



# STREAT Limited and its controlled entity

ABN: 96 134 906 933

## Financial report

For the year ended 30 June 2019

*Pitcher Partners*

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**STREAT LIMITED AND ITS CONTROLLED ENTITY**

**ABN: 96 134 906 933**

**DIRECTORS' REPORT**

The directors present their report together with the financial report of STREAT Limited ("the Company") and its Controlled Entity, ("the Registered Entity") for the year ended 30 June 2019 and auditor's report thereon.

**Directors names**

The names of the directors in office at any time during or since the end of the year are:

Jane Burns (Chair)

Rebecca Scott

Kate Barrelle

Brian Williams (resigned 23 February 2019)

Jacob Spencer

Colin Duthie

Div Pillay

Niamh Hussey

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

**Significant changes in state of affairs**

There were no significant changes in the registered entity's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

**Short-term and long-term objectives and strategies**

The registered entity has three impact areas of People, Planet and Performance. Its goals within these impact areas are:

**PEOPLE:**

- To help young people live independently and reach their potential.
- To nurture and grow our people and culture.
- Strongly engage others to become change-makers

**PLANET**

- Create places where people feel a deep sense of belonging
- Nurture the environment

## **STREAT LIMITED AND ITS CONTROLLED ENTITY**

**ABN: 96 134 906 933**

### **DIRECTORS' REPORT**

#### **Short-term and long-term objectives and strategies (Continued)**

##### **PERFORMANCE**

- Operate a portfolio of impactful and profitable businesses
- Deliver high quality products that customers value
- Grow our business opportunities
- Operate with strong governance, accountability and effectiveness
- Enable systems change and innovate

To achieve its short-term and long-term objectives, the registered entity has adopted the following strategies:

- Provide holistic support to ensure that the young people within the registered entity's care improve their wellbeing and have a healthy self, work and home.
- Expand both the number of youth the registered entity can support each year, along with the depth of support the organisation can provide them.
- The registered entity strives to attract and retain quality staff and volunteers who are committed to working with youth in need, and this is evidenced by strong staff retention. The registered entity believes that attracting and retaining quality staff and volunteers will assist with the success of the registered entity in both the short and long term.
- The registered entity engages a wide range of stakeholders to support the registered entity's projects and initiatives. This includes raising awareness and understanding of the issues of environmental and social justice and the registered entity's work to address it.
- Further increase the registered entity's portfolio of hospitality businesses to reach the point of financial self sufficiency.
- Provide leadership within the social enterprise sector to help catalyse greater social and environmental change.
- The registered entity is committed to continuous improvement and monitors, evaluates and transparently shares its progress and outcomes.

#### **Principal activities**

The principal activity of the registered entity during the financial year was to operate a sustainable business model that maximises its social footprint, minimises its environmental footprint, whilst being financially sustainable across all of its operations.

## STREAT LIMITED AND ITS CONTROLLED ENTITY

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### DIRECTORS' REPORT

#### Key performance indicators

Support 100 trainees per year across STREAT's suite of programs and transition the majority of those in the intensive programs onto further training or employment.

#### Performance

Over the last year STREAT intensively supported 43 young people in programs of up to 12 months in length, and provided outreach support on over 600 occasions.

- Tasters (half day workshops for young people interested in our programs) – 6 young people
- Entree – 20 young people
- Main Course – 20 young people
- STREAT's Ahead – 3 young people
- Employment at STREAT– 0 young people
- Outreach – 676 contacts with marginalised/disadvantaged young people.

In relation to the most intensive program, there was an 85% completion rate of the 20-week program.

STREAT delivers a full program suite:

#### Engagement/Outreach

Outreach activities in conjunction with Victoria Police to young people.

#### Tasters

Tasters are half-day workshops for young people interested in STREAT's Entrée or Main Course programs.

Tasters provide an interactive experience that introduces STREAT and its programs, including the Entrée and Main Course. Making coffee and creating food whilst learning about STREAT might be just what a young person needs before committing to a longer program. Tasters are run on a semi-regular basis. These fun Taster workshops are for young people and their worker.

#### Entree

'Entrée' is a flexible 8-week individually -tailored program for people wanting to access hospitality focused work experience as part of another course or program, or just give working with coffee and food a try before committing to a longer program. If the timing is such that Main Course is not immediately available, a young person may also benefit from the Entrée program.

Entrée offers over two months of weekly work experience shifts in STREAT's businesses (such as the production kitchen, a la carte kitchen, bakery, or in one of our cafés), and individual case management support.

#### Main Course

'Main Course' is a 20-week fully supported group program that runs twice a year. It includes an individualised needs assessment, on-the-job training and mentoring within STREAT's portfolio of hospitality businesses, weekly group Work Readiness workshops, creative and social engagement, individual case support, and linkages to specialist service providers alongside accredited TAFE training (Certificate II in Hospitality).

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

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**DIRECTORS' REPORT**

**Key performance indicators (Continued)**

**STREAT's Ahead**

'STREATs Ahead' is a six-month program providing post-placement support to a small number of STREAT's graduates and carefully chosen partner employers such as Fonda Mexican, Epicure (Spotless), the Riverland Group and Ed Dixon.

**After balance date events**

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

**Information on directors**

**Jane Burns (Chair)**

Chair, Director

Qualifications

Professor of Innovation and Industry at the University of Sydney in the Faculty of Health Science, PhD in Medicine, Australian Institute of Company Directors

Experience

CEO of InnoWell and Professor of Innovation and Industry at the University of Sydney in the Faculty of Health Science. Previously the founder and CEO of the Young and Well Cooperative Research Centre.

**Rebecca Scott**

Director, Company Secretary, Member of Finance & Audit Committee, Co-founder

Qualifications

Master of International and Community Development, Graduate Diploma Science Communication, Bachelor of Science

Experience

CEO of STREAT Ltd. Previously Vice President of KOTO, a street youth social enterprise in Hanoi. A decade of management positions at the CSIRO.

**Kate Barrelle**

Director, Co-founder

Qualifications

Bachelor of Commerce, Bachelor of Science (Hans Psychology), Master of Clinical Psychology, PhD (Political Science)

Experience

A decade working in community mental health and private practice as a Clinical and Forensic Psychologist, six years working with the Department of Foreign Affairs and Trade. Kate has a PhD on terrorism and radicalisation process and currently consults to agencies and programs on this subject.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

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**DIRECTORS' REPORT**

**Information on directors (Continued)**

<b>Brian Williams</b>	Director (resigned 23rd February 2019)
Qualifications	Bachelor of Laws, Masters of Laws
Experience	Senior legal management including 10 years of Chief Counsel for Rio Tinto Limited and 10 years as Chief Legal Officer for Quadrem International Holdings Ltd, an incorporated joint venture between 20 global mining companies.
<b>Jacob Spencer</b>	Director, Chair of the Finance & Audit Committee
Qualifications	Associate Diploma Business
Experience	15 years in executive roles at renowned food retail brands (McDonalds, Pret A Manger, Salsa, Boost Juice). He currently owns and runs Mobile Skips.
<b>Colin Duthie</b>	Director
Qualifications	Maths (UTAS), Graudate of Australia Institute of Company Directors
Experience	18 years experience working with social purpose organisations including World Vision Australia, Victoria Legal Aid, The PNG Sustainable Development Program. Previously the Managing Director of Ergo Consulting, a professional services firm. Various social purpose board memberships, including Chair of Donkey Wheel and Ethical Property Commercial Ltd.
<b>Niamh Hussey</b>	Director, Member of Finance & Audit Committee
Qualifications	Bachelor of Business, Qualified Chartered Accountant, Post Graduate Diploma in Accounting, Member of Chartered Accountants Australia and New Zealand (CA ANZ)
Experience	Partner at Price Waterhouse Coopers, Niamh has over 15 years experience in accounting, financial auditing and consultancy.
<b>Div Pillay</b>	Director
Qualifications	Masters in Human Resource Management, Bachelor of Arts (Organisational Psychology)
Experience	CEO and Co-Founder of MindTribes Pty Ltd. MindTribes works with both Australian and Multinational corporates to improve business results by culturally aligning staff to internal and external customers, team members and stakeholders.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

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**DIRECTORS' REPORT****Meetings of directors**

Directors	Directors' meetings		Finance & Audit committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Jane Burns (Chair)	7	6	-	-
Rebecca Scott	7	7	6	6
Kate Barrelle	7	7	-	-
Brian Williams	4	2	4	1
Jacob Spencer	7	6	6	6
Colin Duthie	7	6	-	-
Niamh Hussey	7	5	6	6
Div Pillay	7	6	-	-

**Members guarantee**

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute to a maximum of \$100 each towards meeting any outstandings and obligations of the Company. At 30 June 2019 the number of members was 6. The combined total amount that members of the Company are liable to contribute if the Company is wound up is \$600.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**  
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**DIRECTORS' REPORT**

**Auditor's independence declaration**

A copy of the auditor's independence declaration under division 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit for the financial year is provided with this report.

Signed on behalf of the Board of Directors.

Director: \_\_\_\_\_

Jacob Spencer

Director: \_\_\_\_\_

Rebecca Scott

Dated this

19

day of

DECEMBER

2019

**STREAT LIMITED AND ITS CONTROLLED ENTITY**  
**ABN: 96 134 906 933**

**AUDITOR'S INDEPENDENCE DECLARATION**  
**TO THE DIRECTORS OF STREAT LIMITED AND CONTROLLED ENTITY**

In relation to the independent audit for the year ended 30 June 2019, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants*.

This declaration is in respect of STREAT Limited and the entity it controlled during the year.



N R Bull

Partner



PITCHER PARTNERS

Melbourne

Date: 19 December 2019

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

ABN: 96 134 906 933

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Trade revenue	4	4,360,285	3,168,891
<b>Less: Cost of sales</b>			
Cost of sales		<u>(1,030,685)</u>	<u>(779,733)</u>
Gross profit		3,329,600	2,389,158
<b>Other revenue</b>			
Interest income	5	774	1,068
Donated assets	5	56,660	-
Gain on fair value adjustments	5	-	64,052
Other revenue	5	126,212	142,789
Insurance proceeds	5	5,986	-
Donations and grants	5	<u>1,753,995</u>	<u>1,502,845</u>
		<u>1,943,627</u>	<u>1,710,754</u>
		<u>5,273,227</u>	<u>4,099,912</u>
<b>Less: expenses</b>			
Depreciation and amortisation expense		(238,350)	(236,800)
Employee benefits expense		(3,929,800)	(3,182,250)
Occupancy expense		(70,665)	(71,335)
Repairs and maintenance expense		(60,568)	(25,576)
Communications and marketing expense		(51,437)	(47,363)
Utilities		(91,237)	(78,624)
Loss on revaluation of contingent consideration		(236,487)	-
Interest paid		(136,378)	(134,894)
Consultancy fees		(27,386)	(16,510)
Other expenses		<u>(389,577)</u>	<u>(337,020)</u>
		<u>(5,231,885)</u>	<u>(4,130,372)</u>
<b>Profit / (loss) before income tax expense</b>		41,342	(30,460)
<b>Other comprehensive income for the year</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>		<u>41,342</u>	<u>(30,460)</u>

The accompanying notes form part of these financial statements.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

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**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Current assets</b>			
Cash and cash equivalents	6	877,535	602,418
Receivables	7	184,329	71,246
Inventories	8	79,076	79,762
Other assets	9	<u>43,887</u>	<u>37,632</u>
<b>Total current assets</b>		<u>1,184,827</u>	<u>791,058</u>
<b>Non-current assets</b>			
Intangible assets	10	2,113,657	2,160,629
Plant and equipment	11	<u>3,689,695</u>	<u>3,660,273</u>
<b>Total non-current assets</b>		<u>5,803,352</u>	<u>5,820,902</u>
<b>Total assets</b>		<u>6,988,179</u>	<u>6,611,960</u>
<b>Current liabilities</b>			
Payables	12	426,371	387,931
Borrowings	13	109,252	75,364
Provisions	14	199,713	138,894
Other liabilities	15	<u>373,512</u>	<u>223,270</u>
<b>Total current liabilities</b>		<u>1,108,848</u>	<u>825,459</u>
<b>Non-current liabilities</b>			
Payables	12	166,667	30,181
Borrowings	13	2,527,812	2,581,267
Provisions	14	24,937	12,304
Other liabilities	15	<u>2,079,311</u>	<u>2,123,487</u>
<b>Total non-current liabilities</b>		<u>4,798,727</u>	<u>4,747,239</u>
<b>Total liabilities</b>		<u>5,907,575</u>	<u>5,572,698</u>
<b>Net assets</b>		<u>1,080,604</u>	<u>1,039,262</u>
<b>Equity</b>			
Accumulated surplus	16	<u>1,080,604</u>	<u>1,039,262</u>
<b>Total equity</b>		<u>1,080,604</u>	<u>1,039,262</u>

The accompanying notes form part of these financial statements.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Contributed equity</b>	<b>Accumulated surplus</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance as at 1 July 2017</b>	-	1,069,722	1,069,722
Loss for the year	<u>-</u>	<u>(30,460)</u>	<u>(30,460)</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>(30,460)</u>	<u>(30,460)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance as at 30 June 2018</b>	<u>-</u>	<u>1,039,262</u>	<u>1,039,262</u>
<b>Balance as at 1 July 2018</b>	-	1,039,262	1,039,262
Profit for the year	<u>-</u>	<u>41,342</u>	<u>41,342</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>41,342</u>	<u>41,342</u>
<b>Balance as at 30 June 2019</b>	<u>-</u>	<u>1,080,604</u>	<u>1,080,604</u>

The accompanying notes form part of these financial statements.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Cash flow from operating activities</b>			
Receipts from customers		4,820,671	3,618,144
Payments to suppliers and employees		(5,981,060)	(4,902,006)
Interest received		<u>774</u>	<u>1,068</u>
<b>Net cash used in operating activities</b>		<u>(1,159,615)</u>	<u>(1,282,794)</u>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	10,000
Payment for property, plant and equipment		(164,141)	(92,785)
Payment of contingent consideration		<u>(100,001)</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<u>(264,142)</u>	<u>(82,785)</u>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings (net of repayments)		(155,945)	93,903
Grants and donations received		<u>1,854,819</u>	<u>1,584,096</u>
<b>Net cash provided by financing activities</b>		<u>1,698,874</u>	<u>1,677,999</u>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		602,418	289,998
Net increase in cash held		<u>275,117</u>	<u>312,420</u>
<b>Cash at end of financial year</b>		<u><u>877,535</u></u>	<u><u>602,418</u></u>

The accompanying notes form part of these financial statements.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

**ABN: 96 134 906 933**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers STREAT Limited and its Controlled Entity. STREAT Limited and its Controlled Entity is a company limited by guarantee, incorporated and domiciled in Australia. STREAT Limited and its Controlled Entity are a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the registered entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Basis of preparation of the financial report**

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

*Significant accounting estimates and judgements*

The preparation of the financial report requires the use of certain estimates and judgements in applying the registered entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Going concern**

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The borrowings for the Cromwell development are interest-only subject to successful annual review of the Registered Entity's financial position and performance by its financiers. The interest-only term ends on 30 June 2020, with principle and interest repayments required from 1 July 2020.

The Registered Entity is dependent on the continued receipt of donations and grants to support its programs. The Registered Entity will continue to depend on funding from donors and grants until the business generates sufficient cashflows from trading operations.

STREAT's year on year business revenue has grown 88% over the past 3 years, with four new sites commencing over the last three years, a pipeline of multi year philanthropic funding, and a growth strategy of opening more risk free hospitality businesses in the future.

Management has reviewed the income from pledged donations and committed grants to ensure it has sufficient funding to meet its ongoing operational commitments and program delivery at current levels, including the repayment of borrowings for the Cromwell development.

Management have put in place plans to

- diversify its funder base;
- diversify its revenue;
- increase its funding activities;
- increase its trading operations;
- build on risk adverse growth strategies, which limit STREATs exposure to the competitive, variable hospitality market; and
- exercise controls over uncommitted expenditure.

As a result of the matters described above, the Board believe that the Registered Entity will continue to operate as a going concern.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Principles of consolidation**

The consolidated financial statements are those of the consolidated entity ("the registered entity"), comprising the financial statements of the parent entity and the entity the parent controls. The registered entity controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of the subsidiary are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. The subsidiary is consolidated from the date on which control is transferred to STREAT Limited and are de-recognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly or indirectly, to the registered entity are presented as non-controlling interests. Non-controlling interests are initially recognised either at fair value or at the non-controlling interests' proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. Non-controlling interests in the results of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income and the statement of financial position respectively.

**(d) Revenue from contracts with customers**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

All revenue is measured net of the amount of goods and services tax (GST).

**(e) Other revenue and other income**

*Interest*

Interest revenue is measured in accordance with the effective interest method.

All revenue is measured net of the amount of goods and services tax (GST).

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Intangible assets**

*Goodwill*

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses.

*Right to Occupy Cromwell Property*

The right to occupy Cromwell property is recognised initially at the fair value of the right, being the purchase consideration of the property.

The right to occupy Cromwell property is amortised in line with the lease agreement and represents the use of the right. The right to occupy will be tested for impairment whereby indicators of impairment exist.

*Intangible assets*

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, intangible assets are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset.

**(g) Contributions - Government Grants and Donations**

A non-reciprocal contribution or grant is recognised when the Registered Entity obtains control of the contribution or grant and it is probable that the economic benefits will flow to the entity, and the amount of the contribution or grant can be measured reliably.

If conditions attached to the contribution or grant that must be satisfied before the Registered Entity is eligible to receive the contribution, recognition of contribution or income is deferred until those conditions are met.

A non-reciprocal donation is recognised when the right to receive a donation has been established.

When the Registered Entity receives grants but is obliged to give directly approximately equal value to the contributor, recognition of grant income will be deferred until the delivery of service.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Property, plant and equipment**

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

*Plant and equipment*

Plant and equipment is measured on the cost basis.

*Depreciation*

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
Plant, equipment and motor vehicles	10%	Diminishing value
Office fit out	10%	Diminishing value
Improvements at cost	2.5%	Diminishing value
Computer equipment at cost	20 - 40%	Diminishing value
Hospitality equipment at cost	5 - 15%	Diminishing value

**(i) Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

*Finance leases*

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the registered entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the fair value or, if lower, the present value of the minimum lease payments, including any guaranteed residual values. The interest expense is calculated using the interest rate implicit in the lease, if this is practicable to determine; if not, the registered entity's incremental borrowing rate is used. Interest expense on finance leases is included in finance costs in the statement of profit or loss and other comprehensive income. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the registered entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period in accordance with the effective interest method.

*Operating leases*

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) Financial instruments**

*Initial recognition and measurement*

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

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

*Classification of financial liabilities*

Financial liabilities classified as held-for-trading, contingent consideration payable by the registered entity for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the registered entity are subsequently measured at amortised cost.

*Trade and other receivables*

Trade and other receivables arise from the registered entity's transactions with its customers and are normally settled within 30 days.

Consistent with both the registered entity's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

**(k) Goods and services tax (GST)**

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

**ABN: 96 134 906 933**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(l) Employee benefits**

*(i) Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

*(ii) Long-term employee benefit obligations*

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the registered entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

**(m) Income tax**

No provision for income tax has been raised for STREAT Limited as the parent entity is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

The subsidiary STREAT Enterprises Pty Ltd is a taxable entity and has a current tax liability and income tax expense of \$nil at 30 June 2019 (2018: \$nil).

Current income tax expense or revenue is the tax payable on the current periods taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

**ABN: 96 134 906 933**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(n) Provisions**

Provisions are recognised when the registered entity 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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

**(o) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

**NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

*(a) Impairment of goodwill*

Goodwill is allocated to a cash generating unit or units (CGU's) according to management's expectations regarding which assets will be expected to benefit from the synergies arising from the business combination that gave rise to the goodwill. The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a minimum period of 1 year (maximum of five years). Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using an average growth rate of 3% (2018: 3%) for cash flows in year two to five and which is based on the historical average and a terminal value growth rate of 2.5% (2018: 3.0%) a discount rate of 12% (2018: 12%) to determine value-in-use.

*(b) Impairment of non-financial assets other than goodwill (right to occupy Cromwell)*

The intangible asset to recognise the right to use the Cromwell property is measured at fair value. As STREAT Limited is currently in compliance with the conditions of the lease, management do not deem this right to occupy land as impaired at 30 June 2018.

The recoverable

*(c) Income tax*

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

ABN: 96 134 906 933

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>NOTE 3: PARENT ENTITY DETAILS</b>		
Summarised presentation of the parent entity, STREAT Limited, financial statements:		
<b>(a) Summarised statement of financial position</b>		
<b>Assets</b>		
Current assets	1,184,827	791,058
Non-current assets	<u>5,803,352</u>	<u>5,820,902</u>
Total assets	<u>6,988,179</u>	<u>6,611,960</u>
<b>Liabilities</b>		
Current liabilities	1,108,848	825,459
Non-current liabilities	<u>4,798,727</u>	<u>4,747,239</u>
Total liabilities	<u>5,907,575</u>	<u>5,572,698</u>
Net assets	<u>1,080,604</u>	<u>1,039,262</u>
<b>Equity</b>		
Accumulated surplus	<u>1,080,604</u>	<u>1,039,262</u>
Total equity	<u>1,080,604</u>	<u>1,039,262</u>
<b>(b) Summarised statement of profit or loss and other comprehensive income</b>		
Profit/(loss) for the year	41,342	(30,460)
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>41,342</u>	<u>(30,460)</u>

**(c) Parent entity guarantees**

STREAT Limited has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiary.

**(d) Parent entity contingent liabilities**

At 30 June 2019 STREAT Limited has a liability in relation to the contingent consideration on the acquisition of 50% of the shares in STREAT Enterprises Pty Ltd as outlined at Note 12.

**(e) Parent entity contractual commitments**

At 30 June 2019 STREAT Limited has the contractual commitments outlined at Note 20.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

ABN: 96 134 906 933

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>NOTE 4: REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Revenue from contracts with customers		
Sale of goods	<u>4,360,285</u>	<u>3,168,891</u>
	<u>4,360,285</u>	<u>3,168,891</u>
<b>NOTE 5: OTHER REVENUE AND OTHER INCOME</b>		
Other revenue		
Donated assets	56,660	-
Interest income	774	1,068
Donations and grants	1,753,995	1,502,845
Other revenue	<u>126,212</u>	<u>142,789</u>
	<u>1,937,641</u>	<u>1,646,702</u>
Other Income		
Gain on fair value adjustments	-	64,052
Other income	<u>5,986</u>	<u>-</u>
	<u>5,986</u>	<u>64,052</u>
<b>NOTE 6: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	3,302	2,997
Cash at bank	<u>874,233</u>	<u>599,421</u>
	<u>877,535</u>	<u>602,418</u>
<p>STREAT Limited have access to an overdraft facility, with a fixed and floating charge over all present and future assets, undertakings and unpaid/uncalled capital of the Registered Entity, made available to the Registered Entity by the Westpac Banking Corporation. The facility limit is \$90,000.</p>		
<b>NOTE 7: RECEIVABLES</b>		
CURRENT		
Receivables from contracts with customers	<u>184,329</u>	<u>71,246</u>

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

ABN: 96 134 906 933

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>NOTE 8: INVENTORIES</b>		
CURRENT		
<i>At cost</i>		
Inventory	<u>79,076</u>	<u>79,762</u>
 <b>NOTE 9: OTHER ASSETS</b>		
CURRENT		
Prepayments	24,276	18,021
Other current assets	<u>19,611</u>	<u>19,611</u>
	<u>43,887</u>	<u>37,632</u>
 <b>NOTE 10: INTANGIBLE ASSETS</b>		
Goodwill at cost	<u>40,597</u>	<u>40,597</u>
	40,597	40,597
Right to occupy Cromwell Property	2,350,000	2,350,000
Accumulated amortisation	<u>(276,940)</u>	<u>(229,968)</u>
	<u>2,073,060</u>	<u>2,120,032</u>
Total intangible assets	<u>2,113,657</u>	<u>2,160,629</u>
 <b>(a) Reconciliations</b>		
Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year		
 <i>Goodwill at cost</i>		
Opening balance	<u>40,597</u>	<u>40,597</u>
Closing balance	<u>40,597</u>	<u>40,597</u>
 <i>Right to occupy Cromwell Property</i>		
Opening balance	2,120,032	2,167,004
Amortisation expense	<u>(46,972)</u>	<u>(46,972)</u>
Closing balance	<u>2,073,060</u>	<u>2,120,032</u>

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

ABN: 96 134 906 933

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>NOTE 11: PLANT AND EQUIPMENT</b>		
<b>Plant and equipment</b>		
Leasehold improvements at cost	2,738,958	2,738,958
Accumulated depreciation	<u>(182,859)</u>	<u>(117,318)</u>
	2,556,099	2,621,640
Motor vehicles at cost	118,140	59,240
Accumulated depreciation	<u>(20,536)</u>	<u>(14,079)</u>
	97,604	45,161
Office equipment at cost	16,959	16,959
Accumulated depreciation	<u>(9,439)</u>	<u>(8,603)</u>
	7,520	8,356
Furniture, fixtures and fittings at cost	231,061	115,472
Accumulated depreciation	<u>(43,943)</u>	<u>(29,615)</u>
	187,118	85,857
Computer equipment at cost	86,025	71,083
Accumulated depreciation	<u>(50,153)</u>	<u>(33,138)</u>
	35,872	37,945
Hospitality equipment at cost	1,115,352	1,083,982
Accumulated depreciation	<u>(309,870)</u>	<u>(222,668)</u>
	<u>805,482</u>	<u>861,314</u>
Total property, plant and equipment	<u><u>3,689,695</u></u>	<u><u>3,660,273</u></u>

**(a) Reconciliations**

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

<i>Leasehold improvements</i>		
Opening carrying amount	2,621,640	2,650,960
Additions	-	37,343
Depreciation expense	<u>(65,541)</u>	<u>(66,663)</u>
Closing carrying amount	<u><u>2,556,099</u></u>	<u><u>2,621,640</u></u>

STREAT LIMITED AND ITS CONTROLLED ENTITY

ABN: 96 134 906 933

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<b>NOTE 11: PLANT AND EQUIPMENT (CONTINUED)</b>		
<b>(a) Reconciliations (Continued)</b>		
<i>Motor vehicles</i>		
Opening carrying amount	45,161	50,179
Additions	58,900	-
Depreciation expense	<u>(6,457)</u>	<u>(5,018)</u>
Closing carrying amount	<u><u>97,604</u></u>	<u><u>45,161</u></u>
<i>Office equipment</i>		
Opening carrying amount	8,356	7,312
Additions	-	1,806
Depreciation expense	<u>(836)</u>	<u>(762)</u>
Closing carrying amount	<u><u>7,520</u></u>	<u><u>8,356</u></u>
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	85,857	74,651
Additions	115,589	25,227
Disposals	-	(5,367)
Depreciation expense	<u>(14,328)</u>	<u>(8,654)</u>
Closing carrying amount	<u><u>187,118</u></u>	<u><u>85,857</u></u>
<i>Computer equipment</i>		
Opening carrying amount	37,945	38,102
Additions	14,942	14,121
Depreciation expense	<u>(17,015)</u>	<u>(14,278)</u>
Closing carrying amount	<u><u>35,872</u></u>	<u><u>37,945</u></u>
<i>Hospitality equipment</i>		
Opening carrying amount	861,314	951,978
Additions	31,370	14,288
Disposals	-	(10,499)
Depreciation expense	<u>(87,202)</u>	<u>(94,453)</u>
Closing carrying amount	<u><u>805,482</u></u>	<u><u>861,314</u></u>

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

ABN: 96 134 906 933

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>NOTE 11: PLANT AND EQUIPMENT (CONTINUED)</b>		
<b>(a) Reconciliations (Continued)</b>		
<i>Total property, plant and equipment</i>		
Carrying amount at 1 July	3,660,273	3,773,182
Additions	220,801	92,785
Disposals	-	(15,866)
Depreciation expense	<u>(191,379)</u>	<u>(189,828)</u>
Carrying amount at 30 June	<u><u>3,689,695</u></u>	<u><u>3,660,273</u></u>
 <b>NOTE 12: PAYABLES</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	101,453	82,289
Sundry creditors and accruals	<u>324,918</u>	<u>305,642</u>
	<u><u>426,371</u></u>	<u><u>387,931</u></u>
NON CURRENT		
Contingent consideration	<u><u>166,667</u></u>	<u><u>30,181</u></u>

Included in other payables is a contingent consideration liability derived from a business combination dated 12 December 2016.

As at 30 June 2018, management estimated the amount of contingent consideration to be paid of \$30,181. As such the contingent consideration of \$94,232 was revalued to fair value resulting in a gain on revaluation of \$64,052.

As at 30 June 2019, the Board has agreed to pay \$300,000 to the shareholders, as consideration for the acquisition of the STREAT Enterprises Pty Ltd shares. As such the contingent consideration of \$30,181 was revalued to \$300,000 resulting in a loss on revaluation of \$236,487.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

ABN: 96 134 906 933

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>NOTE 13: BORROWINGS</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Finance lease liability	<u>109,252</u>	<u>75,364</u>
NON CURRENT		
<i>Unsecured liabilities</i>		
Finance lease liability	<u>27,812</u>	<u>81,267</u>
<i>Secured liabilities</i>		
Bank loans	<u>2,500,000</u>	<u>2,500,000</u>
	<u>2,527,812</u>	<u>2,581,267</u>
<b>NOTE 14: PROVISIONS</b>		
CURRENT		
Employee benefits	<u>199,713</u>	<u>138,894</u>
NON CURRENT		
Employee benefits	<u>24,937</u>	<u>12,304</u>
<b>NOTE 15: OTHER LIABILITIES</b>		
CURRENT		
Deferred income	19,346	14,104
Grants received in advance	<u>354,166</u>	<u>209,166</u>
	<u>373,512</u>	<u>223,270</u>
NON CURRENT		
Deferred lease contribution	<u>2,079,311</u>	<u>2,123,487</u>
<b>NOTE 16: ACCUMULATED SURPLUS</b>		
Accumulated surplus at beginning of year	1,039,262	1,069,722
Net gain/(loss)	<u>41,342</u>	<u>(30,460)</u>
	<u>1,080,604</u>	<u>1,039,262</u>

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

**ABN: 96 134 906 933**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**2019**                      **2018**  
**\$**                              **\$**

**NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION**

Compensation received by key management personnel of the Registered Entity

- Total compensation	<u>194,469</u>	<u>204,650</u>
	<u>194,469</u>	<u>204,650</u>

**NOTE 18: RELATED PARTY TRANSACTIONS**

**(a) Transactions with related party**

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

**NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE**

There has been no other matter or circumstance, which has arisen since 30 June 2019 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2019, of the registered entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2019, of the registered entity.

**NOTE 20: CAPITAL AND LEASING COMMITMENTS**

**(a) Finance leasing commitments**

Payable

- not later than one year	111,673	82,278
- later than one year and not later than five years	<u>30,529</u>	<u>83,940</u>
Minimum lease payments	142,202	166,218
Less future finance charges	<u>(5,138)</u>	<u>(9,587)</u>
Total finance lease liability	<u>137,064</u>	<u>156,631</u>
Represented by:		
Current liability	109,252	75,364
Non-current liability	<u>27,812</u>	<u>81,267</u>
	<u>137,064</u>	<u>156,631</u>

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

**ABN: 96 134 906 933**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

<b>2019</b>	<b>2018</b>
<b>\$</b>	<b>\$</b>

**NOTE 20: CAPITAL AND LEASING COMMITMENTS (CONTINUED)**

**(b) Operating lease commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable

- not later than one year	119,836	114,130
- later than one year and not later than five years	291,383	411,214
- later than five years	<u>196</u>	<u>201</u>
	<u>411,415</u>	<u>525,545</u>

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five-year term. Increase in lease commitments may occur in line with CPI.

**NOTE 21: MEMBERS' GUARANTEE**

The Registered Entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$100 each towards meeting any outstandings and obligations of the Company. At 30 June 2019 the number of members was 6. The combined total amount that members of the Company are liable to contribute if the Company is wound up is \$600.

**NOTE 22: CONTINGENT LIABILITIES AND ASSETS**

The Directors are not aware of any material contingent liabilities and assets as at 30 June 2019 (2018: Nil).

**STREAT LIMITED AND ITS CONTROLLED ENTITY**

**ABN: 96 134 906 933**

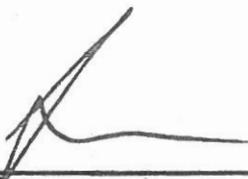
**DIRECTORS' DECLARATION**

The directors declare that:

1. there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

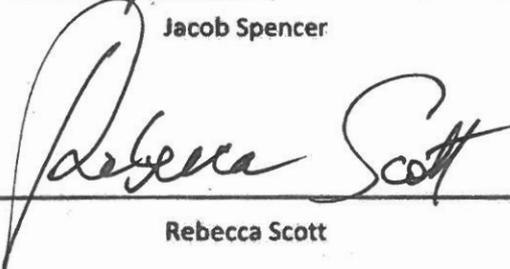
Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director:



Jacob Spencer

Director:



Rebecca Scott

Dated this

19

day of

DECEMBER

2019

**STREAT LIMITED AND ITS CONTROLLED ENTITY**  
**ABN: 96 134 906 933**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF STREAT LIMITED AND CONTROLLED ENTITY**

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of STREAT Limited and Controlled Entity, "the Registered Entity", which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, 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, and the directors' declaration.

In our opinion, the accompanying financial report of STREAT Limited and Controlled Entity, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Registered Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Registered Entity's director's report for the year ended 30 June 2019, 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.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**  
**ABN: 96 134 906 933**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF STREAT LIMITED AND CONTROLLED ENTITY**

*Other Information (Continued)*

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 Management and Those Charged with Governance for the Financial Report*

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *ACNC Act* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Registered Entity'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 management either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity'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.

**STREAT LIMITED AND ITS CONTROLLED ENTITY**  
**ABN: 96 134 906 933**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF STREAT LIMITED AND CONTROLLED ENTITY**

*Auditor's Responsibilities for the Audit of the Financial Report (Continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



N R Bull  
Partner



PITCHER PARTNERS  
Melbourne

Date: 19 December 2019