THE SOCIAL STUDIO INC
ABN: 98 376 502 818

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

THE SOCIAL STUDIO INC
ABN: 98 376 502 818

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COMMITTEE'S REPORT

Your committee members submit the financial report of The Social Studio Inc for the financial year ended 30 June 2021.

Committee Members
The names of the committee members in office at anytime during or since the end of the year are:

Alberto Furlan
Dewi Cooke (Ceased 5 October 2020)
Farah Farougue
Grace McQuilten
Ruth Owens (Ceased 23 December 2020)
Vinisha Mulani
Alek Nyok
Michael McMahon (Commenced 23 December 2020)
Kavitha Chandra-Shekeran (Commenced 23 December 2020)

Principal Activities
The principal activities of the association during the financial year were:

The Fashion School
The Social Studio Fashion Label
Manufacturing

Significant Changes
In response to the direction from the Victorian Government in relation to the COVID-19 pandemic, The Social Studio has participated in the production of medical personal protective equipment and reusable face masks in accordance with the DHHS guidelines. No other significant changes in the nature of the principal activities occurred during the financial year.

Operating Result
The profit after providing for income tax amounted to $281,594

Matters Subsequent to the End of Financial Year
No matters or circumstance has arisen since 30 June 2021 that has significantly affected, or may affect the association's operation, the results of those operations or the association's state of affairs in future financial years.

Signed in accordance with a resolution of the members of the committee:

Grace McQuilten

Farah Farougue 31/1/2022

Dated: 31/1/2022

THE SOCIAL STUDIO INC
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STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Revenue	**2**	1,058,940	747,953
Changes in inventories		(1,157)	(18,008)
Employee benefits expense		(580,160)	(458,641)
Depreciation and amortisation expenses		(51,551)	(24,423)
Finance costs		(6,755)	(1,344)
Other expenses		(137,722)	(216,471)
Profit before income tax		281,594	29,065
Income tax expense		-	-
Profit for the year		281,594	29,065
Profit attributable to members of the entity		281,594	29,065

The accompanying notes form part of these financial statements.

These statements are unaudited and should be read in conjunction with the attached compilation report.

THE SOCIAL STUDIO INC
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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Profit for the year		281,594	29,065
Other comprehensive income:			
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		**281,594**	**29,065**
Total comprehensive income attributable to members of the entity		281,594	29,065

The accompanying notes form part of these financial statements.

These statements are unaudited and should be read in conjunction with the attached compilation report.

THE SOCIAL STUDIO INC
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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash on hand	**4**	414,224	303,601
Accounts receivable and other debtors	**5**	35,294	14,166
Financial assets	**6**	150,109	-
Inventories on hand	**7**	8,189	9,346
TOTAL CURRENT ASSETS		607,816	327,113
NON-CURRENT ASSETS			
Property, plant and equipment	**8**	35987	-
Other non-current assets	**9**	201,596	191,093
TOTAL NON-CURRENT ASSETS		237,583	191,093
TOTAL ASSETS		845,398	518,206
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	**10**	64,892	78,669
Borrowings	**11**	52,620	39,131
Provisions	**12**	24,971	40,525
Other	**13**	70,000	-
TOTAL CURRENT LIABILITIES		212,483	158,324
NON-CURRENT LIABILITIES			
Borrowings	**11**	154,440	163,001
TOTAL NON-CURRENT LIABILITIES		154,440	163,001
TOTAL LIABILITIES		366,924	321,325
NET ASSETS		**478,475**	**196,880**
EQUITY			
Retained earnings		478,475	196,880
TOTAL EQUITY		**478,475**	**196,880**

The accompanying notes form part of these financial statements.

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THE SOCIAL STUDIO INC
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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Retained Earnings $	Total $
Balance at 1 July 2019	167,815	167,815
Comprehensive income		
Profit for the year	29,065	29,065
Total comprehensive income for the year attributable to members of the association	29,065	29,065
Balance at 30 June 2020	196,880	196,880
Balance at 1 July 2020	196,880	196,880
Comprehensive income		
Profit for the year	281,594	281,594
Total comprehensive income for the year attributable to members of the association	281,594	281,594
Balance at 30 June 2021	478,475	478,475

The accompanying notes form part of these financial statements.

These statements are unaudited and should be read in conjunction with the attached compilation report.

THE SOCIAL STUDIO INC
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers and donations (inclusive of GST)		327,170	343,783
Payments to suppliers and employees (inclusive of GST)		(878,744)	(585,020)
Interest received		150	76
Receipts from grants		658,583	462,556
Cash receipts from other operating activities		190,964	-
Interest paid		(330)	(328)
Insurance proceed		-	-
Net cash provided by operating activities	**14**	297,793	221,067
Cash flows from investing activities			
Payments for plant and equipment		(37,170)	-
Payments for Investments		(150,000)	-
Net cash provided by (used in) investing activities		(187,170)	-
Net increase in cash held		110,623	221,067
Cash on hand at beginning of financial year		303,601	82,534
Cash on hand at end of financial year	**14**	414,224	303,601

The accompanying notes form part of these financial statements.

These statements are unaudited and should be read in conjunction with the attached compilation report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

The financial statements cover The Social Studio Inc as an individual entity. The Social Studio Inc is an association incorporated in Victoria and operating pursuant to the Associations Incorporation Reform Act 2012.

The financial statements were authorised for issue on ____ January 2022 by the members of the committee.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

In the committee's opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared in accordance with the Associations Incorporation Reform Act 2012, Australian Charities and Not-for-profits Commission Act 2012 (Cth), Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

(a) Inventories on Hand

Inventories held for sale are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first out basis and are net of any rebates and discounts received.

Assets are carried at 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.

(b) Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the association commencing from the time the asset is held ready for use.

(c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in paragraph 63 of AASB 15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:
- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:
- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:
- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:
- the amount of loss allowance determined in accordance to AASB 9.3.25.3; and
- the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:
- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

on the basis of the two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

The association initially designates a financial instrument as measured at fair value through profit or loss if:
- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so as the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the association made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the association's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:
- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the association no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The association recognises a loss allowance for expected credit losses on:
- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:
- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The association uses the following approaches to impairment, as applicable under AASB 9:
- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Group assessed whether the financial instruments are credit impaired, and if:
- the credit risk of the financial instrument increased significantly since initial recognition, the Group measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- there was no significant increase in credit risk since initial recognition, the Group measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:
- trade receivables or contract assets that results from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

Purchased or originated credit impaired approach

For a financial asset that is considered to be credit impaired (not on acquisition or originations), the Group measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:
- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- it is probable the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the association assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the association applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:
- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the association recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(d) Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(e) Cash on Hand

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

(f) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

When the association receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The association recognises income in profit or loss when or as the association satisfies its obligations under the terms of the grant.

Interest income is recognised using the effective interest method.

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

Donations and bequests were recognised as revenue when received.

Interest revenue was recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue was recognised when the right to receive a dividend had been established. Rental income from operating leases was recognised on a straight-line basis over the term of the relevant leases.

Revenue from the rendering of a service was recognised upon the delivery of the service to the customer.

(g) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

(h) Comparative Figures

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

(i) Leases

Refer to leases at the end of the Notes to the Financial Statements.

		2021 $	2020 $
2. REVENUE AND OTHER INCOME			
Revenue from contracts with customers	**(i)**	264,015	93,021
Other sources of revenue	**(ii)**	794,925	654,931
		1,058,940	747,953
(i) The association has disaggregated revenue into the categories below			
Sales		264,015	93,021
(ii) Other sources of revenue			
Interest received	**2(a)**	248	77
Grants received		561,865	459,378
Donations received		43,741	103,920
Other revenue		3,000	2,697
Government subsidies		186,072	82,560
Service income		-	6,300
Total other sources of revenue		794,925	654,931
(a) Interest received from:			
Other corporations		248	77
3. AUDITOR'S REMUNERATION			
Remuneration of the auditor:			
Boyar Partners Pty Ltd		2,100	2,000
4. CASH ON HAND			
Cash at bank		414,224	303,601
5. ACCOUNTS RECEIVABLE AND OTHER DEBTORS			
CURRENT			
Accounts receivables		25,396	13,322
Bond on Premises		9,232	-
Cash and Square clearing accounts		666	666
Deposit paid		-	179
		35,294	14,166

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

		2021 $	2020 $
6. FINANCIAL ASSETS			
CURRENT			
Financial assets mandatorily measured at fair value through profit or loss	**(a)**	150,099	-
Financial assets at amortised cost	**(b)**	10	-
		150,109	-
(a) Financial assets mandatorily measured at fair value through profit or loss			
Term Deposits		150,099	-
(b) Financial assets at amortised cost			
Square Cash Clearing Account		10	-

7. INVENTORIES ON HAND

	2021	2020
CURRENT		
At cost:		
Finished goods	8,189	9,346

8. PROPERTY, PLANT & EQUIPMENT

	2021	2020
Fixtures & Fittings	37,170	-
Less Accumulated Depreciation	(1,183)	-
Total property, plant & equipment	35,987	-

(a) Movements in carrying amounts

For disclosure on movement in carrying amounts please refer to note 16(a) at the end of this financial report.

9. OTHER CURRENT ASSETS

	2021	2020
NON-CURRENT		
Right of Use Assets - 101/30 Perry Street, Collingwood	201,151	201,151
Accumulated Amortisation - 101/30 Perry Street, Collingwood	(50,288)	(10,058)
Right of Use Asset - 6/30 Perry Street, Collingwood	60,871	-
Accumulated Amortisation - 6/30 Perry Street, Collingwood	(10,138)	-
	201,596	191,093

These notes are unaudited and should be read in conjunction with the attached compilation report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	2021 $	2020 $
10. ACCOUNTS PAYABLE AND OTHER PAYABLES		
CURRENT		
Good and services tax	11,131	4,758
Sundry creditors	7,901	32,533
Superannuation payable	6,419	4,184
Withholding taxes payable	5,662	13,813
Accrued expenses	33,779	23,381
	64,892	78,669
11. BORROWINGS		
CURRENT		
Lease liability - Current	52,620	39,131
NON-CURRENT		
Lease liability - Non-current	154,440	163,001
Total borrowings	207,061	202,132
12. PROVISIONS		
CURRENT		
Provision for annual leave	24,971	40,525
13. OTHER LIABILITIES		
CURRENT		
Income in advance	70,000	-

	2021	2020
	$	$

14. ASSOCIATION DETAILS

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

The Social Studio Inc
101/30 Perry Street

Collingwood VIC 3066

15. CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash on hand at the end of financial year as included in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2021 $	2020 $
Cash at Bank	414,224	303,601
	414,224	303,601

16. (a) MOVEMENT IN CARRYING AMOUNTS

Movements in the carrying amounts for each class of property, plant and equipment.

	Fixtures & Fittings	Improvements at cost	Store equipment at cost	Total
	$	$	$	$
Balance at 1 July 2019	-	2,408	30,788	33,196
Additions	-	-	-	-
Disposals	-	(1,214)	(17,617)	(18,831)
Depreciation Expense	-	(1,194)	(13,171)	(14,365)
Carrying amount at 30 June 2020	-	-	-	-
Balance at 1 July 2020	-	-	-	-
Additions	37,170	-	-	37,170
Disposals	(1,183)	-	-	(1,183)
Depreciation Expense	-	-	-	-
Carrying amount at 30 June 2021	**35,987**	**-**	**-**	**35,987**

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STATEMENT BY MEMBERS OF THE COMMITTEE

In accordance with a resolution of the committee of The Social Studio Inc, the members of the committee declare that the financial statements as set out on pages 4 to 20.

1. present a true and fair view of the financial position of The Social Studio Inc as at 30 June 2021 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Standards Board and the requirements of the Associations Incorporation Reform Act 2012, and

2. at the date of this statement there are reasonable grounds to believe that The Social Studio Inc will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the committee by:

Co-Treasurer Grace McQuilten

Board Chair Farah Farouque

Dated: 20 January 2022

THE SOCIAL STUDIO INC
ABN: 98 376 502 818

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF
THE SOCIAL STUDIO INC

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Social Studio Inc (the association), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report of The Social Studio Inc is in accordance with the Associations Incorporation Reform Act 2012 in Victoria, including:

i. giving a true and fair view of the association's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

ii. that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

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 association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The committee of the association is responsible for the other information. The other information comprises the information included in the association's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee for the Financial Report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Reform Act 2012 in Victoria and for such internal control as the committee determines 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOCIAL STUDIO INC

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this 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 association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.

- Conclude on the appropriateness of the committee's 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 association'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 association 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE SOCIAL STUDIO INC.

Name of Firm: Joseph Boyar
Chartered Accountant

Name of Principal: ______________________
Joseph Boyar

Address: 3/967 Glen Huntly Rd Caulfield South Vic 3162

Dated this 20th day of January 2022

THE SOCIAL STUDIO INC
ABN: 98 376 502 818

CERTIFICATE BY MEMBER OF THE COMMITTEE

I, Farah Farougue of 101/30 Perry St, Collingwood 3000 and I,
~~Ruth Owens~~ GRACE MCQULTEN of , certify that:

a. I attended the annual general meeting of the association held on 27/1/2022.

b. The financial statements for the year ended 30 June 2021 were submitted to the members of the association at its annual general meeting.

Dated: 31/1/2022

Co-Treasurer

Grace McQuilten

Board Chair

Farah Farougue 31/1/2022