

THE SOCIAL STUDIO INC
ABN: 98 376 502 818

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

THE SOCIAL STUDIO INC
ABN: 98 376 502 818

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THE SOCIAL STUDIO INC
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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 2022.

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
Farah Farouque
Grace McQuilten
Kavitha Chandrashekeran
Vinisha Mulani
Tamara Veltre
Mariam Tokhi

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.

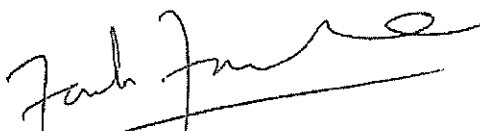
Operating Result

The profit after providing for income tax amounted to \$62,462.


Matters Subsequent to the End of Financial Year

No matters or circumstance has arisen since 30 June 2022 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:



Farah Farouque



Tamara Veltre

Dated 14/12/2022

THE SOCIAL STUDIO INC
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STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue	2	1,107,376	1,058,940
Changes in inventories		15,890	(1,157)
Employee benefits expense		(719,030)	(580,160)
Depreciation and amortisation expenses		(59,152)	(51,551)
Finance costs		(5,811)	(6,755)
Other expenses		<u>(186,682)</u>	<u>(137,735)</u>
Profit before income tax		152,591	281,582
Income tax expense		<u>-</u>	<u>-</u>
Profit for the year		<u>152,591</u>	<u>281,582</u>
Profit attributable to members of the entity		<u>152,591</u>	<u>281,582</u>

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 2022

	Note	2022 \$	2021 \$
Profit for the year		152,591	281,582
Other comprehensive Income:		_____	_____
Total other comprehensive income for the year		_____	_____
Total comprehensive income for the year		<u>152,591</u>	<u>281,582</u>
Total comprehensive income attributable to members of the entity		<u>152,591</u>	<u>281,582</u>

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THE SOCIAL STUDIO INC
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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	4	417,566	414,224
Accounts receivable and other debtors	5	114,677	35,294
Financial assets	6	150,787	150,109
Inventories on hand	7	24,079	8,189
TOTAL CURRENT ASSETS		<u>707,109</u>	<u>607,816</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	32,270	35,987
Other non-current assets	9	146,152	201,583
TOTAL NON-CURRENT ASSETS		<u>178,422</u>	<u>237,570</u>
TOTAL ASSETS		<u>885,530</u>	<u>845,386</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	70,055	64,892
Lease Liabilities	11	55,653	52,620
Provisions	12	29,711	24,971
Other	13	-	70,000
TOTAL CURRENT LIABILITIES		<u>155,419</u>	<u>212,483</u>
NON-CURRENT LIABILITIES			
Lease Liabilities	11	99,058	154,440
TOTAL NON-CURRENT LIABILITIES		<u>99,058</u>	<u>154,440</u>
TOTAL LIABILITIES		<u>254,476</u>	<u>366,924</u>
NET ASSETS		<u>631,054</u>	<u>478,463</u>
EQUITY			
Retained earnings		631,054	478,463
TOTAL EQUITY		<u>631,054</u>	<u>478,463</u>

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THE SOCIAL STUDIO INC
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained Earnings \$	Total \$
Balance at 1 July 2020	196,880	196,880
Comprehensive income		
Profit for the year	281,582	281,582
Total comprehensive income for the year attributable to members of the association	<u>281,582</u>	<u>281,582</u>
Balance at 30 June 2021	<u>478,463</u>	<u>478,463</u>
Balance at 1 July 2021	478,463	478,463
Comprehensive income		
Profit for the year	152,591	152,591
Total comprehensive income for the year attributable to members of the association	<u>152,591</u>	<u>152,591</u>
Balance at 30 June 2022	<u>631,054</u>	<u>631,054</u>

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THE SOCIAL STUDIO INC
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers and donations (inclusive of GST)		427,817	327,170
Payments to suppliers and employees (inclusive of GST)		(1,079,146)	(915,914)
Interest received		4	150
Receipts from grants		654,278	658,583
Cash receipts from other operating activities		389	190,964
Interest paid		-	(330)
Net cash provided by operating activities	15	3,342	260,623
Cash flows from investing activities			
Payments for Investments		-	(150,000)
Net cash provided by (used in) investing activities		-	(150,000)
Net increase in cash held		3,342	110,623
Cash on hand at beginning of financial year		414,224	303,601
Cash on hand at end of financial year	15	417,566	414,224

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THE SOCIAL STUDIO INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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 14th December 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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.

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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.

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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.

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NOTES TO THE FINANCIAL STATEMENTS
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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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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.

THE SOCIAL STUDIO INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

(d) Impairment of assets

At the end of each reporting period, the association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(e) 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.

(f) 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.

(g) 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.

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FOR THE YEAR ENDED 30 JUNE 2022

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.

(h) 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.

(i) Comparative Figures

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

(j) Leases

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

THE SOCIAL STUDIO INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
		\$	\$
2. REVENUE AND OTHER INCOME			
Revenue from contracts with customers	(i)	307,098	264,015
Other sources of revenue	(ii)	<u>800,278</u>	<u>794,925</u>
		1,107,376	1,058,940
 (i) The association has disaggregated revenue into the categories below			
Sales		<u>307,098</u>	<u>264,015</u>
 (ii) Other sources of revenue			
Interest received	2(a)	692	248
Grants received		686,089	561,865
Donations received		111,598	43,741
Other revenue		1,899	3,000
Government subsidies		<u>-</u>	<u>186,072</u>
Total other sources of revenue		<u>800,278</u>	<u>794,925</u>
 (a) Interest received from:			
Other corporations		<u>692</u>	<u>248</u>
3. AUDITOR'S REMUNERATION			
Remuneration of the auditor:			
Boyar Partners Pty Ltd		<u>2,100</u>	<u>2,100</u>
4. CASH ON HAND			
Cash at bank		<u>417,566</u>	<u>414,224</u>
5. ACCOUNTS RECEIVABLE AND OTHER DEBTORS			
CURRENT			
Accounts receivables		105,445	25,396
Bond on Premises		9,232	9,232
Cash and Square clearing accounts		<u>-</u>	<u>666</u>
		<u>114,677</u>	<u>35,294</u>
6. FINANCIAL ASSETS			
CURRENT			
Financial assets mandatorily measured at fair value through profit or loss	(a)	150,787	150,099
Financial assets at amortised cost	(b)	<u>-</u>	<u>10</u>
		<u>150,787</u>	<u>150,109</u>

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THE SOCIAL STUDIO INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
(a) Financial assets mandatorily measured at fair value through profit or loss		
Term Deposits	150,787	150,099
(b) Financial assets at amortised cost		
Square Cash Clearing Account	-	10
7. INVENTORIES ON HAND		
CURRENT		
At cost:		
Finished goods	24,079	8,189
8. PROPERTY, PLANT AND EQUIPMENT		
Fixtures & fittings at cost	37,170	37,170
Less accumulated depreciation	(4,900)	(1,183)
Total property, plant and equipment	32,270	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		
NON-CURRENT		
Right of Use Asset - 101/30 Perry Street, Collingwood	201,138	201,138
Accumulated Amortisation - 101/30 Perry Street, Collingwood	(90,512)	(50,288)
Right of Use Asset - 6/30 Perry Street, Collingwood	60,871	60,871
Accumulated Amortisation - 6/30 Perry Street, Collingwood	(25,345)	(10,138)
	146,152	201,583
10. ACCOUNTS PAYABLE AND OTHER PAYABLES		
CURRENT		
Good and services tax	15,254	11,131
Accounts Payables	12,411	7,901
Superannuation payable	4,965	6,419
Withholding taxes payable	4,790	5,662
Accrued expenses	32,636	33,779
	70,055	64,892
11. LEASE LIABILITIES		
CURRENT		
Lease liability - Current	55,653	52,620

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NOTES TO THE FINANCIAL STATEMENTS
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	2022 \$	2021 \$
NON-CURRENT		
Lease liability - Non-current	<u>99,058</u>	<u>154,440</u>
Total borrowings	<u>154,711</u>	<u>207,061</u>
12. PROVISIONS		
CURRENT		
Provision for annual leave	<u>29,711</u>	<u>24,971</u>
13. OTHER LIABILITIES		
CURRENT		
Income in advance	<u>-</u>	<u>70,000</u>
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:		
Cash at Bank	<u>414,224</u>	<u>414,224</u>
	<u>414,224</u>	<u>414,224</u>

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 2022

16. (a) MOVEMENT IN CARRYING AMOUNTS

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

	\$	Total \$
Additions	37,170	37,170
Depreciation expense	<u>(1,183)</u>	<u>(1,183)</u>
Carrying amount at 30 June 2021	35,987	35,987
Depreciation expense	<u>(3,717)</u>	<u>(3,717)</u>
Carrying amount at 30 June 2022	<u>32,270</u>	<u>32,270</u>

THE SOCIAL STUDIO INC
ABN: 98 376 502 818

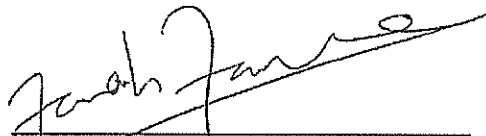
STATEMENT BY MEMBERS OF THE COMMITTEE

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 2022 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:

Chairperson


Farah Farouque

Treasurer


Tamara Veltre

Dated:

14/12/2022

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

Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report of The Social Studio Inc. (the association) which comprises the statement of financial position as at 30 June 2021 and the statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

In my opinion, the accompanying financial report of the association for the year ended 30 June 2021 is prepared, in all material respects, in accordance with the Associations Incorporation Reform Act 2012.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the association in accordance with the auditor independence requirements of 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the code.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Reform Act 2012 and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the association's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

My 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.

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

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 my 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director'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 company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am 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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company 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.

I communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the director with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

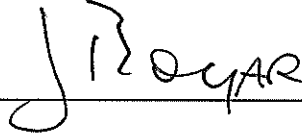
From the matters communicated with the director, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Name of Firm: Joseph Boyar
Chartered Accountant

Name of Principal: _____

Joseph Boyar

A handwritten signature in black ink that reads "J Boyar". The signature is written over a horizontal line that extends across the page.

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

Dated this 14th day of December 2022

THE SOCIAL STUDIO INC
ABN: 98 376 502 818

CERTIFICATE BY MEMBER OF THE COMMITTEE


I, Farah Farouque of
and I, Tamara Veltre
of , certify that:

- a. I attended the annual general meeting of the association held on 14th December 2022.
- b. The financial statements for the year ended 30 June 2022 were submitted to the members of the association at its annual general meeting.

Dated:


14/12/2022

Chairperson



Farah Farouque

Treasurer



Tamara Veltre