

Social

Traders

Unlocking business for good

**ANNUAL
FINANCIAL
REPORT
2024**

Social Traders Ltd
ABN 42 132 665 804
Annual Financial Report
For the year ended 30 June 2024

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Social Traders Ltd
ABN 42 132 665 804
(a company limited by guarantee)
The Company's registered office and principal place of business is:
Level 27, 150 Lonsdale Street
Melbourne, Vic. 3000
T: (03) 8319 8444
E: info@socialtraders.com.au
W: socialtraders.com.au

Financial Report

For the year ended 30 June 2024

Directors' Report

The Directors present the Financial Report on the Company for the year ended 30 June 2024.

Board of Directors

The Directors of the Company at any time during the financial year and up to the date of this report are as follows. Directors held office for the entire period unless otherwise stated.

Director	Experience	Committee* Membership
<p>Sally Powell Graduate Certificate of Public Policy Flinders University of South Australia, Graduate Diploma of Human Resource Management University of Southern Queensland, Bachelor of Arts (Psych) Flinders University of South Australia, GAICD, CAHRI</p> <p>Non-executive (Chair)</p>	<p>A Director for 5 years. Originally appointed 23/10/18 and reappointed 20/10/2022.</p> <p>CEO & Managing Director AFL SportsReady Ltd, The Ready Foundation and SportsReady Education Pty Ltd Former Strategy, Governance and Program Manager, Bunnings Group Limited Former CEO, Bedford Group Limited</p>	<p>HRN SBD</p>
<p>Susan Condron B.Ec – Monash university</p> <p>CA/CPA GAICD</p> <p>Non-executive</p>	<p>A Director for 2 years, appointed 17/2/2022</p> <p>Director, Sterling Infrastructure Pty Ltd Director, ActivateRail Pty Ltd Director, Go-Train Industry Pty Ltd Director, Rippers Pty Ltd</p>	<p>ARG</p>
<p>Janet Edwards BA Queen's University Canada - Statistics Psychology, MBA Queen's University, Canada - Finance & Economics, CA/CPA GAICD</p> <p>Non-executive</p>	<p>A Director for 3 years, appointed 26/7/2021</p> <p>Chair, RSPCA Australia Director, Warringah Financial Services Limited</p>	<p>ARG HRN (Chair)</p>
<p>Justin Meade BA Monash University - Economics and German</p> <p>Non-executive</p>	<p>A Director for 5 years. Originally appointed 6/12/18 and reappointed 16/11/23.</p> <p>Senior Director Capgemini Invent</p> <p>Former positions include Director at PwC Australia, and Global General Manager at Treasury Wine Estates</p>	<p>ARG (Chair)</p>

Director	Experience	Committee* Membership
James Flintoft MBA, Wharton, University of Pennsylvania, LLB, University of Melbourne. B.Sc, University of Melbourne. GAICD Non-executive	A director for 3 years, appointed 26/7/2021 Director, The Burnet Institute Director, Development Victoria Director, Epworth Healthcare Group Director, Foundation House for Refugees Director, Foundation for Regional and Rural Renewal Director, TAC Director, Victorian Comprehensive Cancer Centre Alliance Former CEO Regional Development Victoria	SBD (Chair)
Fran Thorn PhD (Hon), Monash University MBA, Melbourne Business School MA, University of Melbourne Grad Dip, Librarianship, RMIT BA (Hons), Monash University FIPAA Non-executive (Deputy Chair)	A Director for 5 years. Originally appointed 27/6/19 and reappointed 16/11/23. Chairperson, Victorian Gambling and Casino Control Commission Former Partner, Deloitte Australia Chair, Melbourne Chamber Orchestra	HRN SBD

*** Committees of the Board of Directors:**

ARG – Audit, Risk & Governance, HRN – Human Resources & Nominations, SBD – Strategy & Business Development

Company Secretary

Mark Hart was appointed Company Secretary February 2018.

Meetings of Directors

During the year ended 30 June 2024, five meetings of Directors were held. Attendances by each Director were as follows:

	Attended	Eligible
Susan Condron	4	5
Janet Edwards	4	5
James Flintoft	4	5
Justin Meade	5	5
Sally Powell	4	5
Fran Thorn	4	5

Overview and Principal Activities

Social Traders is Australia's social enterprise certifier, trailblazer of social enterprise procurement, and a leader in unlocking business for good across the economy. Our vision is to create a thriving social enterprise sector that significantly contributes to a more inclusive and equitable Australia.

Our work to build the social enterprise procurement marketplace is creating social impact through jobs, community services and support for the most marginalised.

The Company's principal activities include capacity building, advisory services, training, certification and advocacy. We certify and strengthen social enterprises. We enable business and government to create positive impact by deeply integrating social enterprises into their supply chains. We advocate for government and business policy that supports social enterprise procurement. We collect and share data on the social enterprise sector to inform advocacy and raise awareness.

We are working to make social enterprise and social procurement business as usual.

Our strategic priorities

Social Traders priorities include:

Social Enterprise Certification

Social Traders is Australia's certifier of social enterprises, validating that a social enterprise is genuine and collecting Australia's deepest dataset on social enterprise.

Social Enterprise Capacity Building & Connection Services

The services for Social Traders certified social enterprises to access, learn and build their capacity and participate in social enterprise procurement. Social Traders supports certified enterprises to connect to new business and government buyers that are seeking to include social enterprises in their supply chains.

Government and Business Buyer Services

Adding value to our government and business buyers seeking access to Social Traders' certified social enterprises. This includes specialist social procurement advice and training services, impact reporting and networking events.

Advocacy

A national voice helping to influence governments at all levels to develop and implement policies that support and drive social procurement.

Operating and Financial Review

Revenue for the 2024 financial year was \$4.67 million (\$4.10 million 2023) and the Company incurred an operating deficit of \$149,374 (\$182,165 deficit 2023).

Revenue from trading activities in FY24 increased to \$2.82 million compared with \$2.29 million in 2023 as the Company continues to grow the number of business and government members and the number of certified social enterprise. Trading revenue during 2024 represented 60% of total revenue.

Cash balances continue to be managed and at 30 June 2024 were \$3.79 million (\$3.97 million 2023) and net assets were \$2.50 million compared with \$2.65 million at 30 June 2023.

After Balance Date Events

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

Dividends

Social Traders is a company limited by guarantee whose constitution does not permit the payment of dividends. Accordingly, no dividends have been declared or paid.

Non-executive Directors Compensation

No fees, salaries, bonuses or other remuneration were paid to the Non-executive Directors in their capacity as Board members during the year ended 30 June 2024 and up to the date of this report.

Indemnified Officers

During the year and subsequent to the date of this report, the Company has given an indemnity or entered an Agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has insurance in place to cover each Director against liabilities and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Proceedings on behalf of the Company

No person has applied for leave of a court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Liability of Members

Social Traders Ltd is a company limited by guarantee. In the event the Company is wound up each member's liability is limited to \$25 while he or she is a member, or within one year afterwards. The total amount members of the company are liable to contribute if the company is wound up is \$150.

Auditor's Independence Declaration

The Auditor's Independence Declaration for the year has been received and can be found preceding the Independent Auditor's Report.

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



.....
Sally Powell
Chair



.....
Justin Meade
Director

12th September 2024

Corporate Governance Statement

The Board of Directors of Social Traders is committed to good governance. Directors acknowledge they have a duty to stakeholders to establish and maintain a framework that will achieve a high standard of governance appropriate to the Company's size and complexity.

The Company has implemented a Corporate Governance Charter which incorporates the Australian Charities and Not-for-profits Commission (ACNC) set of core, minimum standards that deal with how charities are run. The ACNC standards require charities to remain charitable, operate lawfully, and be run in an accountable and responsible way.

In summary, the standards and principles prescribed in Social Traders' Corporate Governance Charter are:

- Purposes and not-for-profit nature - The Company must be not-for-profit and work towards its charitable purpose.
- Accountability - The Company must take reasonable steps to be accountable to members and stakeholders.
- Compliance with Australian laws - The Company must not commit a serious offence and the Board will establish a code of ethical conduct in all areas of responsibility and authority.
- Suitability of Responsible Persons - Directors must be satisfied that Responsible Persons (board or committee members or trustees) are not disqualified from managing a corporation and will remove any Responsible Person who does not meet these requirements.
- Risk - The Company will recognise and manage risk.
- Remuneration - The Company will remunerate staff fairly and responsibly.
- Duties of Responsible Persons - The Company will take reasonable steps to ensure Responsible Persons are subject to, understand and carry out the duties set out in the Governance Charter.

FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue	2	4,674,302	4,098,485
Employee benefit expenses		(3,817,932)	(3,361,386)
Operating expenses		(830,852)	(742,674)
Depreciation	3	(162,589)	(160,296)
Finance costs	3	(12,303)	(16,294)
Surplus/(deficit) for the year		<u>(149,374)</u>	<u>(182,165)</u>
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		<u><u>(149,374)</u></u>	<u><u>(182,165)</u></u>

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the financial year ended 30 June 2024

	2024 \$	2023 \$
Retained surplus		
Balance at beginning of year	454,323	836,488
Total comprehensive income/(loss)	(149,374)	(182,165)
Transfer to Reserves	-	(200,000)
	<hr/>	<hr/>
Balance at end of year	304,949	454,323
	<hr/>	<hr/>
Reserves		
Balance at beginning of year	2,200,000	2,000,000
Transfer from Retained surplus	-	200,000
	<hr/>	<hr/>
Balance at end of year	2,200,000	2,200,000
	<hr/>	<hr/>
Total equity	<u>2,504,949</u>	<u>2,654,323</u>

The accompanying notes form part of these financial statements

Statement of Financial Position as at 30 June 2024

	Note	2024 \$	2023 \$
Current Assets			
Cash and cash equivalents	4	3,789,860	3,971,855
Debtors	5	604,808	522,738
Prepayments		35,807	36,384
Social investment loans	6	-	54,000
		<u>4,430,475</u>	<u>4,584,977</u>
Non-current Assets			
Property, plant & equipment	7	333,350	480,663
Total Assets		<u>4,763,825</u>	<u>5,065,640</u>
Current Liabilities			
Payables	8	535,686	648,235
Provisions	9	279,701	222,076
Deferred revenue	10	1,210,117	1,136,828
		<u>2,025,504</u>	<u>2,007,139</u>
Non-current Liabilities			
Payables	8	183,054	331,492
Provisions	9	39,985	31,853
Deferred revenue	10	10,333	40,833
		<u>233,372</u>	<u>404,178</u>
Total Liabilities		<u>2,258,876</u>	<u>2,411,317</u>
Net Assets		<u>2,504,949</u>	<u>2,654,323</u>
Equity			
Retained surplus		304,949	454,323
Reserves	11	2,200,000	2,200,000
Total Equity		<u>2,504,949</u>	<u>2,654,323</u>

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2024

	2024	2023
Note	\$	\$
Cash flows from operating activities		
Receipts in the course of operations	4,776,509	4,350,840
Payments to suppliers and employees	(4,973,973)	(4,259,492)
Interest received	126,875	57,333
Interest paid	3 (12,303)	(16,294)
Net cash inflow/(outflow) from operating activities	12 (82,892)	132,387
Cash flows from investing activities		
Payments for property, plant & equipment	(15,276)	(27,155)
Social investment loans repaid	54,000	66,000
Net cash inflow from investing activities	38,724	38,845
Cash flows from financing activities		
Payment of lease liabilities	(137,827)	(121,202)
Net cash (outflow) from financing activities	(137,827)	(121,202)
Net increase/(decrease) in cash held	(181,995)	50,030
Cash at beginning of year	3,971,855	3,921,825
Cash at end of year	4 <u>3,789,860</u>	<u>3,971,855</u>

The accompanying notes form part of these financial statements

Notes to the Financial Statements for the year ended 30 June 2024

1. Material Accounting Policy Information

(a) Basis of preparation

Statement of Compliance

The Financial Report is a general purpose financial report which has been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied unless stated otherwise.

Basis of measurement

The Financial Report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Costs are based on the fair values of the consideration given in exchange for assets.

Currency

The Financial Report is presented in Australian dollars, which is the functional currency of the Company.

(b) Revenue

Grant revenue is recognised in profit or loss when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount can be measured reliably. If conditions are attached to the grant which must be satisfied before the Company is eligible to receive the contribution, the recognition of the grant as income will be deferred until those conditions are satisfied.

Where services income has been invoiced or received in the current period in respect of resources and services to be provided in future periods, the unearned component is recorded as deferred as appropriate. In all other cases services income is recognised when it is probable that the economic benefits gained from the fee will flow to the Company and the amount can be measured reliably.

The Company recognises contributions of pro bono services as income and expenses.

(c) Income Tax

The Company is not liable for Income Tax. The Company is endorsed by the Australian Taxation Office as a Charitable Institution and has an Income Tax exemption under subdivision 50-B of the Income Tax Assessment Act 1997 (ITAA).

1. Material Accounting Policy Information (continued)

The Company undertakes an annual self-assessment of eligibility for Income Tax Exemption and Directors consider the Company remains eligible for endorsement.

(d) Property, plant & equipment

Property, plant & equipment are recognised and recorded at cost less depreciation and any impairment.

(e) Depreciation

Depreciation on assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Class of Asset	Useful Life
Electronic equipment	up to 3 years
Office equipment	up to 5 years
Leasehold improvements	up to 8 years
Right of use assets	Lease term

All items of property, plant and equipment are reviewed annually to ensure carrying values are not in excess of recoverable amounts. Recoverable amounts are based upon present value of expected future cash flows.

(f) Employee Benefits

Long Services Leave has been measured as the present value of expected future cash outflows to be made by the Company in respect of services provided by employees up to the reporting date. Those cash outflows are discounted using Australian Government bond rates with terms to maturity that match the expected timing of cashflows.

(g) Leases

Right-of-use asset

The right-of-use asset is measured using the cost model where cost on initial recognition comprises the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (leases with a term of less than or equal to 12 months) and leases of low-value assets. These lease expenses are recognised on a straight-line basis over the lease term.

	2024	2023
	\$	\$
2. Revenue		
Monetary		
Revenue from contracts with customers		
Revenue from providing services	2,817,416	2,295,461
Revenue from governments	45,714	741,855
Other revenue		
Grants, donations and bequests	1,630,000	960,024
Interest income	137,672	101,145
	<u>4,630,802</u>	<u>4,098,485</u>
Non-monetary		
Contributions in kind	43,500	-
	<u>4,674,302</u>	<u>4,098,485</u>
3. Expenses		
Depreciation		
Office equipment	18,808	16,795
Leasehold improvements	344	64
Right of use assets	143,437	143,437
	<u>162,589</u>	<u>160,296</u>
Interest expense on lease liabilities	12,303	16,294
Contributions in kind	43,500	-
Auditor's remuneration		
Auditing the financial statements	13,650	13,000
Other services	6,750	5,250
	<u>20,400</u>	<u>18,250</u>
4. Cash and cash equivalents		
Cash at bank and on hand	205,400	329,931
Term deposits	211,902	601,902
Managed investments - cash and fixed income	3,372,558	3,040,022
	<u>3,789,860</u>	<u>3,971,855</u>

Social Traders invests cash in excess of short-term operating requirements in Term Deposits and Managed Investments. Funds in Managed Investments are invested in a diversified portfolio of low investment risk cash and fixed income securities and are available for redemption on short notice.

	2024 \$	2023 \$
5. Debtors		
Trade & other debtors	604,808	522,738
6. Social Investment Portfolio		
Current Assets		
Loans to enterprises	-	54,000
Movement in social investment loans		
Balance at beginning of year	54,000	120,000
Loans repaid	(54,000)	(66,000)
Balance at end of year	-	54,000

The Company's Social Investment Portfolio of loans was invested in, and provided support to, social enterprises in a manner consistent with the purposes and objectives of the Company.

7. Property, plant & equipment		
Office equipment	149,471	134,195
Accumulated depreciation	(122,127)	(103,319)
	27,344	30,876
Leasehold improvements	1,135	1,135
Accumulated depreciation	(408)	(64)
	727	1,071
Right of use assets - office facilities	597,655	597,655
Accumulated depreciation	(292,376)	(148,939)
	305,279	448,716
Total property, plant & equipment	333,350	480,663
Movement in property plant & equipment		
Balance at beginning of year	480,663	613,804
Additions	15,276	27,155
Depreciation	(162,589)	(160,296)
Balance at end of year	333,350	480,663

	2024	2023
	\$	\$
8. Payables		
Current		
Trade creditors	51,467	66,179
Other creditors	242,533	350,653
Lease liabilities	150,572	139,961
Net GST payable	91,114	91,442
	<u>535,686</u>	<u>648,235</u>
Non-current		
Lease liabilities	183,054	331,492
Total Payables	<u><u>718,740</u></u>	<u><u>979,727</u></u>
9. Provisions		
Current		
Employee benefits	279,701	222,076
Non-current		
Employee benefits	34,985	26,853
Leasehold property make good	5,000	5,000
	<u>39,985</u>	<u>31,853</u>
Total Provisions	<u><u>319,686</u></u>	<u><u>253,929</u></u>
10. Deferred revenue (contract liabilities)		
Current		
Grants received in advance	8,033	28,000
Membership & other income in advance	1,202,084	1,108,828
	<u>1,210,117</u>	<u>1,136,828</u>
Non-current		
Membership & other income in advance	10,333	40,833
Total Deferred revenue	<u><u>1,220,450</u></u>	<u><u>1,177,661</u></u>
11. Reserves		
Financial stability and sustainability reserve	<u>2,200,000</u>	<u>2,200,000</u>

Directors resolved to establish a financial stability and sustainability reserve as part of Social Traders' Risk Management planning. The reserve is deemed appropriate to ensure Social Traders is in a position to continue to operate and meet its commitments if a significant or unexpected change of funding was to occur.

	2024	2023
	\$	\$
12. Reconciliation of net cash (outflow) from operating activities		
Surplus/(deficit) for the year	(149,374)	(182,165)
Non-cash items		
Depreciation	162,589	160,296
Change in assets and liabilities		
Debtors (increase)/decrease	(82,070)	(221,370)
Prepayments (increase)/decrease	577	789
Payables increase/(decrease)	(123,160)	152,793
Provisions increase/(decrease)	65,757	39,802
Deferred revenue increase/(decrease)	42,789	182,242
Net cash inflow/(outflow) from operating activities	<u>(82,892)</u>	<u>132,387</u>

13. Related Party Transactions

(a) Related Parties

The names of the Directors who held office both during the year ended 30 June 2024 and as at the date of this report are:

Susan Condron, Janet Edwards, James Flintoft, Justin Meade, Sally Powell and Fran Thorn.

(b) Key Management Personnel Compensation

Short-term employee benefits	737,844	852,224
Post-employment benefits	80,965	82,314
	<u>818,809</u>	<u>939,538</u>

No fees, salaries, bonuses or other remuneration were paid to the Non-executive Directors in their capacity as Board members during the year ended 30 June 2024 and up to the date of this report.

(c) Transactions

Revenue from providing services	<u>17,600</u>	<u>-</u>
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Transactions with related parties are undertaken on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

2024	2023
\$	\$

14. Contingent Assets

The Company has secured ongoing support from government and philanthropic organisations contingent on meeting agreed outcomes and deliverables.

Available for drawdown within 12 months	1,376,253	675,747
Available for drawdown after 12 months	900,000	676,253
	<u>2,276,253</u>	<u>1,352,000</u>

15. Commitments

Aggregate lease and operating expenditure contracted for at balance date but not provided for in the financial statements.

Payable within 12 months	1,904	1,904
Payable after 12 months, less than five years	1,831	3,735
Payable after five years	-	-
	<u>3,735</u>	<u>5,639</u>

16. Financial Risk Management

The Company's financial instruments consist mainly of term deposits with banks, securities held in managed investments, its portfolio of social investment loans, accounts receivable and payable, and employee benefit liabilities.

(a) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of financial instruments. At 30 June 2024 the Company does not believe it is exposed to any material interest rate risk.

(b) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to financial loss to the Company. At 30 June 2024 the Company does not believe it is exposed to any material credit risk.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. At 30 June 2024 the Company does not believe it is exposed to any material liquidity risk.

17. Events after balance date

There have been no events after balance date requiring amounts in the financial statements to be adjusted or additional information to be disclosed.

18. Deductible Gift Recipient

The Company is endorsed as a Deductible Gift Recipient (DGR) and has established a Public Fund, to receive Gifts and Deductible Contributions in support of the Company's purpose. All donations are recorded in the Social Traders Public Fund bank account.

The Company undertakes an annual self-assessment of eligibility for Deductible Gift Recipient and Directors consider the Company remains eligible for endorsement.

Directors' Declaration

The Directors of the Company declare that:

1. the Financial Statements and notes set out on pages 8 to 19 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - a. giving a true and fair view of the financial position of the Company as at 30 June 2024 and of its performance for the year ended on that date; and
 - b. complying with the Australian Accounting Standards, the Australian Charities and Not-for-profits Commission Regulation 2013 and other mandatory reporting requirements; and
2. at the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Directors have received a declaration confirming the foregoing from the Chief Executive Officer for the year ended 30 June 2024.

This declaration is made and signed in accordance with a resolution of the Directors.



.....
Sally Powell
Chair



.....
Justin Meade
Director

12th September 2024

Auditor's Independence Declaration under Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* to the Members of Social Traders Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- (i) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

ACCRU MELBOURNE (AUDIT) PTY LTD



A N Samadi
Director

12 September 2024

Social Traders Ltd

Independent Auditor's Report to the Members of Social Traders Ltd

Opinion

We have audited the financial report of Social Traders Ltd (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other 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, material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in accordance with the Australian Accounting Standards Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2024 and of its financial performance and its cash flows for the year then ended; and
- (ii) that the financial records kept by the company are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*.

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 Company 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 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 Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report for the year ended 30 June 2024.

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 on the other information obtained prior to the date of this auditor's report, 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 Management and Those Charged with Governance

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as Directors 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, the Directors are responsible for assessing the Company'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 Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 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 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.

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



ACCRU MELBOURNE (AUDIT) PTY LTD



A N SAMADI
Director

12 September 2024