

ANNUAL REPORT



This Annual Report has been
prepared by Staff and Directors.

CONTENTS

STATEMENTS OF CORPORATE DIRECTION	1
Our Mission	1
Our Vision	1
Our Values	1
THE SCHOOL'S PLACE IN HISTORY	2
PATRONS	3
FROM THE PRESIDENT	4
THE BOARD OF DIRECTORS	5
COMMITTEES	8
Building	8
Innovation and Programs	8
Library and Membership	8
Strategic Planning and Governance	8
ACTIVITIES AND SERVICES	9
Members' Activities	9
Public Engagement	9
The SMSA Library	10
The Tom Keneally Centre	10
Venue Hire.	10
Staff	10
GRANTS AND PRIZES	11
Grants	11
Prizes	12
TREASURER'S REPORT	13
FINANCIAL STATEMENTS 31 DECEMBER 2019	14
Auditor's Independence Declaration	15
Statement of Comprehensive Income.	16
Statement of Financial Position	17
Statement of Changes in Equity	18
Statement of Cash Flows	19
Notes to the Financial Statements	20
Responsible Persons' Declaration	34
Independent Audit Report	35
Compilation Report	38
Detailed Income Statement	39
Rental Properties Statement	41
APPENDIX I MINUTES	42
Minutes of the Annual General Meeting held at 12:30pm on Tuesday 12 March 2019	42
Minutes of the Special General Meeting held at 10:30am on Monday 9 September 2019	45
Minutes of the Special General Meeting held at Midday on Tuesday 29 October 2019.	47
APPENDIX II OTHER INFORMATION	48
Memberships and Associations.	48
Life and Honorary Members	48

OUR MISSION

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

OUR VISION

is to transform our society for the better through learning.

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.

THE SCHOOL'S PLACE IN HISTORY

The Sydney Mechanics' School of Arts was founded in 1833 to 'to promote the diffusion of scientific and useful knowledge extensively, throughout all ranks of the community of New South Wales'.

The initial focus of the School, as with similar institutions in the United Kingdom, was to provide mechanics, the aristocracy of the working class, with the scientific principles of their trades; to bring science within reach of the working man. The School fully realised this aim with the establishment in 1878 of the Working Men's College which evolved into TAFE NSW.

Progressive educators such as Henry Carmichael and John Woolley stressed that the aim of education was, however, more than the transfer of scientific knowledge to a limited demographic. For these early educationalists the aim of education was to instill in members the habit of thinking and the desire for self-education. For this reason, the School's lectures and classes have throughout its history provided 'a wholesome full banquet' of science and the arts.

The School as an 'instrument of social and political advancement' played a pivotal role in the social regeneration of the colony as it progressed from convict to settler society and beyond. Furthermore, membership of the School helped 'those who would else be strangers, to talk face to face as friends' and in this way contributed to social inclusion and cohesion.

For 186 years the School has continued its commitment to adult education through an ever changing educational, social and political landscape. Throughout these changes the School's commitment to lifelong learning is evident in its events program and through its library, the longest running lending library in Australia.

References

Carmichael, Henry (1833) Lecture on the Formation of the Sydney Mechanics' School of Arts, *New South Wales Magazine*, 2(1), 3(1),4(1), Retrieved February 4, 2020 from nla.gov.au/nla.obj-753076802

Woolley, John (1862) *Lectures Delivered in Australia*, Cambridge England: Macmillan



Construction of a new building, designed by the architect Benjamin Backhouse, on George Street at the rear of the SMSA to Working Mens' College began in 1878. The new college was opened in May 1879, with an initial enrolment of 595. In 1880 this grew to 1047 and it nearly doubled again in 1881. Reference: *The Sydney Mechanics' School of Arts: A History*, Garry Wotherspoon, 2013.

PATRONS

The Sydney Mechanics' School of Arts has always been appreciative of Vice Regal patronage and consider it a privilege that **Her Excellency the Honourable Margaret Beazley AC QC, Governor of New South Wales** and **Mr Dennis Wilson** have consented to become Joint Patrons of the School.

This appointment extends a long tradition of Governors as patrons of the School starting with Governor Bourke as founding Patron in 1833. The SMSA continued to enjoy the unbroken patronage of successive Governors of New South Wales until 1935. Patronage was resumed in 2008 in honour of the School's 175th anniversary.



FROM THE PRESIDENT

Another year has flown by so quickly.

In 2019, the Board of Directors has again focussed on strategic planning to guarantee the School's long-term stability and future well beyond our 200th anniversary in 2033.

With this in mind, the Board is taking steps to bring the School's rich heritage of education back into what we do today as well as to our future activities.

The Carmichael Lecture was reinstituted this year with an engaging talk delivered by former NSW Principal of the Year, Jo Karaolis AM. The Carmichael Lecture honours one of our founders and first Vice President, the Reverend Henry Carmichael and will now be an annual event.

The School's current financial position is sound, nevertheless it is important that we plan for the School's future needs. The details of this and other financial matters are dealt with in more detail in the Treasurer's report on Page 13.

Since the renovation of the School's building in the late 1990s, building codes have changed and it has become apparent that we need to undertake some fairly significant modifications and renovations. Plans are progressing for the necessary changes to be undertaken to enable the SMSA to remain in its current heritage building.

At the 2019 Annual General Meeting, I was honoured to present Jim Lowden from Mechanics' Institutes of Victoria with the inaugural SMSA Medal in recognition of "the extent, quality and nature of his tireless contribution to the broader community through education and participation locally, nationally and internationally". Congratulations, Jim.

I appreciate the invaluable time and support given by the Board throughout the year.

I particularly want to thank former Treasurer Max Williams and our former Secretary Brian Johnston for their assistance.

We have been fortunate to obtain the assistance of Bruce Ramage to fill Brian's position.

A big thank you to the SMSA volunteers who give their time so freely.

And I am always grateful to the members for their continued support.

All the School's staff are a valuable and valued part of the SMSA community. I would like to thank the library staff, Kathy Sale, Erika Samonte and the library casuals; the events staff, Melanie Ryan and Shaz Di Vinci; Kylie Campbell in venue hire. and Michael Ludowici in accounting.

As we move into 2020, one year closer to our 200th anniversary, I am enthusiastic about the strategies the Board is implementing and look forward to the future of the SMSA.



Winsome Allen
President

THE BOARD OF DIRECTORS



Winsome Allen
President

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. Winsome is an active member of Toastmasters International where she is a club coach and a former Area Governor. Winsome has owned several successful businesses that have provided her with opportunities for community involvement. Winsome promotes the School through Outreach talks to community groups about its history, current activities and future.

Elected President 2017



Cecile Cornford
Vice President

A former SMSA Librarian, Cecile has been a member of the School for many years. An avid reader and lover of literature, she is interested in maintaining the quality of good reading that we have in the Library. Cecile was elected to the Board in 2015 and, as Vice President, has chaired both the Members' Services and the Library and Membership committees.

Re-elected 2019

Re-appointed Vice President 2019



Mark Brandon
Vice President

Mark has held senior executive and CEO roles in government programs, private health insurance, accreditation and aged care. He has director and Board experience in community and for profit organisations. From 2002–2013, Mark was CEO of the government's Aged Care Standards and Accreditation Agency responsible for promoting quality, accreditation and education programs to all nursing homes in Australia. He is a member of AICD and an Associate Fellow of the Australasian College of Health Service Management.

Elected 2017

Re-appointed Vice President 2019

Resigned January 2020



Dr Lesley Scanlon
Vice President

Lesley has spent her career as a practitioner, researcher and author in adult education. She has published three books on education, written numerous articles for peer reviewed journals and presented at international conferences. She has taught and researched in schools, TAFE and universities and has recently retired from the University of Sydney where she remains an honorary lecturer. Lesley is the Vice President of the Innovation and Programs Committee and the coordinator of the 'Towards 200' SMSA anniversary project. In her coordination role she is researching and giving lectures on the contribution of the SMSA to the social and educational history of NSW.

Serving (elected 2018)

Appointed Vice President 2019



Geoff Webb
Vice President

Geoff has been a member of the SMSA for over 30 years. He has served on the Board since 2009 and has been a Vice President for over nine 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.

Serving (re-elected 2018)

Re-appointed Vice President 2019



Jane Biscoe
Director

Jane has a background in health, working as a physiotherapist for both government and not-for-profit organisations where she was also involved with student supervision, policy development and quality improvement. Jane's interest in education and learning led to her involvement with the Workers Education Association (WEA) and the 'discovery' of SMSA. Jane served as a director on the Board of WEA for four years including two as President in 2017 and 2018.

Filled casual vacancy 2019



Paul Hinchey
Director

Paul joined Qantas in 1970 as an aircraft maintenance engineer, holding various posts in engineering until 1979 before moving into corporate roles in marketing, planning and management. After resigning from Qantas in 1990, Paul taught aircraft maintenance to engineering apprentices at TAFE NSW, and for his last 10 years was the senior head teacher at the Aeroskills Division at Padstow TAFE. Paul served as an officer in the RAAF Active Reserves for 33 years until January 2017, rising to the rank of Squadron Leader.

Elected 2019



Eugene Stawski
Treasurer

Following a successful career as a financial controller, Eugene held a part-time position of Accounting Officer at SMSA, where he contributed to improvement of the accounting system. He joined the Board in 2015 and was Assistant Treasurer from 2016 until late 2019 when he was appointed Treasurer.

Serving (re-elected 2018)

Re-appointed Asst. Treasurer 2019

Appointed Treasurer Nov 2019



Anne Devrell
Director

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 and works with its ephemera collection.

Serving (re-elected 2017)



Shirley Hunt
Director

Shirley has been a member of the Sydney Mechanics' School of Arts for over 17 years and was elected to the Board in 2012. Shirley enjoys the ambience of the Library and is a staunch supporter of the School. She regularly volunteers in the Tom Keneally Centre where she enjoys the opportunity to meet members.

Serving (re-elected 2018)



Denis Mockler
Director

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. Denis is the principal of a small legal firm.

Serving (re-elected 2019)



Steven Warren
Director

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 post-graduate student body, as well as having served on a range of community-based organisations. Steven has a long-standing commitment to equality in all these roles.

Serving (elected 2017)



Maxwell Williams
Treasurer

Following his successful financial services career in both the public and private sectors, Max was Acting Secretary of the School for part of 2010. He was elected to the Board in 2013. Max has chaired the Building Committee and the Strategic Planning Committee as Vice President and held the office of Treasurer from 2017 until late 2019.

Re-elected 2019

Re-appointed Treasurer 2019

Resigned November 2019



Carole O'Brien
Director

Carole joined the SMSA in 1982. She served on the Board from 1984–2005, holding the office of President from 1997–2002. She was re-elected to the Board in 2008. Carole enjoys reading mystery and has been a member of School's Mystery and Crime Reading Group since its inception. She has volunteered in the Tom Keneally Centre since its opening in 2011.

Serving (re-elected 2018)

Attendance at Board Meetings — 2019

Board Member	Attended
Allen, Winsome	15 of 15
Biscoe, Jane *	1 of 1
Brandon, Mark	9 of 15
Cornford, Cecile	11 of 15
Devrell, Anne	10 of 15
Hinchey, Paul #	6 of 11
Hunt, Shirley	13 of 15
Mockler, Denis	13 of 15
O'Brien, Carole	13 of 15
Reid, Paul ^	2 of 4
Scanlon, Lesley	15 of 15
Stawski, Eugene	13 of 15
Warren, Steven	12 of 15
Webb, Geoffery	15 of 15
Williams, Maxwell	13 of 14

* Filled casual vacancy in November

Elected at Annual General Meeting held in March

^ Outgoing director at March Annual General Meeting

COMMITTEES

The committees of the Board have had a fruitful year following their reconstitution in 2019.

Each committee is chaired by a Vice President and one by the Treasurer, who are responsible for the work of their committee: Mark Brandon (Strategic Planning and Governance); Cecile Cornford (Library and Membership); Lesley Scanlon (Innovation and Programs); Geoff Webb (Building); and Max Williams until 10 November 2019, then Eugene Stawski from 10 December 2019 (Finance). Each committee comprises a core group of directors as formal members, however all directors are welcome to attend any committee.

The report from each committee is below, with the exception of Finance which is in the Treasurer's Report on Page 13.

Building

The committee continued its stewardship of the School's heritage building—a valued asset—and considered a number of matters affecting the running and maintenance of the premises.

- The building is fully-tenanted as of year end, and the ratio of leasing to organisations engaged in educational and/or not-for-profit activities remains substantial.
- Following a rent review, SMSA's rates are now largely aligned with current rents in this part of the city.
- Strong demand has continued for our venue hire facilities, with many new clients making use of our rooms and a substantial number of hirers returning year after year.
- There have been a number of minor works undertaken this year to keep the building in good condition.

Innovation and Programs

This new committee was formed to further develop, in conjunction with the events manager, the School's annual program and to focus on the 200th anniversary in 2033.

Each year leading up to this significant event the committee will oversee research into and deliver lectures exploring the School's history and heritage. During the year the Vice President worked closely with the Royal Society of New South Wales to develop a joint lecture series for next year, *On the Shoulders of Giants*, exploring the history and significance of both organisations.

To date the committee has initiated members' events including *Christmas in July*, *Hieronymus Bosch*, *Brain Health*, *A Taste of Opera* and *Cryptic Crosswords with Tom Keneally*. It has also supported the formation of a new member group, *Knitting and Crochet*.

Library and Membership

As of December 2019 the School has 1688 members, with the grace period for renewal of membership extending to 31 January 2020.

The Board reviewed the membership subscription rates during the year. The fees were increased to \$30 for Ordinary members and \$25 for Concession.

The committee also has oversight of the Library and the Tom Keneally Centre along with the provision of library services. Some of the matters considered were:

- collection management and development.
- the introduction of a new digital service, Beamafilm, that allows members to stream films and documentaries.
- listing the catalogues for the Tom Keneally Centre and the Mystery and Crime collections on Trove.

Strategic Planning and Governance

The committee continues to make progress with the strategic plan at a time when the School's operations are robust but it is important to look forward ten years and try to envisage an organisation that can be as much as it can be, meeting the needs of our current membership and attractive to baby boomers whose lives are increasingly driven by technology with information at their fingertips anywhere in the world.

Some of the other matters considered by the committee over the last 12 months include monitoring of Board performance, recognition and management of appropriate risk oversight, development and revision of new policies, and advising the Board as to governance, policy and practice.

ACTIVITIES AND SERVICES

SMSA offers an wide range of services to its members and the general public. These include flexible meeting spaces for hire, members' activities, special events and a public program of talks. There is also the first class SMSA Library with an extensive collection of Mystery and Crime fiction and the Tom Keneally Centre which houses Thomas Keneally's personal collection.

Members' Activities

Members' Recreation and Discussion Groups

SMSA's members' groups continued to be popular.

A new Knitting and Crochet group was formed with the support of the Innovation and Programs Committee. The group works on various projects for donation to charity.

Founded in 2005, the original 'Mystery and Crime' Reading Group remains very active, however it is currently closed to new participants.

The new 'Murder on a Monday' Reading Group is also thriving with its first full year and has proved very popular with approximately 18 regular participants.

The Poetry at SMSA group meets on the second Tuesday of each month to discuss poems in an informal, friendly atmosphere. The group also gives several public readings each year at the School.

Open to both experienced players and novices, the Chess Group meets weekly on Tuesdays in the Tom Keneally Centre.

The advanced and beginners Mah Jong groups that meet every Tuesday and Wednesday respectively also continue to be very successful.

Members' Events

Several members' events were held during the year as part of an Innovation and Programs Committee initiative. These included *Christmas in July*, *Heironymous Bosch*, *Brain Health*, *Cryptic Crosswords with Tom Keneally* and *A Taste of Opera*.

The library and administration staff coordinated an afternoon tea with the theme of 'Garden Party at Pemberley' to celebrate Library Lovers' Day in February.

The Blue Panthers jazz band provided music for the members' Christmas Party. Members were able to view artworks from the Julian Ashton Art School's Annual Staff and Student Exhibition during the evening.

Public Engagement

Public Talks and Events

SMSA's program of events, managed by Melanie Ryan under the guidance of the Innovation and Programs Committee, continued to be very well attended.

The School held 69 public talks and events in 2019 covering a wide range of topics including history and heritage; literature and the arts; social and political issues; science health and the environment; and lifestyle.

In 2019, the School reinstituted the annual Carmichael Lecture on education in honour of one of its founders, the Reverend Henry Carmichael. A lecture entitled *What are Schools For?* was delivered by Jo Karaolis AM.

The 'Kills and Thrills' mystery and crime day featured a panel discussion with leading crime-writers, Michael Wilding, Gabrielle Lord and Barry Maitland, along with a workshop on writing historical crime with Meg Keneally, a screening of a classic crime film and a trivia competition.

The Royal Society of New South Wales and the Sydney Mechanics' School of Arts collaborated to present a one-off lecture on Jazz and Democracy, a series on Women and Science, and a short series of popular science talks for the Sydney Science Festival and National Science Week in August.

In addition, the monthly Classic Film Night screenings continued to be popular.

Suggestions from members about topics and speakers that you would like to see in the future are always welcome.

Outreach Program

President Winsome Allen continued to promote the SMSA to community groups through our Outreach program, giving a number of talks to community groups about the School's history.

The SMSA Library

Managed by Kathy Sale under the guidance of the Library Committee, the SMSA library is the longest-running lending library in Australia, operating since 1833.

Library Collection

The School's collection of over 30,000 books is unique, containing many highly sought after out-of-print books, particularly in the substantial Mystery and Crime collection. Infrequently borrowed books are de-accessioned during the year and new books are added monthly as part of ongoing collection management activities.

Digital Services

Over 4,750 ebook and audiobook titles are available for members to borrow via Overdrive.

Members can download emagazines on the same day that the print edition is released with RB Digital, choosing from 50 current titles and their back issues.

Beamafilm, a new service introduced in 2019, allows members to stream documentaries and films to their PC and internet-connected devices. Members have unlimited access to the 1,500 hundred films in the Beamafilm catalogue and new releases are added weekly.

Four computers are available in the library along with a printer for members' use.

An additional members' computer can be found in the Tom Keneally Centre.

Four iPads are also available to borrow.

The Tom Keneally Centre

Tom Keneally, after whom the Tom Keneally Centre (TKC) is named, was 'in residence' on a regular basis during 2019, making himself available to talk to book lovers and aspiring authors.

The TKC contains Tom's personal collection of nearly 4,000 books that he donated to the School. Everyone is welcome to visit and use the TKC. SMSA members may borrow from its collection.

Venue Hire

The SMSA's Venue Hire facilities, coordinated by Kylie Campbell, provide conveniently located, affordable meeting space in the CBD for all types of meetings and events.

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.

Venue Facilities

Seating 170 people, the Mitchell Theatre has a full audiovisual set up including an in-built PC, data projector, screen, lectern, lapel and roving microphones. There are two additional display screens to improve visibility, a hearing loop and a handrail on the stage stairs.

The meeting rooms on level 1 offer the flexibility of folding walls that allow them to be configured according to hirer preferences.

The Tom Keneally Centre on level 3 is also available for hire, offering a unique venue amid the books and memorabilia which form Thomas Keneally's living legacy. It provides a perfect venue for literary events, product launches, training and other special events.

The Norman Selfe Room on level 3 is perfect for just about any meeting. Its concertina doors also allow it to be opened up for use as a breakout room for the Tom Keneally Centre.

The Windeyer Room located on the lower ground floor offers an affordable, Boardroom-style configuration.

Staff

Secretary from 18 November	Bruce Ramage
Secretary to 17 November, Advisor to 23 December	Brian Johnston
Accountant	Michael Ludowici
Program and Communications Manager	Melanie Ryan
Events and Administrative Assistant	Shaz Di Vinci
Venue and Building Services Coordinator	Kylie Campbell
Manager, Library Services	Kathy Sale
Library Officer	Erika Samonte
Casual Library Officers	Stephen Elliot
	Phil Jang
	Lauren Kramer
	Debbie Sanders
	Marlene Smith
	Diane Stewart

GRANTS AND PRIZES

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 2019.

ASCCA — \$10,000

Australian Seniors Computing Clubs Association (ASCCA) is run by seniors for seniors. Its services are provided by volunteers to assist older and disabled Australians to access technology. Traditional classroom courses are experiencing a downturn. The grant supports the purchase of two sets of video-conferencing equipment for clubs to trial digital education delivered from the ASCCA Sydney Training Room. Digital education will spark the interest of learners in new techniques delivered across new media and enable clubs to share resources, skills and tutors.

ascca.org.au

Halstead Press — \$10,000

Halstead Press is an independent Australian-owned book publisher. The grant supports the publication of *Unexpected Outcomes*, an illustrated book by Emeritus Professor Robert Clancy AM on the history of Australian science.

halsteadpress.com.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, the School's former students include Sir William Dobell, John Olsen, Brett Whiteley, Thea Proctor and many other prominent Australian artists. The grant funds two scholarships.

julianashtonartschool.com.au

The Scholars for 2020 (awarded in November 2019) are:

Full-time Scholarship	Veronia Colvin
Part-time Scholarship	Mei Sui Ong

Fighting Chance Australia — \$5,000

Fighting Chance designs and builds social enterprises that move the dial for Australians with disability and their families. The grant supported a powerful new program, 'Effective Storytelling', empowering six participants with disability to tell their stories through the delivery of a formal training workshop and individualised coaching.

fightingchance.org.au

The National Council of Women (NSW) — \$3,300

The National Council of Women (NSW) is a non-government umbrella organisation with broadly humanitarian and educational objectives. The grant has been used to fund National Council of Women (NSW) Australia Day Award scholarships for women who are excelling in their postgraduate studies, often while having to overcome significant hardship.

ncwnsw.org.au

The 2019 recipients (to be presented in January 2020) are:

Isabella Dabaja
PhD candidate
The University of Sydney Business School

Claire Parfitt
PhD candidate
Faculty of Arts and Social Sciences
The University of Sydney

Natalie Thompson
PhD candidate
Faculty of Arts and Education
Charles Sturt University

Folk Federation of NSW — \$1,500

Founded in 1970, the Folk Federation of NSW facilitates statewide development of the folk arts, dance and in particular folk music of all genres and ethnic diversity. The grant supported the inaugural Sydney Folk Festival held in August 2019. The festival presented music, storytelling and poetry across multiple venues in and around Pitt Street in the Sydney CBD including the Sydney Mechanics' School of Arts, the Pitt Street Uniting Church and the Edinburgh Castle Hotel.

folkfednsw.org.au



The winners of the three National Council of Women (NSW) Australia Day Awards sponsored by Sydney Mechanics' School of Arts with three members of the SMSA Board. (From L to R) Shirley Hunt, Director; Natalie Thompson; Lesley Scanlon, Vice President; Claire Parfitt; Isabella Dabaja; and Winsome Allen, President. Image used with the kind permission of National Council of Women (NSW).

Prizes

Previously, the Board of the Sydney Mechanics' School of Arts gave funds 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 2018 academic year and presented in 2019.

University of Sydney

Maxwell E Arthur Prize in Australian Literature
Emily Tyrell

University of Technology Sydney

Award in Adult Education
Polly Flora Elizabeth Craig and Kylie Ann Thompson

University of Western Sydney

Award in Professional Writing
Caitlin Conlon

Award in Theoretical Studies
Simon Gooden

Award in Humanities
Patrick Adam and Winerenok Kim

Award in Social Science
Graham Mclachlan

Award in Health
Kaylene Minett

Award in Nursing
Emma Barnett

TREASURER'S REPORT

The SMSA was able to report a pleasing surplus for the 2019 year, made possible by high occupancy of our tenanted accommodation and no major building expenses incurred during the year.

In order to take advantage of our additional income, the Board has adopted a continuing strategy that includes longer term investments with the aim of improving our investment income.

In the process of developing a strategic plan for the School the Board undertook a review of its future funding capacity. As part of this review the Board sought advice as to the future income producing ability of our major investment asset, namely our building at 280 Pitt Street, Sydney.

The Board is currently investigating alternative funding options that will enable the School to remain viable into the future.

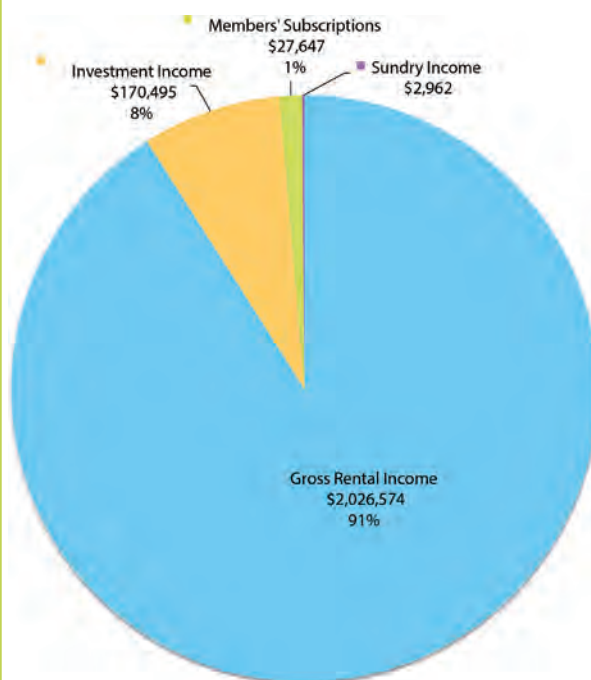
It was pleasing to note that several donations have been received during the year, following on from the ATO granting deductible gift recipient (DGR) to the School in 2018. DGR status allows the School to receive donations that are tax deductible by the donor.

I would like to sincerely thank Michael Ludowici, our accountant, for his sterling efforts over the past year in providing accurate and timely financial reporting to the Board.

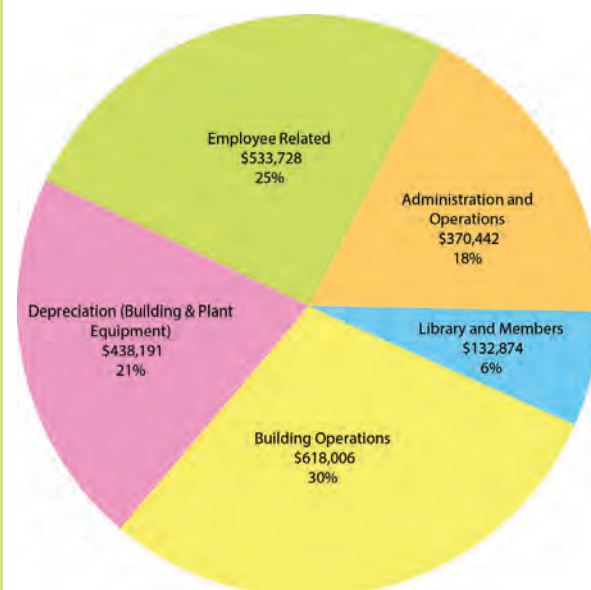


Eugene Stawski
Treasurer

2019 Income



2019 Expenditure



FINANCIAL STATEMENTS
31 DECEMBER 2019

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

ABN 44 125 509 015

Level 4, 55 Clarence Street, Sydney NSW 2000
GPO Box 2003, Sydney NSW 2001

T +61 (02) 9248 9600
F +61 (02) 9248 9666
E mail@watsonerskine.com.au
W www.watsonerskine.com.au

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 2019, 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
Watson Erskine Pty Ltd
Chartered Professional Accountants

B. P. WISE
B. P. WISE
Director

Dated this 10 day of FEBRUARY 2020

SYDNEY NSW 2000

Liability limited by a scheme approved under Professional Standards Legislation

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Statement of Comprehensive Income**For the Year Ended 31 December 2019**

	Note	2019	2018
		\$	\$
Office and facilities rental		2,026,574	2,020,561
Other income	4	201,104	97,762
Reversal of impairment losses on TK Library		-	97,797
Depreciation of property, plant and equipment	5	(438,191)	(429,861)
Employee benefits expense		(533,728)	(524,917)
Rental outgoings		(618,006)	(521,703)
Other expenses		(503,316)	(368,712)
Surplus / (Deficit) for the year		134,437	370,927
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Net gains from revaluation of TK Library		-	24,659
Other comprehensive income for the year		-	24,659
Total comprehensive surplus for the year		134,437	395,586

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 2019**

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,193,924	1,801,600
Trade and other receivables	7	1,375	27,336
Other financial assets	8	3,132,763	1,926,149
Other assets	9	75,808	103,345
TOTAL CURRENT ASSETS		4,403,870	3,858,430
NON-CURRENT ASSETS			
Property, plant and equipment	10	23,693,834	24,097,706
TOTAL NON-CURRENT ASSETS		23,693,834	24,097,706
TOTAL ASSETS		28,097,704	27,956,136
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	30,610	24,638
Employee benefits	12	44,378	50,218
Other financial liabilities	13	1,722	5,981
Other liabilities	14	112,215	106,812
TOTAL CURRENT LIABILITIES		188,925	187,649
NON-CURRENT LIABILITIES			
Employee benefits	12	18,520	12,665
TOTAL NON-CURRENT LIABILITIES		18,520	12,665
TOTAL LIABILITIES		207,445	200,314
NET ASSETS		27,890,259	27,755,822
EQUITY			
Reserves	15	10,522,186	10,522,186
Retained surplus		17,368,073	17,233,636
TOTAL EQUITY		27,890,259	27,755,822

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 2019

2019

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2019	17,233,636	10,522,186	27,755,822
Surplus for the year	134,437	-	134,437
Balance at 31 December 2019	<u>17,368,073</u>	<u>10,522,186</u>	<u>27,890,259</u>

2018

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2018	16,862,709	10,497,527	27,360,236
Surplus for the year	370,927	-	370,927
Revaluation increment	-	24,659	24,659
Balance at 31 December 2018	<u>17,233,636</u>	<u>10,522,186</u>	<u>27,755,822</u>

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 2019**

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		2,286,605	2,334,944
Payments to suppliers and employees		(1,843,975)	(1,680,209)
Investment income received		106,757	78,818
Net cash provided by operating activities	20	<u>549,387</u>	<u>733,553</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		362	-
Purchase of property, plant and equipment	10	(36,280)	(216,406)
Net change in investment in other financial assets		(1,121,145)	(393,653)
Net cash (used in) / provided by investing activities		<u>(1,157,063)</u>	<u>(610,059)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash used by financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held		(607,676)	123,494
Cash and cash equivalents at beginning of year		<u>1,801,600</u>	<u>1,678,106</u>
Cash and cash equivalents at end of financial year	6	<u><u>1,193,924</u></u>	<u><u>1,801,600</u></u>

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 2019

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 2019 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 it is unlikely there are 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 2019

2 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

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 2019****2 Summary of Significant Accounting Policies (continued)****(d) Property, plant and equipment (continued)****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	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) Financial instruments

Financial instruments are recognised initially on the date that the School becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the School classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the School changes its

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The School's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Assets measured at fair value through other comprehensive income are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

The School has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. These investments are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements**For the Year Ended 31 December 2019****2 Summary of Significant Accounting Policies (continued)****(e) Financial instruments (continued)****Financial assets (continued)**

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the School considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the School's historical experience and informed credit assessment and including forward looking information.

The School uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The School uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the School in full, without recourse to the School to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the School in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The School has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the School renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The School measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial liabilities (continued)

The financial liabilities of the School comprise trade payables.

(f) 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.

(g) 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.

(h) 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

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements**For the Year Ended 31 December 2019****3 Critical Accounting Estimates and Judgments (continued)**

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. Evidence has arisen that indicates the present value recorded is significantly below its fair value and an updated valuation of the land and buildings will be sought in the near future. The valuation is an estimation which would only be realised if the property is sold.

An independent valuation of the Thomas Keneally Library carried at fair value was obtained in May 2018. Those charged with governance have reviewed and adopted this valuation as at 31 December 2019.

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements**For the Year Ended 31 December 2019****4 Other Income**

	2019	2018
	\$	\$
Sales revenue		
- member subscriptions	27,647	22,092
	<u>27,647</u>	<u>22,092</u>
Investment income		
- investment income received	85,026	75,325
	<u>85,026</u>	<u>75,325</u>
Other income		
- Fair value adjustments	85,469	(10,852)
- Donations	240	145
- Other trading revenue	1,682	1,246
- Other income	1,040	9,806
	<u>88,431</u>	<u>345</u>
Total other revenue	<u>201,104</u>	<u>97,762</u>

5 Depreciation of property, plant and equipment

	2019	2018
	\$	\$
Depreciation		
Buildings	350,000	350,004
Plant and equipment	88,191	79,857
Total	<u>438,191</u>	<u>429,861</u>

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

6 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	1,193,899	588,334
Short-term deposits	-	1,209,603
Other cash and cash equivalents	25	3,663
	<u>1,193,924</u>	<u>1,801,600</u>

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements**For the Year Ended 31 December 2019****7 Trade and Other Receivables**

	2019	2018
	\$	\$
CURRENT		
Trade receivables	1,375	27,336
	<u>1,375</u>	<u>27,336</u>

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

8 Other Financial Assets**(a) Financial assets at fair value through profit or loss**

	2019	2018
	\$	\$
CURRENT		
Financial assets at fair value through profit or loss	3,132,763	874,033
	<u>3,132,763</u>	<u>874,033</u>

(b) Held-to-maturity investments

	2019	2018
	\$	\$
CURRENT		
Term deposits	-	1,052,116
	<u>-</u>	<u>1,052,116</u>

9 Other Assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	39,423	42,169
Accrued income	-	21,731
Rental bonds	36,385	39,445
	<u>75,808</u>	<u>103,345</u>

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements**For the Year Ended 31 December 2019****10 Property, plant and equipment**

	2019	2018
	\$	\$
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		
At independent valuation	14,000,000	14,000,000
Accumulated depreciation	<u>(1,284,936)</u>	<u>(934,936)</u>
Total buildings	<u>12,715,064</u>	<u>13,065,064</u>
Total land and buildings	<u>22,715,064</u>	<u>23,065,064</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,276,967	1,261,639
Accumulated depreciation	<u>(718,055)</u>	<u>(646,355)</u>
Total plant and equipment	<u>558,912</u>	<u>615,284</u>
Library books		
At fair value		
At independent valuation	1,404,946	1,402,446
Accumulated impairment losses	<u>(985,088)</u>	<u>(985,088)</u>
Total Library books	<u>419,858</u>	<u>417,358</u>
Total plant and equipment	<u>978,770</u>	<u>1,032,642</u>
Total property, plant and equipment	<u><u>23,693,834</u></u>	<u><u>24,097,706</u></u>

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	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2019					
Balance at beginning of year	10,000,000	13,065,064	615,284	417,358	24,097,706
Disposals	-	-	(1,962)	-	(1,962)
Depreciation	-	(350,000)	(88,190)	-	(438,190)
Additions	-	-	33,780	2,500	36,280
Balance at the end of the year	<u><u>10,000,000</u></u>	<u><u>12,715,064</u></u>	<u><u>558,912</u></u>	<u><u>419,858</u></u>	<u><u>23,693,834</u></u>

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements**For the Year Ended 31 December 2019****10 Property, plant and equipment (continued)**

	Land \$	Buildings \$	Plant and Equipment \$	Library \$	Total \$
Year ended 31 December 2018					
Balance at beginning of year	10,000,000	13,415,068	478,735	294,902	24,188,705
Additions					
Depreciation	-	(350,004)	(79,857)	-	(429,861)
Revaluation	-	-	-	122,456	122,456
Additions	-	-	216,406	-	216,406
Balance at the end of the year	10,000,000	13,065,064	615,284	417,358	24,097,706

11 Trade and Other Payables

	2019 \$	2018 \$
Current		
Trade payables	29,521	23,071
Other payables	1,089	1,567
	30,610	24,638

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.

12 Employee Benefits

	2019 \$	2018 \$
Current liabilities		
Provision for employee benefits	44,378	50,218
	44,378	50,218
Non-current liabilities		
Long service leave	18,520	12,665
	18,520	12,665

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements

For the Year Ended 31 December 2019

13 Other Financial Liabilities

	2019	2018
	\$	\$
CURRENT		
Amounts received in advance	1,722	5,981
	<u>1,722</u>	<u>5,981</u>

14 Other Liabilities

	2019	2018
	\$	\$
CURRENT		
Rental bonds	36,385	39,445
ATO - GST	31,641	27,139
Other accrued expenses	44,189	40,228
	<u>112,215</u>	<u>106,812</u>

15 Reserves

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

	2019	2018
	\$	\$
Asset Revaluation Reserve		
Land	8,200,000	8,200,000
Buildings	2,297,527	2,297,527
Library	24,659	24,659
	<u>10,522,186</u>	<u>10,522,186</u>

16 Capital and Leasing Commitments

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

17 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.

Sydney Mechanics' School of Arts

ABN 29 720 771 090

**Notes to the Financial Statements
For the Year Ended 31 December 2019****18 Auditors' Remuneration**

	2019	2018
	\$	\$
Remuneration of the auditor Watson Erskine Pty Ltd for:		
- auditing	17,304	16,635
- other services	4,862	3,500
	<u>22,166</u>	<u>20,135</u>

19 Contingencies**Contingent Liabilities**

Sydney Mechanics' School of Arts had the following contingent liabilities at the end of the reporting period:

As part of the process of listing the premises at 280 Pitt Street Sydney NSW 2000 for sale, the School engaged the services of a third party consultant to carry out a marketing campaign and identify and negotiate with potential buyers of the building. Firm offers were received however the sale of the building did not go ahead and this third party consultant is requesting a fee be paid by the School. The School has rejected the request and no liability has been recorded in the financial statements relating to this matter.

20 Cash Flow Information

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

	2019	2018
	\$	\$
Surplus for the year	134,437	370,927
Non-cash flows in surplus:		
- depreciation	438,191	429,861
- net loss on disposal of property, plant and equipment	1,599	-
- reversal of impairment losses on TK Library	-	(97,797)
- fair value movements on investments	(85,469)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	25,961	11,427
- (increase)/decrease in other assets	3,060	19,220
- (increase)/decrease in prepayments	2,746	8,098
- (increase)/decrease in interest receivable	21,731	3,493
- increase/(decrease) in trade and other payables	5,972	(10,450)
- increase/(decrease) in other financial liabilities	(4,259)	3,094
- increase/(decrease) in other liabilities	5,403	(9,268)
- increase/(decrease) in employee benefits	15	4,948
Cash flows from operations	<u>549,387</u>	<u>733,553</u>

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Notes to the Financial Statements

For the Year Ended 31 December 2019

21 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 2019 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

Eugene Stawski
DirectorDated this 10th day of February 2020



Watson Erskine Pty Ltd
Chartered Accountants

ABN 44 125 509 015

Level 4, 55 Clarence Street, Sydney NSW 2000
GPO Box 2003, Sydney NSW 2001

T +61 (02) 9248 9600
F +61 (02) 9248 9666
E mail@watsonerskine.com.au
W www.watsonerskine.com.au

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 2019, 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 2019 and of its financial performance for the year then 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.

Liability limited by a scheme approved under Professional Standards Legislation



Watson Erskine Pty Ltd
Chartered Accountants

ABN 44 125 509 015

Level 4, 55 Clarence Street, Sydney NSW 2000
GPO Box 2003, Sydney NSW 2001

T +61 (02) 9248 9600
F +61 (02) 9248 9666
E mail@watsonerskine.com.au
W www.watsonerskine.com.au

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.

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

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

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Sydney Mechanics' School of Arts

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Watson Erskine Pty Ltd

Watson Erskine Pty Ltd
Chartered Professional Accountants

B. P. WISE
B. P. WISE
Director

SYDNEY NSW 2000

Dated this 10 day of FEBRUARY 2020

Liability limited by a scheme approved under Professional Standards Legislation



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Chartered Accountants

ABN 44 125 509 015

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GPO Box 2003, Sydney NSW 2001

T +61 (02) 9248 9600
F +61 (02) 9248 9666
E mail@watsonerskine.com.au
W www.watsonerskine.com.au

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Compilation Report

For the Year Ended 31 December 2019

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 2019.

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

Watson Erskine Pty Ltd

SYDNEY NSW 2000

Dated this 10 day of February 2020

Liability limited by a scheme approved under Professional Standards Legislation

Sydney Mechanics' School of Arts

ABN 29 720 771 090

Detailed Income Statement**For the Year Ended 31 December 2019**

	2019	2018
	\$	\$
Income		
Investment income	85,026	75,325
Member subscriptions	27,647	22,092
Donations	240	145
Other revenue	1,682	1,245
Other income	1,040	9,806
Net rental surplus	1,408,568	1,498,857
Total income	1,524,203	1,607,470
Less: Expenses		
Administration and management fees	18,913	16,045
Advertising	99,497	5,879
Auditors remuneration	22,166	20,135
Bad debts	1,750	-
Computer expenses	26,536	32,667
Conference/Seminar costs	305	5,729
Consulting and professional fees	125,898	78,999
Consumables	49,682	51,872
Depreciation	438,191	429,861
Donations	35,800	49,854
Entertainment	8,806	6,896
First aid supplies	486	-
Insurance	14,681	10,328
Investment manager's fees	7,262	17
Impairment	-	(97,797)
Lease rentals on operating lease	7,420	13,899
Other employee costs	3,599	5,664
Postage	770	578
Printing and stationery	18,266	10,717
Promotion	20,750	7,650
Repairs and maintenance	11,472	2,639
Salaries	478,133	452,525
Security costs	3,893	3,893
Staff training	1,863	1,424
Subscriptions	9,157	8,395
Sundry expenses	-	26,438
Superannuation contributions	43,973	42,141
Telephone and fax	12,143	10,592
Termination benefits	589	17,637
Travel - domestic	154	144
Workers compensation insurance	5,572	5,526
Other operating expenses	5,909	5,344
Total Expenses	1,473,636	1,225,691
Net surplus / (deficit)	50,567	381,779
Loss on disposal of assets	(1,599)	-
Fair value adjustments	85,469	(10,852)

Sydney Mechanics' School of Arts

ABN 29 720 771 090

**Detailed Income Statement
For the Year Ended 31 December 2019**

	2019	2018
	\$	\$
Profit before income tax	<u>134,437</u>	<u>370,927</u>

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 2019**

	2019	2018
	\$	\$
Rental Income	1,754,016	1,712,981
Facilities Rental	272,558	307,580
Total rental income	2,026,574	2,020,561
Agents commission	18,859	-
Catering	17,709	17,796
Cleaning	92,895	87,184
Electricity and gas	112,328	100,670
Insurance	31,635	27,238
Rates - council	65,607	62,327
Rates - water	9,835	8,398
Repairs and maintenance	186,396	136,019
Security	22,117	23,452
Building management	60,625	58,620
Total rental expenses	618,006	521,704
Net rental surplus	1,408,568	1,498,857

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 12:30PM ON TUESDAY 12 MARCH 2019

Present

Winsome Allen	John Masters-Brown
Nola Barkl	Jennifer-Robyn Mattock
Helen Bettle	Denis Mockler
Larry Billington	Pamela Morris
Jane Biscoe	Donald Mulligan
Rosslyne Borth	Carole O'Brien
Mark Brandon OAM	Michael Packer
Marilyn Bryce	Choon Myun Park
Elizabeth Cocking	Marcia Peters
Cecile Cornford	Eunice Phillips
Isobel Davison	Peter Phillips
Laurel Dyson	Peter Rainey
Anthony Ellis	Paul Reid
John Ewing	Caroline Sargent
Helen Falconer	Lesley Scanlon
Peter B. Fischer	David Sergeant
Marie Fuller	Marlene Smith
Kellie Gale	Eugene Stawski
Craig Hale	Fadia Sultan
Paul Hinchey	Thomas Thorburn
Peter Hutchison	Claire Tilley
Colin Kay	Stephen Van Eyk
Wendy Kaye	Steven R. Warren
Robert Leeder	Geoffrey Webb
John Leonard	Maxwell J. Williams
Reginald Lobb	Alister Wong
Astrid Lodens	Garry Wotherspoon
Robert Lynch	Robert York
Lynette K. MacIver	

Guests

Jim Lowden
Bronwyn Lowden
Roslyn Lowden

Also in attendance

Brian Wise	Auditor, Watson Erskine Pty Ltd
Simon Orrick	Auditor, Watson Erskine Pty Ltd
Marvel Kung	Auditor, Watson Erskine Pty Ltd
Brian Johnston	Staff
Kylie Campbell	Staff
Lauren Kramer	Staff
Michael Ludowici	Staff
Erica Samonte	Staff
Melanie Ryan	Staff

1. 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, present and future were acknowledged.

2. 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.

3. Apologies

The following apologies were received and accepted:

Fran Barton	Shirley Hunt
Judy Bolton	Narelle Kay
Nola Bramble	Phil Reed
Barbara Carrard	Ruth Rinot
George Carrard	Norma Thorburn
Ginette Carrard	Janet Timberg
Naomi Carrard	Jan Treharne
Joyce Craig	Sue Webb
Val Davidson	Victoria Whiteman
D. Brynn Hibbert AM	

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

The minutes of both the previous Annual General Meeting held on 20 March 2018 and the Special General Meeting held 9 July 2018 were confirmed as true and correct records.

Moved Geoffrey Webb
Seconded Steven R Warren
Carried on a show of hands

5. President's Address

The President, Winsome Allen, extended a warm welcome to those in attendance and in speaking to her published report noted 2018 had been a positive and constructive year in a number of ways.

The celebration of the School's 185th anniversary was an outstanding success, based on the feedback from members and other people involved. In particular, the support and active contribution was acknowledged of Toby

and Lucy Ralston, who live on 'Porphyry', the property at Seaham in the Hunter Valley that was originally established by the Reverend Henry Carmichael, one of the founders of the School. Henry had no living descendants, but the Ralstons are direct descendants of Henry's wife, Nancy. Without their involvement, the anniversary events at Seaham in honour of Henry Carmichael would not have been possible.

The Board had continued to develop strategic plans for the future. It had agreed on three goals, each of which have a series of actions guided by a strategy direction. The goal statements were:

- Financial — commercially effective and sustainable
- Service — services attractive to current and potential members and non-members
- Community — engage with organisations that share SMSA vision and values

Our Strategic Plan was a dynamic document that was regularly refined to reflect the environment within which the School operated.

The financial results are very positive with revenues increasing by 16% over the year. The Treasurer, Max Williams, was to speak in more detail on those matters. The long-term financial security of the organisation continued to be a critical focus. The Board is determined the School would be in sound financial shape as it moved towards its 200th anniversary in 2033, and beyond. The Board was actively working to ensure this happened by seeking expert opinion as necessary. Ultimately, members would be asked to contribute to the decision making process. The Board's task was to collect the information, form a position and seek the endorsement of members.

The potential for a major refurbishment of the spaces used by the School had been examined over recent months. There were considerable costs involved, and if pursued would substantially deplete the financial reserves. This process had been paused while it was assessed if that was the best use of those funds.

The grants and awards program had continued to make a difference across a broad range of community activities in the State. Community grants are very competitive and some of the selected projects would struggle to gain support from other funding sources.

The membership had continued to grow, and at year's end there were nearly 1700 members. It was the highest level for many years reflecting the School's valuable role in the community. The telephone survey of randomly selected members was being conducted in order to enhance planning of services in the future.

The President thanked all directors for their dedication and commitment, the Secretary and staff, volunteers and above all, the members.

6. Treasurer's Address

The Treasurer summarised the results for the year. A pleasing surplus for the 2018 year was reported made possible by high occupancy of our tenanted accommodation and no major building expenses incurred. A proportion of this surplus was a result of the revaluing of some library book assets.

The Board has adopted a strategy that included longer term investments with the aim of improving investment income.

In the process of developing a strategic plan the Board had undertaken a review of its future funding capacity. As part of this review the Board sought advice as to the future income producing ability of our major investment asset, namely its building. The information provided by the consultants was that the property market will continue to favour landlords over the next 2 to 3 years and rental income levels would be sustainable over that period. However from 2019 until 2021 there will be nearly 300,000 square metres of additional office accommodation come onto the market. To maintain the tenant occupancy levels at the leasing rates currently enjoyed, when this new commercial office space supply comes on to the market it would be necessary to undertake a major refurbishment of the building to be competitive in that new environment. If not undertaken income would fall over time and, coupled with future necessary capital works identified, difficulties in funding operations in the longer term would result. The Board was investigating alternative funding options that will enable the SMSA to remain viable into the future.

The Accountant was complimented for his efforts over the year in providing accurate and timely financial reporting. Also, his work in the implementation of an electronic banking system for payments to creditors was acknowledged. Introduction of the new systems had simplified what were labour intensive tasks and resulted in reduced costs in maintaining the accounts. In addition and in collaboration with Tom Connelley, review of the Assets Register had been completed as well as the development and documentation of the School's accounting policies and procedures.

Questions from members, included:

- Is the building to be sold?
No such decision has been taken. The Board is still collecting information as to its options. It is yet to determine its position.
- 'What was the nature of the refurbishment advice?'
The Treasurer responded advice had been sought from property consultants as to the potential costs.
- Would the consultant's report be made available to members?

The advice was not to be made available as it only covered part of issues being taken into account.

- What alternative funding options were being considered for refurbishment, could the work be staged?

The Treasurer advised that a major refurbishment would be very disruptive and likely to result in vacancies on floors and a significant loss of revenue. A staged approach was considered to be expensive.

The Treasurer reaffirmed the provision in the Act of Incorporation of the requirement to seek members' approval if options involving significant financial considerations or sale of property were proposed.

7. Presentation of the Annual Report for approval

The President noted the positive progress made and the results 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 *Reginald Lobb*
Seconded *Thomas Thorburn*
Carried on a show of hands.

8. Elections

The President noted that in accordance with the By-laws voting had ceased at 12.45 pm. The votes were then counted by the auditors. The following results were noted:

Seven nominations for the four vacancies had been received and the following had been successful:

Cecile Cornford
 Paul Hinchey
 Denis Mockler
 Maxwell J. Williams

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

9. Appointment of Auditors for 2019

The auditors, Watson Erskine, offered themselves for reappointment.

Moved *Maxwell J. Williams*
Seconded *Geoffery Webb*
Carried on a show of hands

10. Guest Speaker: Mr Jim Lowden, Mechanics Institute of Victoria

Mr Lowden's address was titled "Me and the Mechanics': or ideas are the engines of the imagination of mankind". He spoke of how his own interest and subsequent passion for the place of Mechanics' Institutes in the community developed from his childhood through his parents' involvement in rural Victoria. He talked of the decline and subsequent re-emergence of such institutions in rural towns, where frequently they were and are becoming again the hub of a broad range of social and educational activities.

The Mechanics' Institutes of Victoria emerged in 1998 and was followed by both national and international conferences. A number of very interesting developments being pursued were cited including: the possible establishment of a heritage lottery fund, similar to that in the United Kingdom, currently under consideration by the Federal Government, and which could further support the role of Institutes; a celebratory edition of stamps being pursued with Australia Post to mark the 200th anniversary of the school of arts movement in Scotland in 1821; the growth in working relationship between the Mechanics' Institutes of Victoria and the School; and the emergence of a multinational renewal of interest in mechanics' institutes and their potential worth in communities.

Mr Lowden made reference to a number of visits he had made to other institutes both here and overseas, all of which had further inspired his commitment.

The address was very warmly received.

11. Special Presentation

The President spoke to the Board's decision to introduce an award, the Sydney Mechanics' School of Arts Medal. The medal is to be the highest award given by the School to an individual.

The Board on Monday 11 February 2019 voted unanimously to award the Medal to William Bruce James (Jim) Lowden as its inaugural recipient. Jim was recognized as a highly respected friend and colleague of the School and a most worthy recipient of the Medal. Its award recognised the extent, quality and nature of his tireless contribution to the broader community through education and participation locally, nationally and internationally.

Jim's vision, passion and dedication to research had uncovered fascinating tales, histories, connections and people involved in or with Mechanics' Institutes from all around the world. He had inspired, encouraged and supported institutes globally. Also, he had made numerous contributions as an author, publisher and presenter to conferences both locally and around the world and remained a selfless researcher more than happy to share his work with others and encourage their research projects.

In accepting the medal and its accompanying testimonial, Jim expressed his great appreciation with humility and acknowledged the contribution of his family and colleagues.

12. Vote of Thanks and Close of Meeting

Whilst no formal notices of motion had been received, the President extended an invitation for those present to raise any relevant issues. Issues raised were linked to the discussion resulting from the Treasurer's report and broadly concerned the School's future financial viability. Issues and the summarised responses included:

- 'The building looks good!'

This was acknowledged, but at some stage all buildings require a major refurbishment. It is now more than two decades since this last occurred. Appropriate funds have been allocated regularly to maintaining the infrastructure.

- 'A staged refurbishment'

As mentioned a previously a staged refurbishment was not considered practical, not only due to the potential significant loss of revenue, but because of the impact it would have on users of the building.

- 'Why now?'

The meeting acknowledged it was the Board's responsibility to look to the future and explore the options. It should develop a position and, as mentioned previously, seek the members' approval as required.

- Trust in the Board's actions and transparency in the reasoning in support of any recommendation was important.

This was supported.

The Treasurer stated that members' additional views were welcome.

The President thanked everyone for attending and the meeting closed at 1:30pm.

MINUTES OF THE SPECIAL GENERAL MEETING HELD AT 10:30AM ON MONDAY 9 SEPTEMBER 2019

1. Attendees

Winsome Allen
Nola Barkl
Andrew Barty-King
Rosemary Bollard
Merylyn Bryce
Gwendolyn Buckeridge
Barbara Carrard
George Carrard
Rodney W. Collins
Belinda Coombs
Cecile Cornford
Nikola Crawford
Alan Dawson
Linda De Rosa
Anne Devrell
Peter Donovan
Beverley Dunstan
Laurel Dyson
Anthony Ellis
Helen Falconer
Eric Fielding-Smith
Sabina Fielding-Smith
Peter B. Fischer
Kellie Gale
Kay Godfrey
Alan Hamilton
Victoria Hannan

David Brynn Hibbert
Judith Hill
Paul Hinchey
June Honson
Jessie Hosie
Shirley Hunt
Avril Ingram
David Johnson
Margaret Johnston
Colin Kay
Wendy Kaye
Marian Kernahan
Jennifer Kidd
Jennifer Leigh
John Leonard
Moiria Lloyd
Reginald Lobb
Phillip D. Lyons
Lynette K. MacIver
Grahame Marks
Jean McGrady
Graeme McGregor
Raewyn McGregor
Gabrielle Meares
Denis Mockler
Jan Nabben
Carole O'Brien

Joyce Orvis
Michael Packer
Phil Parkin
Marcia Peters
Clare Raffan
Bruce Ramage
Phillip Reed
Paul Reid
John Michael Robinson
Reinhard Ronnebeck
David G Rozenman
Lesley Scanlon
Sunflower Seagull
Marlene Smith
Eugene Stawski
Judie Stephens
Fadia Sultan

Marsha Swenson
Robert Swieca
Leanne Tam
Kay Templeton
Eric Tierney
Janet M. Timberberg
Maria Townsend
Jan Treharne
Maryann van de Wetering
Daniela Voican
Roxana Warning
Steven R. Warren
Geoffrey Webb
Judith Wheeldon
Maxwell J. Williams
Moya Williams
Alister Wong

1.1 Also in attendance

Mr Brian Wise, the School's Auditor, was present. He is a member, but would not be voting as he was there to ensure probity in the voting processes.

Also in attendance were staff members Brian Johnston, Michael Ludowici, Melanie Ryan and Johana Pimiento Garcia.

2. Apologies

Margaret Barman	Cleo Lynch
Fran Barton	Jennifer Mattock
Jane Biscoe	Norma Thorburn
Mark Brandon	Thomas Thorburn
Max Crossley	Sue Webb
Narelle Kay	

3. Notice of Meeting

It was noted that notice of the meeting had been given in accordance with the provisions of Section 11 of the Act of Incorporation both electronically (email, website and newsletter) and by advertisements placed in two Sydney daily newspapers. The number of members present exceeded that required for a quorum under By-law 24.1

The Meeting was chaired by Denis Mockler, immediate Past President of the School.

4. Purposes of the Meeting

There were two matters requiring the consideration of members:

1. Changes to the By-laws relating primarily to the election of office bearers; and
2. Addressing the School's future accommodation needs.

Background papers concerning both items had been circulated and published on the members' website.

4.1 By-laws

The changes proposed were to correct inconsistencies with the Act of Incorporation, changes to the numbering sequence, providing for the President to be elected by the Directors rather than the wider membership, extending the maximum time for which a Director can hold the office of President and clarifying some minor inconsistencies. Explanations to each proposed change were contained in the schedule provided to members.

The recommendation (moved Paul Hinchey, seconded Judith Wheeldon) was "In accordance with the Act of Incorporation 1886, section 9, members approve the changes to the By-laws contained in the published schedule dated 5 August 2019." The meeting had been asked to vote on all changes by a single vote. A wide range of view were expressed both for and against the recommendation. The view was expressed that the changes should have been voted on either individually or as separate matters grouped, for example, as editorial alterations, the term for which a person could hold the office of President and the means of electing the President.

There was some questioning of the need for four Vice Presidents, but as this was a provision in the Act of Incorporation an amendment to the legislation by the NSW Parliament would be required.

Resolution

The meeting, by majority, determined not to accept the recommended amendments.

4.2 The School's Future Accommodation Needs

The issue focussed on ensuring the future financial strength of the School. A brief presentation of the range of factors already taken into account by the Board was provided at the meeting.

Attention was drawn to the contents of the President's recent communiques. The Board's focus was on ensuring the School's long term financial strength. Significant factors expected to impact in the near future could have very negative effects for the organisation. A considered and informed plan of action was needed to avoid finding itself again placed in the difficult financial situation again, as it had been in the 1980s. Reflecting on the history of the School income generation and property issues had been recurring areas of concern.

There was a robust and wide ranging discussion. The Board's representatives noted the expert advice it had obtained so far and stressed the importance of identifying the potential market value. An accurate view of the prospective financial position, would enable detailed analysis and options to be developed. If a sale was the preferred outcome of that process a specific recommendation would be brought back to a further meeting.

Several members strongly supported testing the market as to the property's value. This was spoken of as an essential step in gaining accurate information on which to base decision making. Several members spoke against the sale of the building citing the suitability of the current location given the ease of access to public transport.

Resolution

By majority vote, this meeting is of the opinion that it is desirable to exercise the power of sale conferred upon the Sydney Mechanics' School of Arts by Section 5 of the Sydney Mechanics' School of Arts Incorporation Act of 1886, in relation to the property being Lot 1 in Deposited Plan 535299 upon which is erected the premises known as 280-282 Pitt Street, Sydney and authority is hereby given to the Board to act in and about such sale pursuant to the said Section and pursuant to all other powers it enabling at or for such price and upon such terms as the Board deems appropriate but subject always to confirmation at a further meeting of members as provided by Section 5 of the said Sydney Mechanics' School of Arts Incorporation Act of 1886.

Moved Maxwell J Williams
Seconded Geoffery Webb

5. Close of meeting

The Chairperson sincerely thanked all those present for their attendance and participation. The meeting was declared closed at 12:01pm.

MINUTES OF THE SPECIAL GENERAL MEETING HELD AT MIDDAY ON TUESDAY 29 OCTOBER 2019

1. Attendees

Winsome Allen	Peter Robert Maywald
Jane Baker	Graeme McGregor
Nola Barkl	Raewyn McGregor
Don Beresford	Denis Mockler
Judith Bolton	Carole O'Brien
Jill Brown	Phil Parkin
Merilyn Bryce	Marcia Peters
Denise Colbert	Crystal Ram
Belinda Coombs	Phillip Reed
Nikola Crawford	Vicki Roberts
Anne Devrell	John Michael Robinson
Karen Dryden	Reinhard Ronnebeck
Elizabeth Fletcher	Caroline Sargent
Marie Fuller	Lesley Scanlon
Victoria Hannan	Rachel Sowden
Jessie Hosie	Eugene Stawski
Shirley Hunt	Robert Swieca
Peter Hutchison	Maria Townsend
David Johnson	Geoffrey Usher
Colin Kay	Maryann van de Wetering
Margaret Kay	Shaina Versola
Wendy Kaye	Daniela Voican
Pamela Kennedy	Steven R Warren
Astrid Lodens	Geoffrey Webb
Jennifer-Robyn Mattock	Maxwell J Williams
Bonita Maywald	Alister Wong

1.1 Also in attendance

Brian Wise, Auditor, Watson Erskine Pty Ltd who was the scrutineer for voting (not withstanding his membership he did not vote).

Also in attendance were staff members Brian Johnston, Melanie Ryan and Shaz DiVinci.

2. Apologies

Mark Brandon OAM	Lyn Maciver
Cecile Cornford	Gabrielle Mears
Kathleen Doyle	Kilmeny C Reed
Kevin Doyle	Paul Reid
Paul Hinchey	Ling Ronnebeck
Margaret Johnston	Jan Treharne
Narelle Kay	

3. Conduct of the Meeting (including Convening Notice)

It was noted that notice of the meeting had been given in accordance with the provisions Section 11 of the Act of Incorporation both electronically(email and a notice published on the website) and by advertisements placed in two Sydney daily newspapers. The number of attendees exceeded that required for a quorum under By-law 24.1.

4. Purpose

The purpose of the meeting was as stated in the Notice of Meeting, in accordance with the Act of Incorporation 1886, Section 9, members were asked to approve the changes to the By-laws contained in the published Schedule, dated 15 October 2019 (copy attached). Each recommendation was considered separately.

The President excused herself from the her presiding role for the second and third recommendations to avoid any perception of a conflict of interest give the nature of the issues.

Resolutions

1. The meeting approved the changes set out in Part 1– Editorial of the Schedule, concerning relocation of certain information, alteration to a heading, changes to the numbering sequence and clarification of the process for filling casual vacancies on the Board.

Moved Steven R Warren
Seconded Merilyn Bryce

2. The meeting approved the changes set out in Part 2– Presidential Term of the Schedule, concerning the extension of the period of time a Director may hold the office of President from three years to a maximum of six years.

Moved Lesley Scanlon
Seconded Alister Wong

3. The meeting did not approve the changes set out in Part 3– Method of Electing the President, providing for the President to be elected by the Directors rather than being popularly elected by members .

Moved Maxwell J Williams
Seconded Rachel Sowden

5. Close of Meeting

There being no further business, the Chair declared the meeting closed at 12:25pm.

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

Image Credits

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Front Cover	Reading Room of a city library, the Mechanics Institute and School of Arts, 275 Pitt Street, Sam Hood, courtesy of the State Library of New South Wales - DG ON4/7863 Appendix E, Statistical table showing progress of the institution 1833-1881 from the Working Men's College Report from the Committee of the Technical College at the Sydney Mechanics' School of Arts to the Honorable the Minister of New South Wales, 1881, held in the collection of the Sydney Mechanics' School of Arts
Page 2	Working Men's College' from the Working Men's College Report from the Committee of the Technical College at the Sydney Mechanics' School of Arts to the Honorable the Minister of New South Wales, 1881, held at Sydney Mechanics' School of Arts.
Page 3	Her Excellency the Honourable Margaret Beazley AC QC, Governor of New South Wales and Mr Dennis Wilson, official image, used with kind permission of Government House Sydney
Back Cover	Interior of Sydney Mechanics' School of Arts Library ca. 1920-1936, Sam Hood, courtesy of the State Library of New South Wales - PXA 626 / 1



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280 Pitt Street, Sydney NSW 2000
02 9262 7300 | www.smsa.org.au