some talks crossover between multiple topics, but are counted under the most relevant).

CHRISTMAS PARTY



TALKS AND EVENTS



GRANTS, PRIZES AND DONATIONS

Grants

The Board reviewed and considered several grant applications during the year, assessing each application to ensure it fulfils the criteria set out in the Grants Policy and aligns with the School's values and objectives.

The following Grants were awarded in 2017:

Moorambilla Voices — \$10,000

Moorambilla Voices is a multi-arts development program that connects talented young people from rural and remote NSW with some of Australia's finest composers, musicians, choreographers and regional artists. The grant supports their Moorambilla Arts Pathways (MAP) initiative which provides senior Moorambilla Voices participants with one-on-one mentoring relationships.

moorambilla.com

Fighting Chance Australia — \$6,000

Fighting Chance is a not-for-profit organisation, created to offer vital work experience to students with profound disabilities. This grant will enable 4 students to participate in the organisation's work experience program, a 10 week program designed to help their students develop their skills, increase their confidence and give them practical preparation for the world of work through their social enterprises, Avenue and Jigsaw.

fightingchance.org.au

The Julian Ashton Art School — \$6,000

Established in 1890, the Julian Ashton Art School is Australia's oldest continuous fine art school. Based in The Rocks, their former students include Sir William Dobell, John Olsen, Brett Whiteley, Thea Proctor and many other prominent Australian artists.

julianashtonartschool.com.au

The Scholars for 2018 (awarded in November 2017) are:

Full-time Scholarship	Renee Beyer
Part-time Scholarship	Edward Essing

Sydney Story Factory — \$5,000

Based in Redfern, the Sydney Story Factory is a not-for-profit creative writing centre for young people aged 7–17. The centre has a priority for marginalised young people, particularly Indigenous students and those from non-English speaking backgrounds. This grant supported the delivery of creative writing workshops by the Sydney Story Factory in collaboration with the Muslim Women Association, that aimed to boost writing skills and confidence for 31 teenagers from culturally and linguistically diverse communities in Western Sydney.

sydneystoryfactory.org.au

The National Council of Women (NSW) — \$3,000

The National Council of Women (NSW) is a non-government umbrella organisation with broadly humanitarian and educational objectives that celebrated its 120th anniversary in 2016. The grant has been used to fund NCW (NSW) Australia Day Award scholarships for women who are excelling in their post-graduate studies.

ncwnsw.org.au

The 2017 recipients (to be presented in January 2018) are:

Dunia Alarkawai
PhD Candidate, Garvan Institute of Medical
Research, University of New South Wales

Casey Gallagher
PhD Candidate, Pharmacology,
University of Sydney

Cara Wilson
PhD candidate, Animal Science
Charles Sturt University



SMSA Secretary Brian Johnston, Nathan Bryon and former SMSA President Denis Mockler. A talented young tenor, Nathan was the guest speaker at SMSA's 2017 Annual General Meeting, telling members about the Moorambilla Voices program and treating us to some impromptu singing.

Prizes

In years past, the Board of the Sydney Mechanics' School of Arts gave sums of money to the University of Sydney, the University of Technology, Sydney and the University of Western Sydney, providing an endowment for prizes to be awarded annually at these Universities.

The following prizes were awarded for work in the 2016 academic year and presented in 2017:

University of Sydney

Maxwell E Arthur Prize in Australian Literature
Jack Wilson

University of Technology, Sydney

Award in Adult Education
Michelle Sullivan
Jen Ng

University of Western Sydney

Award in Professional Writing
Douglas Stasinowsky

Award in Theoretical Studies
Elizabeth Jones

Award in Humanities
Rebekah Ward

Award in Social Sciences
Ellen Kowald

Award in Health
Andrew Raeburn

Award in Nursing
Jennifer McClure

Donations

Donations were given to the following organisations in 2017:

Friends of Rookwood	\$200
Menai Men's Shed	\$250

Other Activities

The SMSA continues to provide discounted rates for venue hire for qualifying Not-For-Profit and volunteer organisations. This has been a long-standing tradition which benefits both the SMSA and the organisations involved.



Winners of the SMSA scholarships at the National Council of Women (NSW) Australia Day Awards. L to R: Dunia Alarkawai, Cara Wilson, Casey Gallagher and SMSA President, Winsome Allen.

OUR STAFF

Secretary
Program and Communications
Accountant
Accounting Systems Consultant
Venue Hire
Marketing and Admin Assistant

Brian Johnston
Melanie Ryan
Michael Ludowici
Tom Connelley
Wendy Man
Kylie Campbell

Library Coordinator
Library Officer
Casual Library Officers

Kathy Sale
Erika Samonte
Stephen Elliot
Kathleen Fernandes
Phil Jang
Venettia Miller
Marlene Smith



Back Row (L to R): Erika Samonte, Melanie Ryan, Marlene Smith, Kylie Campbell, Kathy Sale. Front Row (L to R): Michael Ludowici (contractor), Wendy Man, Tom Connelley (Contractor). Not pictured: Brian Johnston, Stephen Elliot, Venettia Miller, Kathleen Fernandes and Phil Jang.

We have been fortunate to have the same staff available throughout the year. They have continued to provide skilled and enthusiastic support to members as well as the various programs and services. The positive feedback from many members attests to the value placed on both their individual and collective performance. The School provides a broad range of activities and programs that need a flexible attitude to ensure their successful delivery. The staff have continued to meet, and at times, exceed expectations.

Our accounting service has been greatly enhanced by the work of Michael Ludowici in the role of accountant. He has brought both skill and professionalism that have enhanced our accounting systems, enabling the School to better plan for the future. Under his guidance and with the support of Tom Connelley our policies and procedures have been comprehensively revised and the recording of assets reformed.

Wendy Man is responsible, to a large extent, for the excellent results in our venue hire business activities for the year. In addition, she has provided friendly and efficient support for the various people who come to the School be they members of the public, tradesmen or our own members. Wendy is greatly respected.

Kathy Sale has continued to effectively lead her team. The Library staff are perhaps the most visible face of the School and the contributions of Erica Samonte in particular, as well as Stephen Elliot, Kathleen Fernandes, Phil Jang, Venettia Miller and Marlene Smith have been of a continuing high standard. All too briefly we employed Lisa Mantle as a Library Officer on a casual basis. Lisa had come originally on a student placement as part of her education and training program. She fitted in to the work group with ease and made a very good contribution. Happily she gained a full-time position as librarian for a local council.

In providing our program of activities and events challenges abound! There are so many expectations to be met. Melanie Ryan, very ably supported by Kylie Campbell, continued to successfully provide a busy and varied program over the year.

The Board again wishes to place on record its sincere appreciation for their contributions. In small organisations it is not always possible to or appropriate to expect to retain staff for long periods of time. The School has been most fortunate to have the services of our current staff over the year in review. It's important that our employees make a valued contribution, enjoy their work and benefit in terms of their own professional development.

OUR HISTORY

The Sydney Mechanics' School of Arts (SMSA) was established with the objective of the intellectual improvement of its members and the cultivation of literature, science and the arts. It is the oldest operating School of Arts and has the longest-running lending library in Australia.

Our Beginnings

At the request of artisans and tradesmen who had studied with him aboard the *Stirling Castle*, the Reverend Dr Henry Carmichael championed the founding of a School of Arts in Sydney. With the enthusiastic support of Governor Bourke who became our first patron, Carmichael's efforts resulted in the Sydney Mechanics' School of Arts being formed on 22nd March 1833.

In 2016, Carmichael was inducted into the International Adult and Continuing Education Hall of Fame (which operates under the auspices of the University of Oklahoma) in recognition of his role as a pioneer colonial educator. Carmichael served as Vice President of the School for the first five years and as the main lecturer in the early days.

SMSA's Historical Significance

Right from its founding in 1833, the Sydney Mechanics' School of Arts was the leading provider of adult education in the colony, running a lending library, conducting classes

and holding lectures on everything from phrenology to chemistry and the poems of Lord Byron. There were even classes on 'Simple Surgery'!

The School also made a major contribution to the colony's economic development by providing the first technical education in Australia for trades in 1865 and establishing the Working Men's College in 1878. These technical classes were transferred to the Government in 1883, and were the direct precursor to TAFE as we know it today and, ultimately, to both the University of New South Wales and the University of Technology, Sydney.

Famous Members

The Surveyor-General, Major Thomas Mitchell, was the SMSA's Founding President and many other political and cultural leaders have been members, including explorer Ludwig Leichhardt; journalist and activist for women's rights Louisa Lawson; poets Henry Lawson and Henry Kendall and Federationist Sir Henry Parkes.

The meetings of SMSA's Debating Club were widely reported in Sydney's journals including the Sydney Morning Herald. Members who participated in these debates included future NSW Premier William Holman, and Prime Ministers Edmund Barton, George Reid and Billy Hughes, as well as leading figures in the Federation and suffrage movements.

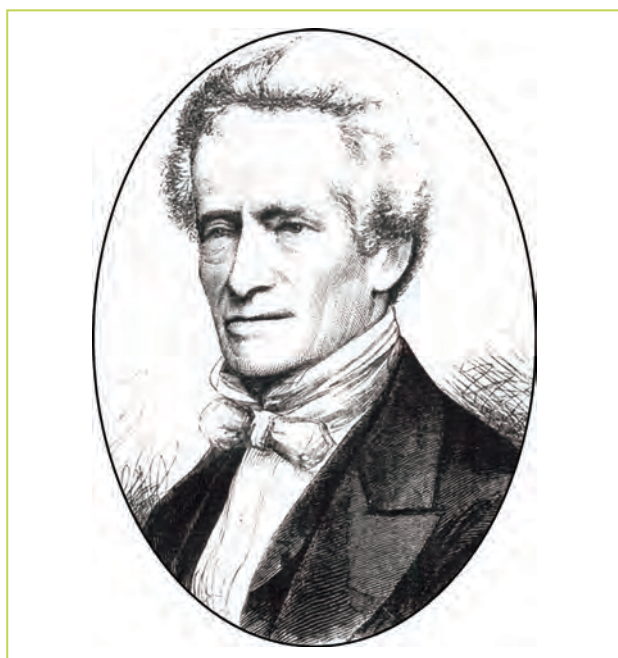
Women in the SMSA

The first women were admitted as members in August 1833—just 5 months after the School's founding—and women's names appear in class rolls from the 1860s. In 1891, Louisa Lawson broke a significant glass ceiling when she overcame opposition to become the first woman in the SMSA's Debating Club, and more women quickly followed. She later went on to become the first woman on the Management Committee in 1893.

The SMSA Today

Today, the School continues to operate its library and a varied public program of talks and events, and the Tom Keneally Centre which opened in 2011. The SMSA also offers affordable venue hire, with significant discounts to Not-For-Profit and volunteer groups. The School also continues to contribute to the local community by awarding grants to qualifying educational and cultural bodies.

Written with reference to: *Sydney Mechanics' School of Arts: A History* by Garry Wotherspoon, 2013.



The Reverend Dr Henry Carmichael (1796–1862) was instrumental in founding the Sydney Mechanics' School of Arts and served as Vice President for the first five years.

FINANCIAL STATEMENTS
31 DECEMBER 2017

SYDNEY MECHANICS' SCHOOL OF ARTS
ABN 29 720 771 090

AUDITED BY
BRIAN WISE
OF
WATSON ERSKINE PTY LTD



Watson Erskine Pty Ltd
Chartered Accountants

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Sydney Mechanics' School of Arts

ABN 29 720 771 090

Auditor's Independence Declaration to the Board of Sydney Mechanics' School of Arts

In accordance with Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2017, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct in relation to the audit.

Watson Erskine Pty Ltd
Authorised Audit Company

Watson Erskine Pty Ltd

B. P. WISE
Director

B. P. Wise

Dated this 12 day of February 2018

SYDNEY NSW 2000

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Statement of Comprehensive Income**For the Year Ended 31 December 2017**

	2017	2016
Note	\$	\$
Rental revenue	1,737,405	1,565,129
Other revenue	4 90,522	102,957
Depreciation of property, plant and equipment	5 (428,526)	(406,729)
Employee benefits expense	(493,086)	(473,437)
Impairment of assets	6 -	(848,180)
Rental outgoings	(533,892)	(569,891)
Other expenses	(324,447)	(289,801)
Surplus / (Deficit) for the year	47,976	(919,952)
Other comprehensive income		
Net gains from revaluation of property, plant and equipment	-	3,562,822
Other comprehensive income for the year	-	3,562,822
Total comprehensive surplus for the year	47,976	2,642,870

The accompanying notes form part of these financial statements.

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Statement of Financial Position**As At 31 December 2017**

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,678,105	1,092,746
Trade and other receivables	8	38,763	12,915
Other financial assets	9	1,532,496	1,850,000
Other assets	10	134,157	139,325
TOTAL CURRENT ASSETS		3,383,521	3,094,986
NON-CURRENT ASSETS			
Property, plant and equipment	11	24,188,705	24,499,018
TOTAL NON-CURRENT ASSETS		24,188,705	24,499,018
TOTAL ASSETS		27,572,226	27,594,004
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	35,089	32,918
Employee benefits	13	46,945	33,072
Other financial liabilities	14	2,887	63,090
Other liabilities	15	116,079	143,254
TOTAL CURRENT LIABILITIES		201,000	272,334
NON-CURRENT LIABILITIES			
Employee benefits	13	10,990	9,410
TOTAL NON-CURRENT LIABILITIES		10,990	9,410
TOTAL LIABILITIES		211,990	281,744
NET ASSETS		27,360,236	27,312,260
EQUITY			
Reserves	16	10,497,527	10,497,527
Retained surplus		16,862,709	16,814,733
TOTAL EQUITY		27,360,236	27,312,260

The accompanying notes form part of these financial statements.

Sydney Mechanics' School of Arts
ABN 29 720 771 090

Statement of Changes in Equity
For the Year Ended 31 December 2017

2017

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2017	16,814,733	10,497,527	27,312,260
Surplus for the year	47,976	-	47,976
Balance at 31 December 2017	16,862,709	10,497,527	27,360,236

2016

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2016	17,734,685	6,934,705	24,669,390
Surplus for the year	(919,952)	-	(919,952)
Revaluation increment	-	3,562,822	3,562,822
Balance at 31 December 2016	16,814,733	10,497,527	27,312,260

The accompanying notes form part of these financial statements.

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Statement of Cash Flows
For the Year Ended 31 December 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,887,388	1,752,225
Payments to suppliers and employees	(1,554,259)	(1,558,978)
Interest received	52,941	70,897
Net cash provided by operating activities	21 386,070	264,144
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(118,215)	(47,979)
Net change in investment in term deposits	317,504	689,400
Net cash provided by investing activities	199,289	641,421
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash used by financing activities	-	-
Net increase/(decrease) in cash and cash equivalents held	585,359	905,565
Cash and cash equivalents at beginning of year	1,092,746	187,181
Cash and cash equivalents at end of financial year	7 1,678,105	1,092,746

The accompanying notes form part of these financial statements.

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements For the Year Ended 31 December 2017

The financial report covers Sydney Mechanics' School of Arts ('the School') as an individual entity. Sydney Mechanics' School of Arts is a not-for-profit School, registered and domiciled in Australia.

The principal activities of the School for the year ended 31 December 2017 include:

- the provision of educational and cultural activities;
- the provision of library services;
- running a robust program of talks, readings and screenings; and
- the provision of commercial office space and venue hire.

The functional and presentation currency of Sydney Mechanics' School of Arts is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance the School is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The School is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the School and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Interest revenue

Interest is recognised using the effective interest method.

Rental income

Rental income is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Sydney Mechanics' School of Arts

ABN 29 720 771 090

**Notes to the Financial Statements
For the Year Ended 31 December 2017****2 Summary of Significant Accounting Policies****(b) Revenue and other income****Subscriptions**

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Other income

Other income is recognised on an accruals basis when the School is entitled to it.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements

For the Year Ended 31 December 2017

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

Library books

Library books are measured using the revaluation model. Additional purchases of common use collection books are expensed.

Depreciation

Property, plant and equipment, excluding freehold land, are depreciated on a straight-line basis over the assets useful life to the School, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Freehold Land	Not depreciated
Buildings	2.5%
Plant and Equipment	5% to 50%
Library Books	Not depreciated

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Impairment of non-financial assets

At the end of each reporting period the School determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Sydney Mechanics' School of Arts

ABN 29 720 771 090

**Notes to the Financial Statements
For the Year Ended 31 December 2017****2 Summary of Significant Accounting Policies****(g) Employee benefits**

Provision is made for the School'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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information becomes known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

An independent valuation of property (land and buildings) carried at fair value was obtained in April 2016. Those charged with governance have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

An independent valuation of library books carried at fair value was obtained in 2012. Those charged with governance have reviewed this valuation.

4 Revenue and Other Income**Revenue from continuing operations**

	2017	2016
	\$	\$
Sales revenue		
- member subscriptions	18,247	24,773
Finance income		
- other interest received	71,855	70,897
Other income		
- other trading revenue	420	7,287
Total other revenue	90,522	102,957

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements

For the Year Ended 31 December 2017

5 Depreciation of property, plant and equipment

	2017	2016
	\$	\$
Depreciation		
Buildings	350,642	331,817
Plant and equipment	77,884	74,912
Total	428,526	406,729

The Board has decided that, in accordance with AASB 116 Property, Plant and Equipment, the buildings be depreciated from 1 January 2016 prospectively.

6 Impairment of assets

During the year ended 31 December 2012, the Board of the School revalued the library books to \$1,319,675 based on an independent valuation. That valuation was based on replacement of "new for old" books. The valuer also determined that the market value of the books was \$251,212. Subsequent additions to the library increased the value recorded at December 2015 to \$1,377,787. However, for the year ended 31 December 2016, the Board, having considered the requirement to comply with impairment and fair value standards, has decided to state the library books at fair value to \$294,902. This has resulted in an impairment loss of \$848,180 after reversing the balance of \$234,705 in the asset revaluation reserve.

7 Cash and Cash Equivalents

	2017	2016
	\$	\$
Cash at bank and in hand	369,185	592,746
Short-term deposits	1,308,354	500,000
Other cash and cash equivalents	566	-
Total	1,678,105	1,092,746

8 Trade and Other Receivables

	2017	2016
	\$	\$
CURRENT		
Trade receivables	38,763	12,915
Total current trade and other receivables	38,763	12,915

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements**For the Year Ended 31 December 2017****9 Other Financial Assets****Held-to-maturity investments**

	2017	2016
	\$	\$
CURRENT		
Term deposits	1,532,496	1,850,000

10 Other Assets

	2017	2016
	\$	\$
CURRENT		
Prepayments	50,268	36,105
Accrued income	25,224	6,310
Rental bonds	58,665	96,910
	<u>134,157</u>	<u>139,325</u>

11 Property, plant and equipment

	2017	2016
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At fair value	10,000,000	10,000,000
Total Land	<u>10,000,000</u>	<u>10,000,000</u>
Buildings		
At fair value	14,000,000	14,000,000
At independent valuation	(584,932)	(234,290)
Accumulated depreciation		
Total buildings	<u>13,415,068</u>	<u>13,765,710</u>
Total land and buildings	<u>23,415,068</u>	<u>23,765,710</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,045,233	927,019
Accumulated depreciation	(566,498)	(488,613)
Total plant and equipment	<u>478,735</u>	<u>438,406</u>

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements For the Year Ended 31 December 2017

11 Property, plant and equipment

Library books		
At fair value		
At independent valuation	1,377,787	1,377,787
Accumulated impairment losses	(1,082,885)	(1,082,885)
Total Library books	294,902	294,902
Total plant and equipment	773,637	733,308
Total property, plant and equipment	24,188,705	24,499,018

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Plant and Equipment \$	Library Books \$	Total \$
Year ended 31 December 2017					
Balance at beginning of year	10,000,000	13,765,710	438,406	294,902	24,499,018
Depreciation	-	(350,642)	(77,884)	-	(428,526)
Additions	-	-	118,213	-	118,213
Balance at the end of the year	10,000,000	13,415,068	478,735	294,902	24,188,705
	Land \$	Buildings \$	Plant and Equipment \$	Library Books \$	Total \$
Year ended 31 December 2016					
Balance at beginning of year	8,500,000	11,800,000	465,339	1,377,787	22,143,126
Depreciation	-	(331,817)	(74,912)	-	(406,729)
Revaluation	1,500,000	2,297,527	-	-	3,797,527
Additions	-	-	47,979	-	47,979
Impairment loss	-	-	-	(1,082,885)	(1,082,885)
Balance at the end of the year	10,000,000	13,765,710	438,406	294,902	24,499,018

Sydney Mechanics' School of Arts

ABN 29 720 771 090

**Notes to the Financial Statements
For the Year Ended 31 December 2017****12 Trade and Other Payables**

	2017	2016
	\$	\$
Current		
Trade payables	24,034	32,612
Other payables	11,055	306
	<u>35,089</u>	<u>32,918</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Employee Benefits

	2017	2016
	\$	\$
Current liabilities		
Provision for employee benefits	46,945	33,072
Non-current liabilities		
Long service leave	10,990	9,410

14 Other Financial Liabilities

	2017	2016
	\$	\$
CURRENT		
Amounts received in advance	2,887	63,090

15 Other Liabilities

	2017	2016
	\$	\$
CURRENT		
Rental bonds	59,926	96,910
ATO - GST	21,650	16,775
Payroll liabilities	34,503	29,569
	<u>116,079</u>	<u>143,254</u>

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements For the Year Ended 31 December 2017

16 Reserves

Asset revaluation reserve

The asset revaluation reserve records unrealised gains on the market value of non-current assets.

	2017	2016
	\$	\$
Asset Revaluation Reserve		
Land	8,200,000	8,200,000
Buildings	2,297,527	2,297,527
	10,497,527	10,497,527

17 Capital and Leasing Commitments

The Board has approved stage 1 of a refurbishment program for the space occupied by the School in its building. At the date of this report, the School has lodged a Development Application with Sydney City Council. Subject to Council approval, the School expects to undertake the work in the second half of 2018. The work will involve improvement of facilities for disabled persons, refurbishment of the Mitchell Theatre and some associated work on the ground floor. Based on consultants' advice, the Board has approved expenditure of up to \$600,000 for these purposes. Apart from contracts relating to the design aspects, the School has not entered into any agreements in relation to this project.

There are no capital and leasing commitments as at the date of this report.

18 Members' Guarantee

The liability of a member of the Sydney Mechanics' School of Arts to contribute towards the payment of the debts and liabilities of the Sydney Mechanics' School of Arts or the costs, charges and expenses of the winding up of the Sydney Mechanics' School of Arts is limited to the amount, if any, unpaid by the member in respect of membership of the Sydney Mechanics' School of Arts as required by By-law 8.

19 Auditors' Remuneration

	2017	2016
	\$	\$
Remuneration of the auditor Watson Erskine Pty Ltd for:		
- auditing or reviewing the financial statements	30,673	14,500

20 Contingencies

In the opinion of those charged with governance, the School did not have any contingencies at 31 December 2017 (31 December 2016: None).

Sydney Mechanics' School of Arts

ABN 29 720 771 090

**Notes to the Financial Statements
For the Year Ended 31 December 2017****21 Cash Flow Information****Reconciliation of result for the year to cash flows from operating activities**

Reconciliation of net income to net cash provided by operating activities:

	2017	2016
	\$	\$
Surplus for the year	47,976	(919,952)
Non-cash flows in surplus:		
- depreciation	428,526	406,729
- impairment of property, plant and equipment	-	848,180
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(25,848)	23,620
- (increase)/decrease in other assets	38,244	23,052
- (increase)/decrease in prepayments	(14,162)	-
- (increase)/decrease in interest receivable	(18,914)	-
- increase/(decrease) in trade and other payables	2,171	(58,574)
- increase/(decrease) in other financial liabilities	(60,203)	(33,391)
- increase/(decrease) in other liabilities	(27,173)	(12,824)
- increase/(decrease) in employee benefits	15,453	(12,696)
Cash flows from operations	<u>386,070</u>	<u>264,144</u>

22 Statutory Information

The registered office and principal place of business of the school is:

Sydney Mechanics' School of Arts
280 Pitt Street
Sydney NSW 2000

Sydney Mechanics' School of Arts

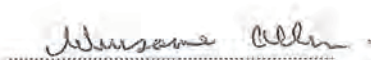
ABN 29 720 771 090

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the School is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes for the year to 31 December 2017 satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Winsome Allen
Director



Max Williams
Treasurer

Dated this 12th day of February, 2018



Watson Erskine Pty Ltd
Chartered Accountants

ABN 44 125 509 015

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Sydney Mechanics' School of Arts

Independent Audit Report to the members of Sydney Mechanics' School of Arts

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sydney Mechanics' School of Arts, which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Sydney Mechanics' School of Arts has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 31 December 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for 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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities 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.

17

Liability limited by a scheme approved under Professional Standards Legislation



Watson Erskine Pty Ltd
Chartered Accountants

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Sydney Mechanics' School of Arts

Independent Audit Report to the members of Sydney Mechanics' School of Arts

In preparing the financial report, the responsible entities are responsible for assessing the Registered Entity'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 intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities 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.

Watson Erskine Pty Ltd
Authorised Audit Company

Watson Erskine Pty Ltd

B. P. WISE
Director

B. P. Wise

SYDNEY NSW 2000

Dated this 12 day of February 2018



Watson Erskine Pty Ltd
Chartered Accountants

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Sydney Mechanics' School of Arts

ABN 29 720 771 090

Compilation Report For the Year Ended 31 December 2017

COMPILATION REPORT TO SYDNEY MECHANICS' SCHOOL OF ARTS

We have compiled the accompanying special purpose financial statements of Sydney Mechanics' School of Arts, which comprise of the Detailed Income Statement and Rental Properties Statement for the year ended 31 December 2017.

The Responsibility of the Board

The Board of Sydney Mechanics' School of Arts is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of the information provided by the Board we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in the notes to the financial statements and APES 315: *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in the notes to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

The special purpose financial statements were compiled exclusively for the benefit of the Board who is responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

Watson Erskine Pty Ltd

SYDNEY NSW 2000

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Detailed Income Statement For the Year Ended 31 December 2017

	2017	2016
	\$	\$
Income		
Interest income	71,855	70,897
Member subscriptions	18,247	24,773
Donations	4,545	-
Other revenue	419	7,287
Other income	2,273	-
Net rental surplus	1,196,695	995,238
Total income	1,294,034	1,098,195
Less: Expenses		
Administration and management fees	13,496	6,511
Advertising	4,058	6,189
Auditors remuneration	30,673	14,500
Computer expenses	25,332	35,853
Consulting and professional fees	86,310	53,614
Consumables	61,300	58,893
Depreciation	428,526	406,729
Donations	30,450	41,900
Entertainment	7,345	10,196
First aid supplies	-	1,626
Insurance	4,790	4,976
Impairment	-	848,180
Lease rentals on operating lease	11,219	8,281
Leave pay	-	4,594
Other employee costs	3,455	3,732
Postage	1,126	1,611
Printing and stationery	7,538	9,966
Promotion	8,583	11,044
Repairs and maintenance	3,839	1,598
Salaries	438,004	415,087
Security costs	4,465	-
Staff training	3,241	3,084
Subscriptions	7,103	6,308
Sundry expenses	591	-
Superannuation contributions	40,199	37,129
Telephone and fax	11,031	10,151
Termination benefits	3,621	5,535
Travel - domestic	77	385
Workers compensation insurance	4,566	4,275
Other operating expenses	5,120	6,200
Total Expenses	1,246,058	2,018,147
Net surplus / (deficit)	47,976	(919,952)

Note: This Detailed Income Statement does not form part of the audited financial statements.

Sydney Mechanics' School of Arts

ABN 29 720 771 090

**Rental Properties Statement
For the Year Ended 31 December 2017**

	2017	2016
	\$	\$
Rental Income	1,460,837	1,334,020
Facilities Rental	269,750	231,109
Total rental income	1,730,587	1,565,129
Agents fees	38,130	17,932
Catering	17,314	17,276
Cleaning	86,488	56,815
Electricity and gas	103,034	85,621
Insurance	28,286	27,010
Rates - council	58,728	56,352
Rates - water	9,325	10,142
Repairs and maintenance	115,184	220,466
Security	17,942	25,997
Building management	59,461	52,280
Total rental expenses	533,892	569,891
Net rental surplus	1,196,695	995,238

Note: This Rental Properties Statement does not form part of the audited financial statements.

APPENDIX I MINUTES

MINUTES OF THE ANNUAL GENERAL MEETING HELD AT 12.30 PM ON TUESDAY, 21 MARCH 2017

Present

Winsome Allen	Colin Kay
Nola Barkl	John Leonard
Patricia Mary Bertram	Reginald Lobb
Larry Billington	Astrid Lodens
Stephen Bingle	Grahame Marks
Gordon Blythe	Denis Mockler, President
Nola Bramble	Donald Mulligan
Margaret Brandl	Jean Murphy
Merilyn Bryce	Carole O'Brien
Peter Clancy	Michael Packer
Elizabeth Cocking	Jean Peters
Cecile Cornford	Marcia Peters
Michael Corry	Win Ramdas
Gwen Crowe-Mai	Paul Reid
Garry Dalrymple	John Michael Robinson
Isobel Davison	Marlene Smith
Anne Devrell	Eugene Stawski
Beverley Dunstan	Kay Templeton
Laurel Dyson	Thomas Thorburn
Anthony Ellis	Janet M. Timberg
Ellen Elzey	Steven Warren
John Ewing	Geoffrey Webb
Kellie Gale	Max Williams
Kay Godfrey	Alister Wong
David Hibbert	Garry Wotherspoon
Paul Hinchey	Robert York
Shirley Hunt	

Observers (non-voting)

Daniel Papps

Guests

Michael Newton	WEA
Nathan Bryon	Moorambilla Voices
Arthur Alibrandi	StrataChoice
Gregory Sara	StrataChoice

Also in attendance

Brian Wise	Auditor, Watson Erskine Pty Ltd
Simon Orrick	Auditor, Watson Erskine Pty Ltd
Thomas Chia	Auditor, Watson Erskine Pty Ltd
Brian Johnston	Staff
Michael Ludowici	Staff
Wendy Man	Staff
Kylie Campbell	Staff

1. Conduct of the Meeting

The Secretary noted that the meeting had been convened in accordance with the requirements. Members were provided with advice as to the conduct of the meeting and personal safety arrangements in the event of an emergency.

2. Welcome and Acknowledgement of Traditional Owners

Members and guests were welcomed to the meeting and the traditional owners of the land on which the meeting was held being the Gadigal people of the Eora nation and their elders past and present were acknowledged. The President, Denis Mockler, extended the Board's welcome to those in attendance.

3. Apologies

The following apologies were received and accepted:

Mark Brandon OAM	Jennifer Robyn Mattock
George Carrard	Helen O'Brien
Barbara Carrard	Kay Porter
Naomi Carrard	Peter Rainey
Ginette Carrard	Margaret Rapsey
Robert Clancy AM	Sunflower Seagull
Elizabeth Fletcher	Judith Sherson
Narelle Kaye	

4. Confirmation of the Minutes of the previous Annual General Meeting

4.1 The previous Annual General Meeting held on 15 March 2016

The minutes of the previous meeting held on 15 March 2016 were confirmed as a true and correct record.

Moved Tom Thorburn
Seconded Max Williams
Carried on a show of hands

4.2 The Special General Meeting held on 1 December 2016

The minutes of the meeting held on 1 December 2016 were confirmed as a true and correct record.

Moved Alister Wong
Seconded Steven Warren
Carried on a show of hands

5. Elections

The President noted that in accordance with the By-laws voting had ceased at 12:45pm. The votes were then counted by the auditors. The following results were noted:

5.1 President

Two nominations had been received and Winsome Allen was the successful candidate.

5.2 Directors

Eleven nominations had been received and the following seven had been successful:

Cecile Cornford
 Mark Brandon
 Anne Devrell
 Denis Mockler
 Paul Reid
 Steven Warren
 Max Williams

The President congratulated those who were successful and sincerely thanked the remaining nominees for their interest and participation.

6. President's Address

Denis Mockler commented on the broad range of work undertaken by the Board and staff during the year, including revision of the By-laws, strategic planning, policy reviews, changes to the governance structure to improve alignment with issues relevant to the School's continuing success, the Board's own development program and the upgrading of information systems generally.

Members' amenities had been greatly enhanced with the opening of the coffee lounge, fondly known as Cuthbert's

and an increase in computer access for members. The vibrant program of events and activities for members had been maintained. Membership numbers as at 31 January 2017 stood at more than 1,500 compared to approximately 500 in 2002, which was very pleasing.

The Board was planning for more development in the coming year with additional services for members through the potential major refurbishment of several areas, including improvements to meeting spaces on the 3rd floor, refurbishment of the Library including the addition of a quiet room for members. It was also seeking to a further strengthening of the financial position, broadening of activities and establishing formal links with like-minded organisations as well as the possible use of technology to extend members' access to the events program. Planning was also underway to celebrate the 185th anniversary of the School next year.

Denis expressed his thanks for the support of his colleagues on the Board and staff, as well as his sincere appreciation for the opportunity of having served as President for the last two years.

7. Treasurer's Address

The Treasurer summarised the result for the year as very pleasing despite the requirement to make several adjustments to the reporting of performance in order to comply with contemporary Australian Accounting Standards. The members' equity as shown on the balance sheet had improved substantially due to increased property valuations even though the gains were offset by adjustments to depreciation of fixed assets and a change in the valuation process for the Library collection. The overall cash position had also improved as reflected the amount of funds now invested. Revenues had increased substantially.

8. Presentation of the Annual Report for approval

The President noted the very satisfactory outcomes achieved by the School over the course of the year as recorded in the report. The Annual Report was submitted in its entirety for approval.

Moved John Robinson
Seconded Marilyn Bryce
Carried on a show of hands.

9. Appointment of Auditors for 2017

The auditors, Watson Erskine, offered themselves for reappointment

Moved Paul Reid
Seconded Alister Wong
Carried on a show of hands

10. Guest Speaker: Nathan Bryon, Moorambilla Voices

Nathan Bryon gave an extremely interesting and impressive presentation on his involvement with the Moorambilla Voices and how his personal and professional career had been nurtured and flourished because of those opportunities. He also described in detail the very positive impact the program was having in remote and rural communities. On behalf of the Founder of Moorambilla Voices, Michelle Leonard, he thanked the School for its recent sponsorship and concluded with the rendition of one of the program's songs. His contribution to the meeting was warmly acknowledged and followed by a number of questions from interested persons.

11. Meeting closure

The Secretary advised that no formal notices of motion had been received. The President extended an invitation for those present to raise any relevant issues. A range of issues were raised, including:

- the need to plan for the future in respect of the building rather than just letting the future evolve;
- options being considered for alternative sources of income; and
- the hope that links with other Schools of Arts especially in rural and remote locations would be pursued; this was regarded as key role for AMISA, which hopefully would hold its annual meeting in the near future.

In response to a request the President stated he looked forward to members making a contribution to these various issues and that it would be important to keep people informed.

The meeting closed at 1:40pm.

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Australian Homespun	Gardening Australia	National Geographic	Smithsonian Magazine
Australian Womens' Weekly	Gourmet Traveller	New Scientist	Taste.com.au
Australian Readers' Digest	GQ Australia	New York Review of Books	Vogue Australia
Better Homes & Gardens Aust	Harpers Bazaar Australia	Newsweek	WellBeing
Blue Mountains Life	Health & Fitness	O, The Oprah Magazine	Woman's Day (UK)
Country Homes & Interiors	Homes & Gardens	OK! Magazine	Woman's Weekly (UK)
delicious	Inside History	PC & Tech Authority	
donna hay magazine	Inside Sport	Reader's Digest	

... AND MORE TO COME!

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All you need is internet access and our Quick Start Guide!

APPENDIX II OTHER INFORMATION

MEMBERSHIPS AND ASSOCIATIONS

The School enjoys a number of important relationships with like-minded organisations:

- 2RPH (Radio for the Print Handicapped of NSW)
- ALIA (Australian Library and Information Association)
- AMISA (Association of Mechanics Institutes and School of Arts NSW)
- The History Council of New South Wales
- MIV (Mechanics Institutes of Victoria)
- The Royal Society of New South Wales
- WEA (Workers Education Australia)

LIFE AND HONORARY MEMBERS

Honorary Members

- Professor The Honourable Dame Marie Bashir AD CVO
- Ellen Elzey
- Judith Keneally
- Thomas Keneally AO

Life Members

- Susan Abrams
- Marilyn Bryce
- Alan Creighton
- Margaret Lewis
- Dr Roger Morris AM
- Carole O'Brien
- Thomas Thorburn

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