

2024

SMSA  
SYDNEY MECHANICS'  
SCHOOL OF ARTS  
EST  
1833

# SYDNEY MECHANICS' SCHOOL OF ARTS

## ANNUAL REPORT 1 JANUARY - 31 DECEMBER 2024



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## ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Gadigal people of the Eora Nation who are the traditional custodians of this land. Their connection to this coastline and its rich ecosystem stretches back thousands of years, and we thank them for their care and pay our deepest respects to their elders – past, present and emerging.



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# MESSAGE FROM THE PRESIDENT

A key priority for the Sydney Mechanics' School of Arts has been reconnecting with our rich heritage in education, bringing the spirit of lifelong learning into everything we do today to shape the years ahead. Under the leadership of the Chief Executive Officer, Lisa Harris, we are forging partnerships with like-minded organisations, historical institutions, and the broader community.

The Directors of the Board remain committed to improving the Sydney Mechanics' School of Arts to ensure we have a solid foundation for our future as we move towards our 200th anniversary in 2033 and beyond.

We are immensely proud of the fact that we have a fully occupied building, and the opening of the Gadigal railway station late last year has made it easier to reach the SMSA.

During 2024 we had the privilege to award the Sydney Mechanics' School of Arts Medal to Dr Roger Morris AM in recognition for his outstanding contribution to adult education and the School of Arts movement. This prestigious award has only been given once before, as it is reserved for those who have made a lasting impact on society.

In 2024 we had the honour of granting Life Membership to Shirley Hunt. Shirley was a long-time member, a resolute and loyal volunteer with the Tom Keneally Centre and a well-respected director on the Board of the SMSA. In January 2025, it was with great sadness we said goodbye to our dear friend Shirley, who had a special relationship with the SMSA and will always be remembered for her kindness, compassion, and sharp intellect. Shirley will be deeply missed.

A heartfelt thank you to our CEO, Lisa Harris, for her relentless drive and commitment, and to our Chief Financial Officer, Brid Slattery, for her diligence and expertise.

To our resolute volunteers who have maintained the Tom Keneally Centre for the last thirteen years, and to the coordinators of our member groups, we appreciate your efforts as they are the foundation of this organisation.

Finally, to our members, your unwavering affection for the Sydney Mechanics' School of Arts continues to inspire us. Thank you for being part of our journey.



A handwritten signature in dark ink that reads "Winsome Allen".

**Winsome Allen**  
President





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## OUR PURPOSE

Supporting members since 1833, the SDSA is a community of members who share an interest in self-directed learning, the exploration of ideas and the benefits of fellowship.

## OUR ASPIRATION

Is to serve our members for the next one hundred years as a relevant and vibrant hub of learning, exploration and sharing that is valued by the community.

## OUR VALUES

Member centric (in everything we do), life -long learning (as an objective for all) and mutual respect and inclusion (as rights to be expected)



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# TREASURER'S REPORT

I am honoured as Treasurer to present the Sydney Mechanics' School of Arts Financial Report for the year ending 31 December 2024.

SMSA's audited financial results for the 2024 financial year showed an operating loss of \$163k after building, administration and depreciation expenses. This was a significant improvement over the 2023 financial year, driven primarily by a strong rental income stream. The total property income was \$1.9 million against property expenditure of \$833k.

Looking back, I would like to commend the foresight of our President, Winsome Allen, Chief Executive Officer, Lisa Harris, our Chief Financial Officer, Bríd Slattery, and my fellow Board members in supporting the essential maintenance of the School's building which continues to provide a solid income stream to fund the School's many social and cultural activities, enjoyed by our loyal members.

Throughout 2024, SMSA has maintained a 100% tenant occupancy rate despite operating within a highly competitive market which has seen office vacancy rates rise to 11% in Sydney CBD. The completion of the second phase of Sydney Metro and opening of the Gadigal station in August has further improved accessibility to our building

on 280 Pitt Street and will provide another convenient and speedy transport option to our members and tenants.

I am pleased to advise that the School's investment share portfolio continues to deliver increases, even in uncertain times within the international financial market. We will meet with our investment brokers over the next few months to monitor progress and ensure we continue to maintain a well-diversified and profitable portfolio.

With a view to the School's 200th birthday, the CEO and Board continue to formulate Strategic Plans to bring about more fulfilling and enriching experiences for our members and the community-at-large to enjoy.

I wish to put on record my thanks for all the work done by our Auditor, Chris Wong from Watson Erskine, and for his professional advice, and for the generosity of his time. Furthermore, I support the ongoing tenure of Chris Wong as the SMSA's Auditor.

I thank all of our loyal members for their on-going support of the SMSA, the Board of Directors and our hard-working team.



A handwritten signature in dark ink that reads "Paul G. Reid".

**Paul Reid**  
Treasurer

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# OUR BOARD OF DIRECTORS



**Winsome Allen**  
President

Winsome has a background in accounting and tax, and has built a career across multiple industries, including ballet academies, retail, manufacturing, and direct selling.

A former Chairperson of the fundraising committees for the Cerebral Palsy Alliance and the Benevolent Society of NSW for whom she is also a Life Governor. A Distinguished Toastmaster, Winsome actively promotes the SMSA through outreach talks, where she shares our history, current activities, and vision for the future.



**Paul Reid**  
Treasurer

Paul has served on the SMSA Board for over 10 years, including four years as President, one year as Acting President, and as Vice President and Chair of multiple subcommittees. A former Training and Educative Services Manager, he has also held leadership roles on the NSW Government Public Sector Industry Advisory Board and Unions NSW. He is currently Vice President of the Bankstown Community College Institute.



**Neridah Baker**  
Director

An SMSA member since 2008, Neridah has worked with academics and practitioners to enhance learning and teaching in universities, specialist medical education, and dental professional development. She brings expertise in strategy, policy development, program management and evaluation to the Board.



**Jane Biscoe**  
Director

Jane has a background in health, working as a physiotherapist in government and not-for-profit organisations, with a focus on policy development, quality improvement, and student supervision. Her passion for lifelong learning led her to the Workers Education Association (WEA), where she served on the Board for four years, including two as President.





**Steve R Warren**  
Director

Steven brings extensive experience in community development, education, and events management. He has served on a university Board and Academic Senate, held executive roles for the Australian postgraduate student body, and contributed to various community organisations. His long-standing commitment to equality and policy development strengthens SMSA's strategic planning.



**Merilyn Bryce**  
Director

A member of the SMSA for over 40 years, Merilyn previously served on the Board from 2008 to 2012. A retired research librarian and archivist, she worked in librarianship and education, managing specialist resource centres at the University of Sydney. Passionate about history, reading, music, and the arts, she brings a wealth of experience in research, planning, and organisational change.



**Christine Campbell**  
Director

Christine is the National Marketing and Communications Manager of the Property Industry Foundation, which supports homeless youth. With over 15 years of leadership experience in marketing, communications, and fundraising, Christine has worked with Odyssey House NSW, Youth Off The Streets, and the Leukaemia Foundation and specialises in branding, strategy, community engagement, and executive leadership in the not-for-profit sector.



**Cecile Cornford**  
Director

A former SMSA Librarian and long-time member, Cecile is dedicated to maintaining the Library's high-quality collection. Since being elected to the Board in 2015, she has served as Vice President and chaired both the Members' Services and Library & Membership Committees.

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## OUR BOARD OF DIRECTORS CONT.



**Shirley Hunt**  
Director

Shirley was a committed SMSA member for over 20 years and was elected to the Board in 2012. She was a passionate supporter of the School, regularly volunteering in the Tom Keneally Centre, where she enjoyed engaging with members.



**Gavin Mitford**  
Director

An international theatre director, Gavin has staged productions across the USA, UK, Japan, Germany and China for Andrew Lloyd Webber's Really Useful Group. His career spans from Sydney Dance Company to global events like the London Olympics. Passionate about community engagement, he is committed to ensuring SMSA's cultural legacy thrives for future generations.



**Geoff Webb**  
Director

An SMSA member for over 45 years, Geoff has served on the Board since 2009 as both Director and Vice President. He has contributed to the Building, Membership, Finance, and Grants Committees. A professional engineer with expertise in project management and documentation, he has a keen interest in mystery and science fiction literature.



**The Hon. Lance Wright KC**  
Director

Lance has practised in industrial relations and employment law for over 50 years. Prior to his appointment to the bench, he worked for a number of trade unions and for a law firm in the field of industrial law. He then practised as a barrister and was appointed in 1991 as Queens Counsel (QC, now KC). He served as President of the NSW Industrial Relations Commission and Industrial Court from 1998 to 2008. Since retirement he has been a consultant to a major employment law firm and Patron of the Industrial Relations Society of NSW (from 2017 to 2022). He has also conducted inquiries into, or on behalf of, a number of public sector organisations.



# COMMITTEES | STRATEGIC PLANNING

The Strategic Plan is a vital tool in guiding the SMSA's direction, ensuring we achieve our goals while adapting to the evolving needs of our community. It will shape board decisions throughout the year and be continuously refined to support our growth.

Here's a glimpse of what's already in motion for 2025...

## Writing NSW & SMSA Partnership

Three month long pilot program launching on 25 February.

## "Reel Life" Partnership with Beama film

Status: The 2025 collaboration is well underway.

## Seniors Series - Partnership with COTA

Six events scheduled throughout March.

## BAD Sydney Crime Writers Festival

The SMSA is a confirmed Venue Partner for the BAD Crime Writers Festival for 11 - 13 September

## Confirmed Cultural Events Overview

- Seniors Month | March
- ANZAC Day X War Memorial | April
- Miles Franklin Celebration Evening | July
- National Science Week | August
- History Week | September
- BAD Crime Writers Festival | September
- Rare Book Week | October

Beyond events, our strategy focuses on growing membership, expanding outreach and networking, and ensuring financial sustainability for the years ahead.

## COMMITTEE DIRECTOR | Winsome Allen



# COMMITTEES | GOVERNANCE

In 2024, the SMSA Governance Committee commenced a review of the School's policy suite. Regular policy review is necessary to ensure SMSA continues to meet its obligations under legislation, that its policy suite covers all aspects of its operations, and that each policy is fit-for-purpose.

Working with the Chief Executive Officer and staff from relevant operational areas, the Committee collaborated with other Board Committees to

review groups of policies in the following areas: Finance, Library and Membership, Governance and Operations.

The remaining SMSA policies will be reviewed in 2025. Governance Committee members are grateful for the collaborative support of the CEO, SMSA staff and Board members for this important project.

**COMMITTEE DIRECTOR | Neridah Baker**





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## COMMITTEES | BUILDING

During 2024 a range of general repairs and maintenance work was carried out on the building to ensure its integrity.

Regular upkeeps are essential for all buildings, especially so for one of our age and complexity.

Compliance, fire safety regulations and keeping up to date with the latest legislative changes was the top priority in 2024 and planning for next year's building projects are well under way.

The SMSA employs a building manager to conduct weekly inspections of the building and these findings are reported to all relevant personnel.

### **The personnel are:**

#### **CEO**

Lisa Harris

#### **Building subcommittee of the Board:**

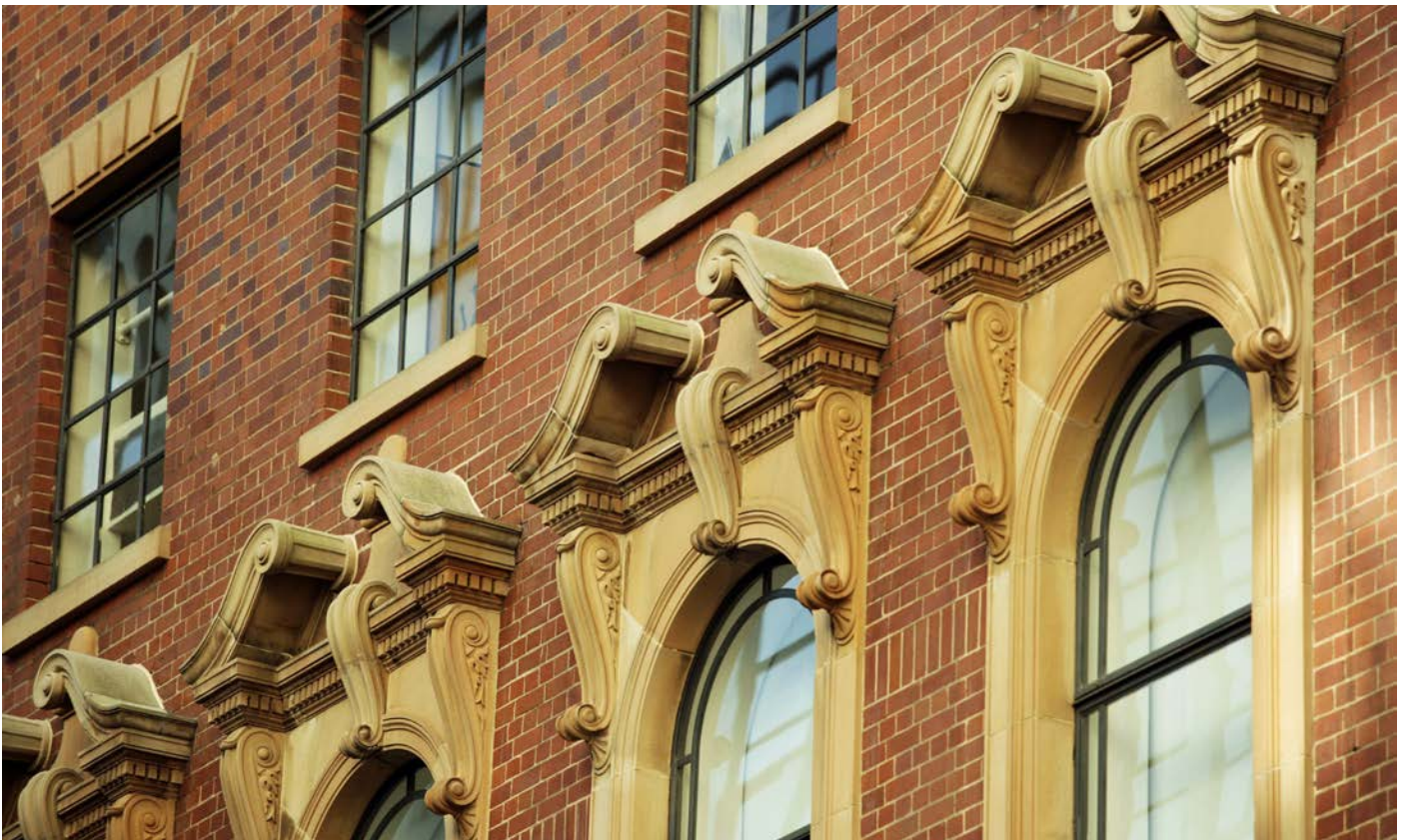
Neridah Baker, Geoff Webb, Jane Biscoe

#### **Building Services Executive**

Elizabeth Charlton.

The Building Committee is very grateful for the commitment and hard work undertaken by all involved and look forward to working together in 2025.

**COMMITTEE DIRECTOR | Jane Biscoe**



# COMMITTEES | LIBRARY & MEMBERSHIP

Membership levels remain on track, and we maintain various participation modes for our members, including talks, events, activity groups, and on-line activities, all enhanced by effective social media strategies.

Our Library continues to flourish with regular updates and the expansion of our Book collection, eBooks, magazines, along with access to other resources like the popular Beamafilm collection.

We appreciate and value our staff and volunteers who continue to do an outstanding job under the leadership of Diane Stewart, acting Library Manager.

Erika Samonte is on Parental Leave; we are informed she and the baby are doing very well, and we continue to wish her good health and happiness.

Many thanks to our Lisa Harris, Chief Executive Officer for her contributions to the Library and Membership Committee members.

It was incredibly sad to lose Shirley Hunt, Director and Library and Membership Committee member. Shirley made such a positive contribution and provided regular input to our Library and team over many years.

The Library and Tom Keneally Centre have had some outstanding displays as part of our strategy to increase readership and member engagement. I would like to encourage members to continue to use our Library and the Tom Keneally Center regularly to make use of the SMSA loved collections.

The SMSA values and welcomes members' feedback, and we are in the final stages of reviewing the results of our recent member survey. These results and member feedback will support the SMSA to shape future business and decisions.

**COMMITTEE DIRECTOR | Steve Warren**





# MEET THE TEAM

The SMSA’s key personnel are listed below and each plays a vital role in helping us achieve our objectives.

<b>Chief Executive Officer</b> Lisa Harris	<b>Social Media Executive</b> Victoria Hall
<b>Chief Financial Officer</b> Brid Slattery	<b>Administration</b> Madeleine Russo
<b>Acting Library Manager</b> Diane Stewart	<b>Library Assistants (casual)</b> Sarka Soltys Liliana Navarro Aimee Crighton Jack Ward
<b>Building Services Executive</b> Elizabeth Charlton	
<b>Marketing, Events &amp; Membership Coordinator</b> Sofie Woodward	



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# SERVICES

## VENUE HIRE

The refurbishments and conference packages introduced in 2022 continue to add value for our customers and this is reflected in a steady increase in venue hire and strong repeat business.

The Windeyer Room on Level One, with its natural light and heritage windows, remains a favourite with our customers, while the Boardroom on Level Three continues to be a well sought-after space for meetings and events.

## THE TOM KENEALLY CENTRE

In 2024, the Tom Keneally Centre saw a steady uptick in visitors, with some travelling from as far as Ireland to experience this literary haven. Our wonderful volunteers continue to be the heart

of the centre, offering warmth, knowledge, and guidance to all who walk through its doors.

It was a dynamic year, with an increasing number of events bringing the space to life. In June we celebrated three generations of the Keneally family, followed by an exhibition of Harry Freame's ephemera, launched alongside Ryan Butta's Bravest Scout at Gallipoli in July.

Leaning into literature, we hosted a writing workshop led by the incomparable Tom Keneally, as well as insightful author talks from emerging writers. In October, the centre welcomed the NSW Guild of Craft Bookbinders for a hands-on journal making workshop, further cementing the Tom Keneally Centre as a hub for creativity and storytelling.





## LIBRARY

The SMSA Library remains a rare and wonderful thing - a sanctuary of stories and knowledge, yet alive with conversation, connection, and shared discovery. It is both a resource and a place to belong.

In 2024, the collection continued to expand with 697 new titles being added across multiple genres and leading to a 6% increase in borrowing rates over the year.

Members embraced the digital library with the same enthusiasm, exploring our collection of 11,817 eBooks, audiobooks, and eMagazines. Borrowings via Libby rose by 24%, but the true joy was welcoming 68 new readers who discovered the collection for the first time.

Beamafilm also continued to find its audience, with members streaming a rich selection of films and documentaries, offering yet another way for stories to be experienced and shared.

Throughout the year the library was a space for celebration and community. In February, members unwrapped literary surprises with Blind Date with a Book for Library Lovers' Day. March turned the shelves into a playground with an Easter egg hunt, while September saw delicate paper creations take shape in an origami workshop as part of Craft Week. By December, a world map filled with members' travel destinations became a beautiful reflection of the journeys that shape us.

Beyond our walls, the library reached further into the city's literary landscape. We joined the BAD Sydney Crime Writers Festival with several live-streamed sessions, and we proudly showcased our collection of first-edition murder mysteries as part of Rare Book Week.

We look forward to creating more moments like these, opening our doors wider, and welcoming even more members into the world of stories.





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# MEMBER ACTIVITIES & COMMUNITY ENGAGEMENT

## MEMBER GROUPS

Our Member Groups remain a vibrant part of the SMSA, with Mah Jong, Canasta, Bridge, and French Conversation groups at full capacity and waitlists growing. The Chess Club has a loyal group of regulars that continue to meet each week, undeterred by rain, hail, or shine.

The Knitting Group's needles were busy in 2024, continuing to contribute to Wrap with Love, which provides blankets for those in need, as well as crafting beautiful poppies for Remembrance Day. Meanwhile, Murder on a Monday and Mystery & Crime Reading Groups are more popular than ever, delving into an exciting range of new topics throughout the year.

The Poetry Group celebrated World Poetry Day with a picnic at the Botanic Gardens and continued their annual tradition of a live rendition of Coleridge's Ancient Mariner in November. 2024 was also an encore year of films led by Peter Rainey, beginning with a special visit from award-winning director Bruce Beresford, who joined us for a screening of his film 'Driving Miss Daisy'. Peter's carefully curated program was well attended, with standout favourites including:

- Driving Miss Daisy
- The Billy Wilder Double Screening
- Safety Last + Battleship Potemkin





## TALKS, FILMS & EVENTS

2024 was a dynamic year at the SMSA, with 44 events spanning films, author talks, workshops, excursions, and exhibitions. Covering a wide range of topics including history, science, health, the environment, social issues, and literature, our events continued to engage and inspire.

The School was privileged to host several special events, including An Evening with the Keneallys, an exhibition for Rare Books Week, a journal-making workshop, and a writing workshop led by none other than Tom Keneally.

Talks by leading crime and thriller writers, such as Michael Robotham and Tim Ayliffe, continue to draw in members and introduce new audiences to the SMSA.

Through engaging events, a thriving community, and meaningful collaborations, 2024 has been

a year of connection, learning, and literary celebration.

### Our most popular events included:

- Health Consumers NSW – Everything You Wanted to Know About Aged Care
- Author Talk: Shankari Chandran in conversation with Ryan Butta
- Life Lessons with Hugh Mackay in conversation with Catherine du Peloux Menagé
- Film Screening: The Billy Wilder Double
- The SMSA Christmas Party





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# MEMBER ACTIVITIES & COMMUNITY ENGAGEMENT CONT.

## COMMUNITY

In 2024, we built on the achievements of the previous year, further cementing the School's role as a hub for connection, creativity, and lifelong learning, just as it has been for 191 years. At the heart of our community are the Library, the Henry Carmichael Theatre, and the Tom Keneally Centre; spaces where ideas are exchanged, friendships are formed, and stories are shared. Cuthberts remains a cherished gathering place, where members come together over a cup of tea, to read, reflect, and connect.

Our presence continues to grow beyond our walls, with a dynamic digital footprint across Instagram, Facebook, and LinkedIn. Through these platforms, we have shared the stories of our members; their friendships, celebrations, and contributions, while capturing the vibrancy of our community and extending our fellowship into the digital space.

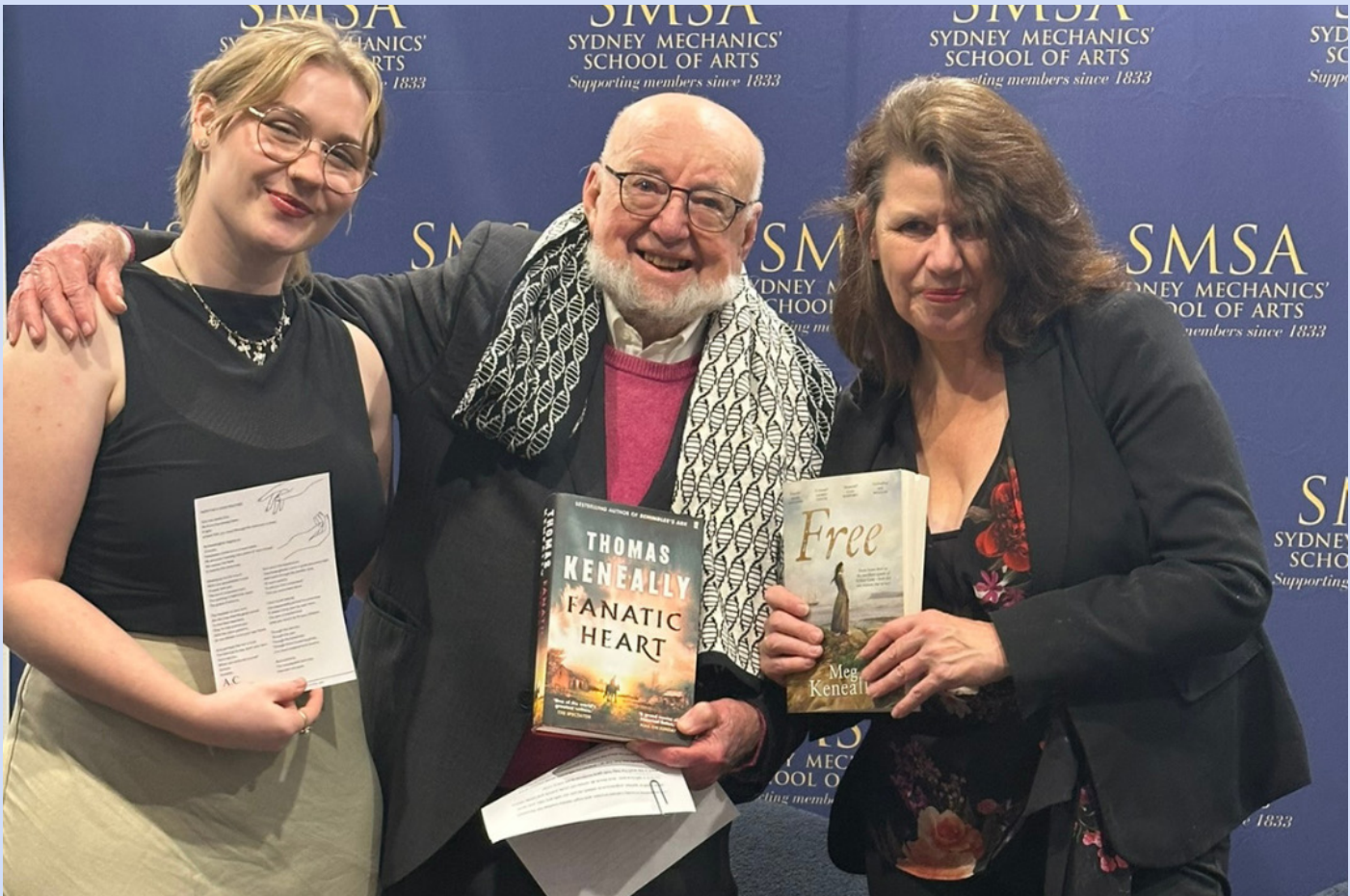
In 2024, we strengthened our relationships with key cultural institutions across Sydney, expanding our reach and influence and as a result, the SMSA was excited to be a part of major city-wide events such as History Week, Rare Book Week, and Craft Week, further embedding our presence in Sydney's cultural landscape. Our connections with publishers, including Hachette and Simon & Schuster, also flourished, bringing more literary events to our members.

These relationships have blossomed and provided visibility and a gravitas that is opening doors to exciting collaborations in 2025.

Through action, engagement, and meaningful partnerships, the SMSA continues to evolve as a thriving, inclusive community that honours its rich history while embracing the future.







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# FINANCIAL REPORTS

## 31 DECEMBER 2024

**Sydney Mechanics’ School of Arts**  
**ABN 29 720 771 090**

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## **Statement by Members of the Board**

### **For the Year Ended 31 December 2024**

The directors present their report on Sydney Mechanics' School of Arts for the financial year ended 31 December 2024.

#### **1. General information**

##### **Information on directors**

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

Winsome Allen

Neridah Baker

Jane Biscoe Appointed March 2024

Merilyn Bryce

Christine Campbell

Cecile Cornford

Shirley Hunt Shirley passed away in January 2025

Gavin Mitford

Paul Reid

John Robinson Tenure ended March 2024

Steve Warren

Geoff Webb

Lance Wright

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

##### **Principal activities**

The principal activity of Sydney Mechanics' School of Arts during the financial year was the provision of library and other services for members and the leasing of commercial office space.

No significant changes in the nature of the School's activity occurred during the financial year.

#### **2. Operating results and review of operations for the year**

##### **Operating results**

The accounting deficit of the School after providing for income tax amounted to \$ (162,833) (2023: \$ (462,003)).

##### **Review of operations**

A review of the operations of the School during the financial year and the results of those operations show the School's financial performance is much improved since the previous year, driven primarily by strong rental income and better overall performance of the investment portfolio.

Significant amounts have been spent on building maintenance and upgrading the building's fire and airconditioning systems. Such upgrades are necessary to ensure the ongoing commercial viability of the building.



### 3. Other items

#### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the School during the year.

#### Future developments and results

Likely developments in the operations of the School and the expected results of those operations in future financial years have not been included.

#### Environmental issues

The School's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

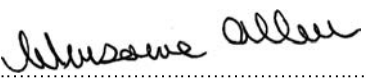
#### Indemnification and insurance of officers and auditors

During the year, the School paid premiums to insure the directors and certain officers against the costs that may be incurred in defending civil or criminal proceedings that may be brought against them in their capacity as officers.

#### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2024 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

President:   
Winsome Allen

Treasurer:   
Paul Reid

Dated this 20th day of February 2025



**Watson Erskine Pty Ltd**  
Chartered Accountants

ABN 44 125 509 015

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## **Sydney Mechanics' School of Arts**

ABN 29 720 771 090

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

In accordance with Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2024, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct in relation to the audit.

Watson Erskine Pty Ltd  
Authorised Audit Company

Christopher Wong  
Director

20 February 2025

SYDNEY NSW 2000

Statement of Comprehensive Income  
For the Year Ended 31 December 2024

		2024	2023
	Note	\$	\$
Office and facilities rental	4	1,936,645	1,624,819
Other income	4	406,205	294,933
Depreciation of property, plant and equipment		(383,227)	(367,185)
Employee benefits expense		(988,115)	(845,226)
Rental outgoings		(833,002)	(834,709)
Loss on disposal of assets		-	(3,118)
Other expenses		(301,339)	(331,517)
Deficit for the year		(162,833)	(462,003)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(162,833)	(462,003)

The accompanying notes form part of these financial statements.



## Statement of Financial Position

As At 31 December 2024

		2024	2023
	Note	\$	\$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	389,632	383,452
Trade and other receivables	6	90,675	194,100
Other financial assets	7	3,194,155	2,966,392
Other assets	9	116,195	95,768
TOTAL CURRENT ASSETS		<u>3,790,657</u>	<u>3,639,712</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	<u>46,018,769</u>	<u>46,308,173</u>
TOTAL NON-CURRENT ASSETS		<u>46,018,769</u>	<u>46,308,173</u>
TOTAL ASSETS		<u><u>49,809,426</u></u>	<u><u>49,947,885</u></u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	11	51,417	85,954
Employee benefits	14	83,782	61,844
Other financial liabilities	12	153,465	114,545
Other liabilities	13	125,900	128,209
TOTAL CURRENT LIABILITIES		<u>414,564</u>	<u>390,552</u>
NON-CURRENT LIABILITIES			
Employee benefits	14	<u>11,903</u>	<u>11,541</u>
TOTAL NON-CURRENT LIABILITIES		<u>11,903</u>	<u>11,541</u>
TOTAL LIABILITIES		<u>426,467</u>	<u>402,093</u>
NET ASSETS		<u><u>49,382,959</u></u>	<u><u>49,545,792</u></u>
<b>EQUITY</b>			
Reserves	15	34,574,659	34,574,659
Retained earnings		<u>14,808,300</u>	<u>14,971,133</u>
TOTAL EQUITY		<u><u>49,382,959</u></u>	<u><u>49,545,792</u></u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity  
For the Year Ended 31 December 2024

2024

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 January 2024	14,971,133	34,574,659	49,545,792
Deficit for the year	(162,833)	-	(162,833)
Balance at 31 December 2024	14,808,300	34,574,659	49,382,959

2023

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 January 2023	15,433,136	34,574,659	50,007,795
Deficit for the year	(462,003)	-	(462,003)
Balance at 31 December 2023	14,971,133	34,574,659	49,545,792

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For the Year Ended 31 December 2024

	2024	2023
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	2,339,902	1,989,599
Payments to suppliers and employees	(2,370,786)	(2,211,860)
Investment income received	151,844	174,076
Net cash provided by/(used in) operating activities	22 120,960	(48,185)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(93,823)	(460,022)
Net change in investment in other financial assets	(20,957)	562,711
Net cash provided by/(used in) investing activities	(114,780)	102,689
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash provided by/(used in) financing activities	-	-
Net increase/(decrease) in cash and cash equivalents held	6,180	54,504
Cash and cash equivalents at beginning of year	383,452	328,948
Cash and cash equivalents at end of financial year	5 389,632	383,452

The accompanying notes form part of these financial statements.



## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2024**

The financial report covers Sydney Mechanics' School of Arts 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 2024 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.

The financial report was authorised for issue by the Directors on 10 February 2025.

Comparatives are consistent with prior years, unless otherwise stated.

#### **1 Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

#### **2 Summary of Significant Accounting Policies**

##### **(a) Revenue and other income**

###### **Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the School expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the School have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

## Notes to the Financial Statements

For the Year Ended 31 December 2024

### 2 Summary of Significant Accounting Policies (continued)

#### (a) Revenue and other income (continued)

##### Specific revenue streams

##### Interest revenue

Interest is recognised using the effective interest method.

##### Rental income

Investment property revenue 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.

##### Member Subscriptions

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

##### Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

##### Other income

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

#### (b) Income Tax

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

#### (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 payable 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.

Notes to the Financial Statements  
For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies (continued)

(d) Property, plant and equipment (continued)

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.

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, is 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.



## Notes to the Financial Statements

### For the Year Ended 31 December 2024

#### 2 Summary of Significant Accounting Policies (continued)

##### (e) Financial instruments (continued)

###### Financial assets (continued)

###### *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 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.

###### *Financial assets through profit or loss*

## Notes to the Financial Statements

### For the Year Ended 31 December 2024

#### 2 Summary of Significant Accounting Policies (continued)

##### (e) Financial instruments (continued)

###### Financial assets (continued)

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

When determining whether the credit risk of a financial assets 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 and contract assets*

Impairment of trade receivables and contract assets 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.

## Notes to the Financial Statements

For the Year Ended 31 December 2024

### 2 Summary of Significant Accounting Policies (continued)

#### (e) Financial instruments (continued)

##### Financial assets (continued)

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.

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.



## Notes to the Financial Statements

### For the Year Ended 31 December 2024

#### 2 Summary of Significant Accounting Policies (continued)

##### (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. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

##### (i) Foreign currency transactions and balances

###### Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

#### 3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

##### Key estimates - land and buildings

An independent valuation of property (land and buildings) carried at fair value was obtained in August 2020. Those charged with governance have reviewed this valuation and adopted it. The valuation is an estimation which would only be realised if the property is sold.

## Notes to the Financial Statements

For the Year Ended 31 December 2024

### 3 Critical Accounting Estimates and Judgments (continued)

#### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

### 4 Revenue and Other Income

#### Revenue from continuing operations

	2024	2023
	\$	\$
Revenue from contracts with customers		
- rental revenue from property investment	1,936,645	1,624,819
- member subscriptions	33,757	8,794
	<u>1,970,402</u>	<u>1,633,613</u>

#### Investment Income

	2024	2023
	\$	\$
- investment income received	151,844	174,076
	<u>151,844</u>	<u>174,076</u>

#### Other Income breakup

	2024	2023
	\$	\$
Other Income		
- recoveries	-	6,609
- other trading revenue	3,738	799
- donations	10,060	1,200
- fair value adjustments	206,806	103,455
	<u>220,604</u>	<u>112,063</u>

### 5 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank and in hand	389,116	383,001
Other cash and cash equivalents	516	451
	<u>389,632</u>	<u>383,452</u>

## Notes to the Financial Statements

### For the Year Ended 31 December 2024

#### 6 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
Trade receivables	14,773	10,541
Deferred rent and other receivables	75,575	185,126
	<u>90,348</u>	<u>195,667</u>
Deposits	327	(1,567)
	<u>90,675</u>	<u>194,100</u>

#### 7 Other Financial Assets

##### Financial assets at fair value through profit or loss

	2024	2023
	\$	\$
CURRENT		
Financial Investments	3,194,155	2,966,392
	<u>3,194,155</u>	<u>2,966,392</u>

#### 8 Property, plant and equipment

	2024	2023
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At fair value	36,350,000	36,350,000
Total freehold land	<u>36,350,000</u>	<u>36,350,000</u>
Buildings		
At fair value	9,450,000	9,450,000
Accumulated depreciation	(1,140,366)	(874,354)
Total buildings	<u>8,309,634</u>	<u>8,575,646</u>
Total land and buildings	<u>44,659,634</u>	<u>44,925,646</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,936,233	1,842,411
Accumulated depreciation	(996,956)	(879,742)
Total plant and equipment	<u>939,277</u>	<u>962,669</u>



# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 8 Property, plant and equipment (continued)

Library books		
At fair value	1,404,946	1,404,946
Accumulated impairment losses	(985,088)	(985,088)
Total library books	419,858	419,858
<b>Total property, plant and equipment</b>	<b>46,018,769</b>	<b>46,308,173</b>

### Movements in carrying amounts of property, plant and equipment

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

	Land \$	Buildings \$	Plant and Equipment \$	Library \$	Total \$
<b>Year ended 31 December 2024</b>					
Balance at the beginning of year	36,350,000	8,575,646	962,669	419,858	46,308,173
Additions	-	-	93,823	-	93,823
Depreciation expense	-	(266,012)	(117,215)	-	(383,227)
<b>Balance at the end of the year</b>	<b>36,350,000</b>	<b>8,309,634</b>	<b>939,277</b>	<b>419,858</b>	<b>46,018,769</b>

	Land \$	Buildings \$	Plant and Equipment \$	Library \$	Total \$
<b>Year ended 31 December 2023</b>					
Balance at the beginning of year	36,350,000	8,840,932	607,664	419,858	46,218,454
Additions	-	-	460,022	-	460,022
Disposals	-	-	(3,118)	-	(3,118)
Depreciation expense	-	(265,286)	(101,899)	-	(367,185)
<b>Balance at the end of the year</b>	<b>36,350,000</b>	<b>8,575,646</b>	<b>962,669</b>	<b>419,858</b>	<b>46,308,173</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2024

#### 9 Other non-financial assets

	2024	2023
	\$	\$
CURRENT		
Prepayments	85,444	70,264
Rental bonds	30,751	25,504
	<u>116,195</u>	<u>95,768</u>

#### 10 Leases

##### Operating leases as a Lessor

The School leases out commercial office space to various third party entities. These leases have been classified as operating leases for financial reporting purposes and the assets are included under property, plant and equipment in the statement of financial position (refer note 8).

Maturity analysis of lease receivables showing the undiscounted lease payments to be received after reporting date for operating leases:

	2024	2023
	\$	\$
< 1 year	1,164,401	1,425,509
Between 1 – 2 years	712,108	985,438
Between 2 – 3 years	398,939	521,152
Between 3 – 4 years	331,690	287,725
Between 4 – 5 years	266,928	226,229
<b>Total undiscounted lease receivables</b>	<u><b>2,874,066</b></u>	<u><b>3,446,053</b></u>

#### 11 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	45,346	84,865
Other payables	6,071	1,089
	<u>51,417</u>	<u>85,954</u>

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2024

#### 12 Other Financial Liabilities

	2024	2023
	\$	\$
CURRENT		
Amounts received in advance	153,465	114,545
	<u>153,465</u>	<u>114,545</u>

#### 13 Other Liabilities

	2024	2023
	\$	\$
CURRENT		
Rental bonds	31,720	25,504
ATO - GST	24,841	33,439
Other accrued expenses	69,339	69,266
	<u>125,900</u>	<u>128,209</u>

#### 14 Employee Benefits

	2024	2023
	\$	\$
Current liabilities		
Provision for employee benefits	83,782	61,844
	<u>83,782</u>	<u>61,844</u>

	2024	2023
	\$	\$
Non-current liabilities		
Long service leave	11,903	11,541
	<u>11,903</u>	<u>11,541</u>

#### 15 Reserves

	2024	2023
	\$	\$
Asset revaluation reserve		
Land	34,550,000	34,550,000
Library	24,659	24,659
	<u>34,574,659</u>	<u>34,574,659</u>

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.



Notes to the Financial Statements  
For the Year Ended 31 December 2024

16 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.

17 Key Management Personnel Disclosures

The total remuneration paid to key management personnel (comprising the Chief Executive Officer and Chief Financial Officer) of the School is 349,589 (2023: 330,350).

18 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor, Watson Erskine Pty Ltd, for:		
- auditing and other services	20,370	19,400
	<u>20,370</u>	<u>19,400</u>

In addition to auditing the financial statements, the auditor provides assistance with the preparation of the financial statements, attends the annual general meeting (AGM) and independently counts the votes at the AGM.

19 Fair Value Measurement

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

Asset	Basis for determining value
<b>Property, plant and equipment</b>	
Land and Buildings	Fair value is determined using a combination of a capitalisation of rental income basis subject to existing tenancies at the time of valuation together with a vacant possession basis against sales of similar properties to determine a rate per square metre.
SMSA General Library	Fair value is based upon market value calculated as a percentage of replacement value. Market value is affected by various factors including reputation and standing of the title within its genre, the volume and comprehensiveness of each genre, demand, market scarcity, condition and provenance.
Thomas Keneally Collection	Fair value is based upon the estimated market value of each of the items within the Collection.
<b>Financial assets</b>	
Financial Investments	Fair value is determined with reference to quoted market prices of identical assets in active markets.

20 Commitments and Contingencies

Capital Commitments

## Notes to the Financial Statements

### For the Year Ended 31 December 2024

#### 20 Commitments and Contingencies (continued)

There were no capital commitments at 31 December 2024.

##### Contingencies

There exists tenant bank guarantees held in favour of the School of \$488,415 in total at 31 December 2024.

Other than the above, there were no other contingent assets or contingent liabilities at 31 December 2024.

#### 21 Related Parties

The School's main related parties are as follows:

Key management personnel - refer to Note 17.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

##### Transactions with related parties

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

#### 22 Cash Flow Information

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

	2024	2023
	\$	\$
Deficit for the year	(162,833)	(462,003)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation and impairments	383,227	367,185
- net loss on disposal of property, plant and equipment	-	3,118
- fair value movements on investments	(206,806)	(103,455)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	105,318	55,556
- (increase)/decrease in other assets	(7,140)	1,259
- (increase)/decrease in prepayments	(15,180)	(34,283)
- increase/(decrease) in trade and other payables	(34,537)	21,863
- (increase)/decrease in income in advance	38,920	111,732
- increase/(decrease) in other liabilities	(2,308)	(12,034)
- increase/(decrease) in provisions	22,299	2,877
Cashflows from operations	<u>120,960</u>	<u>(48,185)</u>

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2024**

#### **23 Events Occurring After the Reporting Date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the School, the results of those operations, or the state of affairs of the School in future financial years.

#### **24 Statutory Information**

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

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



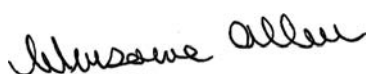
## Directors' Declaration

The directors declare that in the directors' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes 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*.

President:



Winsome Allen

Treasurer:



Paul Reid

Dated this 20th day of February 2025



## 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 (the Entity), which comprises the statement of financial position as at 31 December 2024, 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 directors' declaration.

In our opinion, the accompanying financial report of the Entity is 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 Entity's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures 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 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 (including Independence Standards)* (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 confirm that the independence declaration required by the ACNC Act, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Responsibilities of Directors for the Financial Report

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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



**Watson Erskine Pty Ltd**  
Chartered Accountants

ABN 44 125 509 015

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## **Sydney Mechanics' School of Arts**

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

Watson Erskine Pty Ltd  
Authorised Audit Company

Christopher Wong  
Director

SYDNEY NSW 2000

20 February 2025





## **Sydney Mechanics' School of Arts**

ABN 29 720 771 090

## **Disclaimer**

### **For the Year Ended 31 December 2024**

The additional financial data presented on pages 27 to 29 is in accordance with the books and records of the School which have been subjected to the auditing procedures applied in our statutory audit of the School for the year ended 31 December 2024. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Sydney Mechanics' School of Arts) in respect of such data, including any errors or omissions therein however caused.

Watson Erskine Pty Ltd

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Christopher Wong  
Director

SYDNEY NSW 2000

20 February 2025

## Sydney Mechanics' School of Arts

ABN 29 720 771 090

For the Year Ended 31 December 2024

### Detailed Income Statement

	2024	2023
	\$	\$
<b>Income</b>		
Fees	33,757	8,794
Investment income	151,844	174,076
Donations	10,060	1,200
Recoveries	-	6,609
Other income	3,738	799
Net rental surplus	1,103,643	789,571
<b>Total income</b>	<b>1,303,042</b>	<b>981,049</b>
<b>Less: Expenses</b>		
Administration and management fees	18,969	31,806
Advertising	9,956	17,535
Auditors remuneration	19,816	17,258
Computer expenses	34,768	35,888
Consulting and professional fees	23,413	24,095
Consumables	38,853	45,319
Depreciation	383,227	367,185
Donations	270	(2,570)
Insurance	23,241	20,400
Investment manager's fees	30,418	30,076
Equipment rental	7,540	6,522
Other employee costs	44,101	21,093
Postage	1,899	1,322
Printing and stationery	7,761	6,735
Promotion	25,972	20,844
Repairs and maintenance	-	1,290
Salaries	811,238	715,504
Safety costs	5,777	1,270
Staff training	7,644	5,383
Subscriptions	13,491	8,581
Sundry expenses	3,200	41,263
Superannuation contributions	88,773	76,724
Telephone and fax	13,111	10,252
Termination benefits	22,226	19,077
Travel - domestic	4,959	3,811
Workers compensation insurance	14,133	7,445
Other operating expenses	17,925	9,281
<b>Total Expenses</b>	<b>1,672,681</b>	<b>1,543,389</b>
	<b>(369,639)</b>	<b>(562,340)</b>

Detailed Income Statement

	2024	2023
	\$	\$
Other items:		
Loss on disposal of assets	-	(3,118)
Fair value adjustments	206,806	103,455
	<u>206,806</u>	<u>100,337</u>
Profit before income tax	<u>(162,833)</u>	<u>(462,003)</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

For the Year Ended 31 December 2024

### Rental Properties Statement

	2024	2023
	\$	\$
Rental income	1,763,174	1,495,155
Facilities Rental	173,471	129,664
<b>Total rental income</b>	<b>1,936,645</b>	<b>1,624,819</b>
Agents fees	-	35,253
Doubtful debts	-	539
Cleaning	108,686	114,288
Electricity and gas	85,988	77,945
Insurance	47,516	40,275
Rates - council	55,280	57,129
Rates - water	10,399	7,213
Repairs and maintenance	424,322	401,445
Security	21,533	33,849
Strata management	46,800	56,238
Major building maintenance	11,795	3,280
Catering	20,683	7,794
<b>Total rental expenses</b>	<b>833,002</b>	<b>835,248</b>
<b>Net rental surplus</b>	<b>1,103,643</b>	<b>789,571</b>

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

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