GROW

ACN 008 485 827

Financial Statements

For the Year Ended 30 June 2020

GROW

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Contents

For the Year Ended 30 June 2020

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Directors' Report
30 June 2020

The directors present their report on GROW for the financial year ended 30 June 2020.

General information

Directors

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

Names	Appointed	Resigned
Lesley van Schoubroeck (Chair)	October 2018	
John MacIsaac (Deputy Chair)	August 2011	
Peter Barker	December 2017	
Barbara Cunningham	March 2019	
Heath Fereday	October 2019	
Mark George	October 2019	
Jeremy Morse	November 2017	
Stephen Ryan	November 2016	
Ian Sloan	December 2015	
Leonie Young	February 2015	October 2019

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. GROW is proud to have GROW members participating on our board.

Principal activities

GROW was established in Sydney in 1957 by a small group of people who believed that, together, they could support each other to overcome the difficulties they experienced in their everyday lives and go on to live a life full of hope and aspiration. In 2017 GROW celebrated 60 years of continuous mutual help and peer support services in Australia for people living with mental illness.

GROW is a national organisation where our principal activity is to support people's mental health recovery through a Program of mutual help and personal development in a Group setting. Group members share their experiences of recovery and provide ongoing support and friendship and connection to community. In 2017 eGrow was established to enable Groups to meet via video conference, with a focus on people in rural and remote Australia. GROW also provides mutual help Groups in prisons, for carers and focused groups for young people (under 30).

GROW has used its experience with consumer led recovery to develop early intervention programs for use in schools - Get Growing, which is delivered in schools to students identified as at risk.

GROW's principal activities were severely impacted in March 2020 when the pandemic caused by COVID-19 forced the suspension of face-to-face gatherings and support sessions. GROW immediately moved to enable all Groups and participants to meet via eGrow. Many took up this offer although some groups went into hibernation. Additional new people also were attracted to join these online groups.

The services into prisons and schools were halted completely.

By the end of the financial year, there were 131 groups and more than 1170 people meeting by videoconference each week - down from the same period in the previous year but that was expected given the pandemic.

During April/May, a survey was undertaken of eGrow participants to gain understanding of the mental health impacts of COVID-19 on the GROW community and the effectiveness of the rapid shift from face-to-face to eGrow groups. The survey was live for two weeks and completed by 210 respondents - a good response and statistically valid. More than nine out of every 10 people participating in GROW peer to peer support groups online reported the pandemic had impacted on their mental health and wellbeing. A third of participants stated that their overall mental wellbeing had been impacted "A great deal" or "A lot", while two thirds said they had been impacted "A moderate amount" or "A little."

Principal activities (continued)

When asked about their relationships with others, 38 percent said their relationships had been impacted "A great deal" or "A lot", while more than 50 percent said relationships had been impacted "A moderate amount" or "A little."

Asked about the impact of social isolation on their mental wellbeing, more than half stated they had felt lonely, nervous, overwhelmed, uncertain and tired for no good reason. Almost a third of people stated they felt "a lot" more anxious and almost a quarter stated they felt "a lot" more depressed.

In 2019-20 we provided 21 Get Growing Programs in the Northern Territory, Western Australia and South Australia. This compares with 24 in 2018-19: the pandemic lockdown abruptly halted the ability to deliver the program in schools.

GROW reached hundreds of thousands of people in 2019 with our Odd Socks Day campaign, with participation being the highest yet recorded. GROW received more than 400 photographs of Odd Socks Day events from individuals and organisations around the country - the most we have ever had - and our social media presence grew significantly with our Facebook reaching 10,000 likes.

Mission statement and values

Our Vision

An Australia where all people are valued.

Our Mission

To enable people and communities to grow, recover and maintain good mental health.

Our Values

- *Personal responsibility* - We act ethically and always take responsibility for our actions.
- *Personal Value* - We believe every person has intrinsic value.
- *Mutual Help* - We collaborate and share knowledge, skills and expertise for the personal development and leadership of all.
- *Friendship* - We support each other and act in the best interests of Grow.

Goals and Enablers for a sustainable organisation

In 2019-20 the GROW Board continued to evolve and advance its strategy following development in 2018-19 of the Statement of Strategic Intent for 2019-2022. The overall strategic intent is to create a future for GROW's operations, where GROW is sustainable within an environment undergoing rapid change. The GROW Board subcommittee G2 (Grow II) helps advise the Board on change management priorities for investment by the Board. The Statement of Strategic Intent (SOSI) has three goals and enablers that are outlined below.

Goals

1. Continuously improve and extend the Grow Program of Recovery and Personal Growth.
2. Provide sustainable and vibrant peer group programs that attract and retain people.
3. Develop and deliver prevention and early intervention strategies and programs applying the Grow Philosophy.

Enablers

- Identify and respond to:
    - the needs and aims of people who access Grow programs
    - the current and future needs and expected outcomes of our funders
- Continuously improve the Grow 12 Step Program of Personal Growth with its principles of personal leadership, mutual help and peer support
- Continuously respond to the need for prevention and early intervention wellbeing programs, applying the Grow Philosophy
- Ensure program development incorporates evidence of what works and perspectives of consumers and staff
- Ensure our resources are deployed to maximise outcomes through:
    - business planning underpinned by financial sustainability, technology, systems and data that enhances accountability, efficient corporate operations, and program outcomes
    - supporting staff, growers and other volunteers to maximise their contributions to the success of our organisation
    - communications which activates our stakeholders as champions of GROW (growers, staff, funders, sponsors and all referral pathways).

Performance measures

Expected Outcome Measures

- Increase in diversity of participants and growth in peer groups leaders.
- Reduction in unit cost of service per participation.
- Increase in number of people that program staff support.
- Increase in number of program participants.
- An operating surplus and improvement in funding diversification.
- Employee satisfaction rate reflects change strategy.
- Increase in Odd Socks Day fundraising.
- Number of new initiatives developed and trialled over three years.

Liability

Every member of the company undertakes to contribute to the property of the company, in the event of it being wound up while he or she is a Member or within one (1) year after he or she ceases to be a Member, for payment of the debts and liabilities of the company contracted before he or she ceases to be a Member and of the costs, charges and expenses of the winding up and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding $20.00.

The total amount that members of the company are liable to contribute if the company is wound up is $240.00, based on 12 current ordinary members.

Change management

In 2020/21 GROW will undertake a business process review that will:

- support GROW to improve our ability to utilise resources with staff and participants.
- enable the further growth of the "one Grow" (national) approach to supporting services and programs for our participants.
- deliver a roadmap for digital transformation of our service and business systems.

GROW is reporting a financial surplus of $205,263 (prior year $98,758) and our reserves remain healthy. We are focused on achieving a balanced operational budget, and ensuring GROW remains a viable and sustainable organisation in a time of great change in the not for profit, mental health and disability sectors.

Significant changes in state of affairs

Over the course of the financial year, there has been a renewal strategy in operation which has included a review of our strategic intent and a new GROW National CEO. The National CEO, David Butt, works with the GROW Board to guide the performance and development of the organisation.

Future developments and results

GROW has established a number of priorities for investment to enable a more effective and efficient organisation for our staff and members. We have introduced a new financial management system that will be advanced further over the next year. We are reviewing SharePoint to improve knowledge and document management and will introduce a new risk management system. We are also consulting regularly with our National Program Team, which is made up of experienced Grow members from across Australia, to identify priorities for investment in the Grow Program.

We were again successfully accredited for the 2010 National Mental Health Standards.

Environmental issues

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

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

Impact of COVID-19 Pandemic

FY 20

GROW’s work is more important than ever during the pandemic, and as the impact of COVID-19 became increasingly apparent in Australia in early calendar year 2020, the GROW team adapted to both providing our services remotely and increasing the amount of service provided to people needing our support.   While doing this, GROW also ensured that costs were controlled as much as possible.   It is particularly pleasing that GROW was able to continue to provide quality support to the community throughout the pandemic, while maintaining an operating surplus.

GROW is fortunate in that the majority of our funding is received from various government programs and grants. Pleasingly, this source of funding has not been impacted by COVID-19 – a recognition by our government funders of the importance and success of the GROW programs. Nonetheless an important component of GROW’s income is sourced from private donations and fundraising, both of which have seen a decline this year associated with COVID-19. GROW did receive support through the Australian Federal Government JobKeeper program and the cash flow boost provided to support small and medium businesses and not-for-profit organisations during the economic downturn associated with COVID-19 and no GROW staff lost their job associated with the impact of COVID-19.

Other than JobKeeper and the cash flow boost, the only other support which GROW received associated with COVID-19 during the financial year was a one-off payment of $29,600 from the Queensland Government to support an online environment for our Queensland groups during COVID-19, including purchase of tablet devices with data plans, video conference licenses and phone costs for groups.

GROW experienced a degree of productivity loss during “COVID-transition” (to/from work from home) but our staff adapted quickly and were able to continue to support Growers around the country.

GROW has not experienced any material decline in collection of receivables or degradation of GROW’s assets associated with COVID-19. In reviewing the balance sheet and all assumption based financial projections and accruals and provisions, management have put a COVID-19 “lense” over the process.

Beyond FY20

GROW’s strategy is to plan for impacts from COVID-19, but be sufficiently nimble to enable us to react to an evolving environment. GROW plans to continue to invest to enable GROW to continue to deliver high quality peer-to-peer mental wellbeing support services while maintaining fiscal discipline. GROW has budgeted for a modest operating surplus in FY21.

While our people have shown impressive ingenuity and adapted quickly to the evolving environment created by COVID-19, continued work from home requirements and needs are bound to create stresses on the wellbeing of our staff.

Indemnification and insurance of officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company, except for insurance premiums paid in respect of insuring the company's directors and officers against liabilities.

Information on directors

Dr Lesley van Schoubroeck (Chair)	Lesley is well known in the mental health sector working for more than five years as Queensland's inaugural Mental Health Commissioner and before that, with the Mental Health Commission in Western Australia. Lesley is a Graduate of the Australian Institute of Company Directors.
John MacIsaac (Deputy Chair)	John worked as a consulting engineer for more than 30 years in the minerals industry. He has participated and volunteered in the Grow program in various roles since 2006. John is a member of the Australian Institute of Company Directors.
Peter Barker (Treasurer)	Peter is a senior finance executive with significant domestic and international experience. He is the CFO & Company Secretary of multinational engineering, scientific and international development company Cardno Ltd. Prior to this Peter was the CFO of Computershare Ltd and before this was with BHP and Cisco Systems. Peter is a member of the Australian Institute of Company Directors.
Barbara Cunningham	Barbara has strong research, mental health and aged care credentials and experience, along with experience working with not for profit organisations at the executive level.
Heath Fereday	Heath Fereday was born in England and has lived and worked in Australia since 2001. Heath has 10 years of experience in working with the Grow Program and more than 7 years of experience in Program and Consumer Leadership Roles within GROW. Heath is the Chair of the South Australian Branch Program Team (elected peer leaders), a member of the National Program Team and is an active member of the GROW Community and was nominated to the Board by his peers. He has a great love of music and photography. Heath has worked in a range of engineering and manufacturing roles and brings extensive practical problem solving to the GROW Board.
Mark George	Mark George has been a very active member of the Grow community since 2016 and enjoys the opportunities that GROW offers for, friendship, leadership and connection. Mark represents Tasmania in the Victoria Tasmania Branch Program Team of which he is also the Deputy Chair. Mark is also a member of National Program Team and was nominated to the Board by his peers. Mark has worked in the book trade as a retailer, wholesaler and distributor and successfully run his own business for 12 years. Mark is currently employed as a youth worker in therapeutic residential care with young people up to the age of 17.
Jeremy Morse	Jeremy holds a BCom and Master of Professional Accounting from UTas and is a member of CPA Australia and the Australian Institute of Company Directors. He brings his professional background as a CPA in the social services sector, strong skills in finance and data management as well as NFP Board experience.

Information on directors (continued)

Stephen Ryan	Steve is a senior executive and educator with more than forty years' experience in strategic leadership, governance, and service delivery. He has extensive governance capability from roles in education, as Vice President and President of the Qld Teachers' Union, a Trustee on the QSuper Board, and Director of QInvest.
Ian Sloan	Ian is a member of the Australian Institute of Company Directors and has considerable experience in business and technology. Ian has worked with government, private business and other not for profit businesses. Ian is the Managing Director of DSBS IT Consulting and Contracting.

Meetings of directors

During the financial year, 6 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr Lesley van Schoubroeck (Chair)	6	6
John MacIsaac (Deputy Chair)	6	6
Peter Barker (Chair, Finance Audit and Risk Management Committee)	6	6
Barbara Cunningham	6	4
Heath Fereday	5	5
Mark George	5	3
Jeremy Morse	6	6
Stephen Ryan	6	6
Ian Sloan (Chair, G2 Committee)	6	6
Leonie Young	2	1

Number eligible to attend represents the number of meetings held during the time the director held office.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* can be found immediately following.

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

Director:

Dr Lesley van Schoubroeck (Chair)
Brisbane, 04 September 2020

Director

Peter Barker

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Auditor's Independence Declaration to the Directors of GROW

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act* 2012, as lead auditor for the audit of GROW for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there has been:

- no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Mazars

Mazars Audit (QLD) Pty Limited
Authorised Audit Company: 338599

Michael Georghiou
Director

Brisbane, 4 September 2020

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
Revenue	4	**6,160,391**	6,056,024
Profit on Sale of Property		**-**	40,212
Advertising		**(34,364)**	(26,200)
Employee benefits expense		**(4,486,604)**	(4,189,130)
Growers expenses		**(114,471)**	(148,929)
Depreciation and amortisation expense		**(45,573)**	(16,487)
Computer expenses		**(84,105)**	(63,443)
Consultancy Fees		**(19,574)**	(108,111)
Insurance		**(40,574)**	(36,840)
Motor vehicle expenses		**(211,752)**	(235,472)
Printing & Stationery		**(39,613)**	(53,951)
Repairs & Maintenance		**(72,676)**	(45,874)
Respite expenses		**(45,236)**	(78,748)
Staff amenities		**(16,789)**	(26,175)
S & W Workers' Compensation		**(107,268)**	(91,370)
Telephone expenses		**(44,072)**	(65,020)
Travel expenses		**(86,095)**	(121,846)
Other operating expenses		**(506,362)**	(689,882)
Profit before income tax		**205,263**	98,758
Income tax expense		**-**	-
Profit / (loss) attributable to members of the entity		**205,263**	98,758
Other comprehensive income/(loss), net of income tax		**-**	-
Total comprehensive income for the year		**205,263**	98,758

The accompanying notes form part of these financial statements.

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Statement of Financial Position
As At 30 June 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**3,457,391**	2,859,936
Trade and other receivables	6	**3,842**	35,223
Inventories	7	**28,798**	13,835
Other financial assets	8	**5,087**	4,887
Other assets	9	**86,206**	83,728
TOTAL CURRENT ASSETS		**3,581,324**	2,997,609
NON-CURRENT ASSETS			
Property, plant and equipment	11	**82,695**	107,969
Right-of-use asset	10	**43,485**	-
TOTAL NON-CURRENT ASSETS		**126,180**	107,969
TOTAL ASSETS		**3,707,504**	3,105,578
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**539,223**	351,564
Provisions	14	**541,461**	461,907
Contract liabilities	13	**137,451**	48,577
Financial liabilities	10	**25,459**	-
TOTAL CURRENT LIABILITIES		**1,243,594**	862,048
NON-CURRENT LIABILITIES			
Provisions	14	**54,262**	58,900
Financial liabilites	10	**19,755**	-
TOTAL NON-CURRENT LIABILITIES		**74,017**	58,900
TOTAL LIABILITIES		**1,317,611**	920,948
NET ASSETS		**2,389,893**	2,184,630
EQUITY			
Retained earnings		**2,389,893**	2,184,630
TOTAL EQUITY		**2,389,893**	2,184,630

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained Earnings	Total
	$	$
Balance at 1 July 2019	**2,184,630**	**2,184,630**
Profit/(loss) attributable to members of the entity	**205,263**	**205,263**
Balance at 30 June 2020	**2,389,893**	**2,389,893**

2019

	Retained Earnings	Total
	$	$
Balance at 1 July 2018	2,085,872	2,085,872
Profit attributable to members of the parent entity	98,758	98,758
Balance at 30 June 2019	2,184,630	2,184,630

The accompanying notes form part of these financial statements.

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Statement of Cash Flows
For the Year Ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from government grants		**5,243,750**	5,207,732
Receipts from fundraising and donations		**92,268**	192,193
Receipts from good and services tax		**533,679**	533,108
Receipts from other income		**809,254**	471,567
Interest received		**46,393**	71,863
Dividends received		**105**	361
Payments to suppliers and employees		**(6,109,426)**	(6,726,097)
Net cash provided by/(used in) operating activities	15	**616,023**	(249,273)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**5,001**	655,696
Payment for property, plant and equipment		**(4,287)**	11,475
Net cash used by investing activities		**714**	667,171
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from/(payment of) Capital Funding Agreement		**-**	(466,924)
Proceeds from/(Repayment of) leases		**(19,282)**	-
Net cash used by financing activities		**(19,282)**	(466,924)
Net increase/(decrease) in cash and cash equivalents held		**597,455**	(49,026)
Cash and cash equivalents at beginning of year		**2,859,936**	2,908,962
Cash and cash equivalents at end of financial year	5	**3,457,391**	2,859,936

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduce Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts* with Customers and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The key changes to the Company's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

Grant income

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 1058 and AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer.

Having reviewed the terms and conditions of grants received by the Company, some of them are within the scope of AASB 1058 and others within AASB 15 which has resulted in deferral of revenue for these monies.

Changes in presentation

In addition to the above changes in accounting policies, the Company has also amended the presentation of certain items to align them with the requirements of AASB 15 and AASB 1058:

- Contract liabilities related to grants received in advance were previously presented within other liabilities and are now shown as a separate class of liability.

2 Change in Accounting Policy (continued)

Leases - Adoption of AASB 16

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

The Company a lessee

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Company's incremental borrowing rate of 4.48% at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

3 Summary of Significant Accounting Policies

a. Revenue and other income

For Comparative year (30 June 2019)

Non-reciprocal grant revenue is recognised in the Statement of Profit and Loss or other comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations are recognised as revenue when received. Cash funding and cash donations are recognised when the revenue is receipted as it is not practicable for Grow to maintain an effective system of internal control over non grant revenue until its initial entry in the accounting records.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

Donations received in advance

Donations received for a specified purpose but not yet expended are recognised as Donation received in advance.

Revenue from contracts with customers

For current year (30 June 2020)

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

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations are transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the

a. Revenue and other income (continued)

Revenue from contracts with customers (continued)
timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

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

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Grant Revenue

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Other income

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

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

b. Inventories

Inventories are measured at the lower of cost or net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

c. Property, plant and equipment

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

Freehold property

Freehold land and building are shown at cost, less depreciation for buildings.

The directors ensure the carrying amount for the land and buildings are not materially different to the fair value.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit and loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line method and a diminishing value over the asset's useful life to the entity commencing from the time the asset is ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	**Depreciation rate**
Land and Buildings	5%
Equipment & Machinery	15% - 40%
Furniture, Fixtures and Fittings	20%
Motor Vehicles	22.5%
Computer Equipment	20%
Computer Software	10%
Leasehold improvements	15%

c. Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows which are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

d. Financial instruments (continued)

Financial assets (continued)

- financial assets measured at amortised cost
- debt investments measured at Fair Value through Other Comprehensive Income (FVOCI)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss (ECL), the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

d. Financial instruments (continued)

Financial liabilities (continued)

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

e. Employee benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligation for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current provisions in the statement of the financial position.

Other Long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which is measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wages and salary levels, duration of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates approximating the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefit expense.

The company's long term obligations are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlements for at least 12 months after the reporting date, in which case the obligations are presented as current liabilities.

f. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

g Leases

For comparative year (30 June 2019)

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 that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

f. Leases (continued)

Operating leases

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

For current year (30 June 2020)

At inception of a contract, the Company assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

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

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

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.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

f. **Leases (continued)**

Lease liability (continued)
Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

h. **Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flow is presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

i. **Income Tax**

GROW is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. Accordingly Australian Accounting Standard AASB 112 *Income Taxes* has not been applied and no provision for income tax has been included in the accounts.

j. **Provisions**

Provisions are recognised when the 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. **Comparative amount**

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

l. **Adoption of new and revised accounting standards**

The company has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cashflow of the company.

Notes to the Financial Statements

For the Year Ended 30 June 2020

o. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and from within the Company.

The significant estimates and judgements made have been described below.

Key estimates - Accrued wages

Within the balance of Creditors and accruals is an amount of $104,026. This relates to the estimated underpayment of wages due to an incorrect application flowing from a change in the performance appraisal process back in 2017 and the application of the “Movement between Paypoints” clause of the Grow Enterprise Agreement between the Company and the staff. The Company has made an initial investigation and review of the potential error and believes it has identified all the adjustments, however, the investigation is currently being reviewed to ensure that no further instances exist. Since year end, identified amounts have been paid to present and past staff.

4 Revenue and Other Income

	2020	2019
	$	$
Sales revenue		
- Grants (Recurrent)	**5,231,564**	5,320,041
- Other Grants	**12,186**	30,853
- Fundraising	**20,915**	46,812
- Donations	**71,353**	145,381
- Interest received	**46,394**	71,863
- Federal government jobkeeper payment	**252,000**	-
- Federal government cash flow boost	**50,000**	-
- Other income	**124,788**	206,460
- Board and lodging income	**351,191**	274,828
Total Revenue	**6,160,391**	6,096,238

5 Cash and Cash Equivalents

Cash on hand	**-**	-
Bank balances	**3,457,391**	2,859,936
	3,457,391	2,859,936

6 Trade and Other Receivables

CURRENT		
Trade receivables	**1,568**	28,251
Other receivables	**2,274**	6,972
	3,842	35,223

7 Inventories

Brochures	**28,798**	13,835
	28,798	13,835

Notes to the Financial Statements

For the Year Ended 30 June 2020

8 Other Financial Assets

	2020	2019
	$	$
Listed shares in other corporations	**5,087**	4,887

9 Other Assets

	2020	2019
CURRENT		
Prepayments and accued income	**64,796**	74,978
Deposits paid	**21,410**	8,751
	86,206	83,729

10 Leases

Right-of-use assets

	Buildings	Plant and Equipment	Motor Vehicles	Total
	$	$	$	$
Year ended 30 June 2020				
Balance at beginning of year	**23,139**	**19,404**	**21,953**	**64,496**
Depreciation charge	**(10,605)**	**(6,748)**	**(3,658)**	**(21,011)**
Balance at end of year	**12,534**	**12,656**	**18,295**	**43,485**

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	$	$	$	$	$
2020					
Lease liabilities	**26,966**	**26,610**	**-**	**53,576**	**45,214**

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Property, plant and equipment

	2020 $	2019 $
Land and Buildings		
At cost	**134,805**	134,805
Accumulated depreciation	**(60,582)**	(53,841)
Total land and buildings	**74,223**	80,964
Plant and Equipment		
At cost	**39,621**	39,621
Accumulated depreciation	**(38,507)**	(37,926)
Total plant and equipment	**1,114**	1,695
Furniture, Fixtures and Fittings		
At cost	**10,758**	10,758
Accumulated depreciation	**(10,758)**	(9,323)
Total furniture, fixtures and fittings	**-**	1,435
Motor Vehicles		
At cost	**74,772**	74,772
Accumulated depreciation	**(74,772)**	(68,452)
Total motor vehicles	**-**	6,320
Computer Equipment		
At cost	**9,044**	9,044
Accumulated depreciation	**(9,044)**	(9,044)
Total computer equipment	**-**	-
Computer Software		
At cost	**36,663**	37,375
Accumulated depreciation	**(29,305)**	(19,820)
Total computer cost	**7,358**	17,555
Leasehold Improvements		
At cost	**40,566**	46,551
Accumulated amortisation	**(40,566)**	(46,551)
Total leasehold improvements	**-**	-
Total property, plant and equipment	**82,695**	107,969

11 Property, plant and equipment (continued)

a. Movements in Carrying Amounts

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

	Land and Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles
	$	$	$	$
Year ended 30 June 2020				
Opening balance	**80,964**	**1,695**	**1,435**	**6,320**
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	**(6,741)**	**(581)**	**(1,435)**	**(6,320)**
Balance at the end of the year	**74,223**	**1,114**	**-**	**-**

	Computer Equipment	Leasehold Improvements	Total
	$	$	$
Year ended 30 June 2020			
Opening balance	**17,555**	**-**	**107,969**
Additions	-	-	-
Disposals	**(712)**	**-**	**(712)**
Depreciation expense	**(9,485)**	**-**	**(24,562)**
Balance at the end of the year	**7,358**	**-**	**82,695**

12 Trade and Other Payables

	2020	2019
	$	$
Trade payables	**158,495**	86,488
GST payable / (receivable)	**(2,168)**	70,157
Creditors and accruals	**382,896**	183,781
Other payables	**-**	11,138
	539,223	351,564

13 Contract Liabilities

	2020	2019
CURRENT		
Donations received in advance	**2,008**	2,502
Government grants received in advance	**135,443**	46,075
Total	**137,451**	48,577

Notes to the Financial Statements

For the Year Ended 30 June 2020

14 Provisions

	2020	2019
	$	$
CURRENT		
Provisions for annual leave	**314,701**	263,988
Provisions for long service leave	**226,760**	197,919
	541,461	461,907
NON-CURRENT		
Provisions for long service leave	**54,262**	58,900

Provision for Employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. The balance has not been discounted as the amounts are not material.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those who have not yet completed the required period of service.

Notes to the Financial Statements

For the Year Ended 30 June 2020

15 Cash Flow Information

a. Reconciliation of cash

	2020 $	2019 $
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	**3,457,391**	2,859,936
	3,457,391	2,859,936

b. Reconciliation of result for the year to cashflows from operating activities

	2020 $	2019 $
Reconciliation of net income to net cash provided by operating activities:		
Profit for the year	**205,263**	98,758
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation-right of use asset	**21,012**	-
- depreciation	**24,560**	16,487
- loss on disposal of property, plant and equipment	**-**	(40,212)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**31,381**	(19,622)
- (increase)/decrease in other receivables (incl GST)	**(2,678)**	-
- (increase)/decrease in prepayments	**-**	3,977
- (increase)/decrease in inventories	**(14,963)**	2,065
- increase/(decrease) in income in advance	**-**	(92,687)
- increase/(decrease) in trade and other payables	**137,659**	(54,063)
- increase/(decrease) in other creditors and accruals (incl GST)	**138,874**	26,323
- increase/(decrease) in employee provisions	**74,915**	(190,299)
Cashflows from operations	**616,023**	(249,273)

16 Capital and Leasing Commitments

Operating leases

	2020 $	2019 $
Minimum lease payments under non-cancelable operating leases:		
- not later than one year	**25,459**	214,386
- between one year and five years	**19,755**	10,456
	45,214	224,842

The property and motor vehicle lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements. Increases in property lease commitments may occur in line with consumer price index (CPI).

Notes to the Financial Statements

For the Year Ended 30 June 2020

17 Financial Risk Management

	2020	2019
	$	$
Financial Assets		
Cash and cash equivalents	**3,457,391**	2,859,936
Trade and other receivables	**3,842**	35,223
Financial assets	**5,087**	4,887
Total financial assets	**3,466,320**	2,900,046
Financial liabilities		
Trade and other payables	**539,223**	351,564

18 Key Management Personnel Remuneration

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The total remuneration paid to key management personnel of the Company was $484,625 (2019: $487,804). Directors are not entitled to and did not receive benefits during the year other than:

- A $400 per annum honorarium each, paid in arrears, to contribute towards the incidentals and out of pocket expenses.
- Accommodation, meals and travel reimbursements relating to duties as directors.
- A $15,000 per annum (including superannuation) Chairperson's fee is paid by the Company.

19 Auditors' Remuneration

	2020	2019
Remuneration of the auditor of the company, Mazars Audit (QLD) Pty Limited for:		
- auditing or reviewing the financial statements	**15,630**	15,250

20 Related Parties

There were no related party transactions during the financial year. There were also no loans in existence during the year or at balance date that were made, guaranteed or secured by the Company to the Directors, their partners or relatives under their control or significant influence.

21 Contingencies

In the opinion of the directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

22 Events after the end of the Reporting Period

On 11 March 2020, the World Health Organisation ("WHO") declared a pandemic in respect of increasing cases of Coronavirus being recorded on a global basis. Since the WHO declaration, the Australian Commonwealth and State and Territory governments have been implementing various policy measures to respond to the pandemic, including quarantine measures and economic stimulus packages. Arrangements for quarantine and economic stimulus continue to evolve at the reporting date and can be expected to change during the course of the next year. At this time, GROW is unable to determine the extent of the future impact of the pandemic.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

23 Statutory Information

Company details

The registered office of the company is:

GROW
1014 Logan Road
Holland Park
Queensland 4121
Australia

GROW

ACN 008 485 827

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 31, are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* and:

   a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and

   b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of Grow.

2. In the Directors' opinion, there are reasonable grounds to believe that Grow will be able to pay its debts as and when they become due and payable.

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

Director ....
Dr Lesley van Schoubroeck (Chair)

Director ....
Peter Barker

Brisbane, 04 September 2020

GROW

Independent Audit Report to the members of GROW

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of GROW, which comprises the statement of financial position as at 30 June 2020, 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, including a summary of significant accounting policies, and the responsible entities declaration.

In our opinion, the financial report of GROW has been prepared in accordance with Division 60 the *Australian Charities and Not-for-profits Commissions Act 2012*, including:

(i) giving a true and fair view of Grow's financial position as at 30 June 2020 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards 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 Grow in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Emphasis of Matter - Events Occuring After Reporting date

We draw attention to Note 22 (Events after the end of the Reporting Period) to the financial report, which describes the uncertainty that exists regarding the current COVID-19 pandemic and the impact on the Company. Our opinion is not modified in respect of this matter.

Responsibilities of the Responsible Entities for the Financial Report

The Responsible Entities of the registered organisation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing Grow'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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Grow’s internal control.

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

- Conclude on the appropriateness of the responsible entities’ 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 Grow’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 Grow 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 responsible entities 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.

Mazars

Mazars Audit (QLD) Pty Limited
Authorised Audit Company: 338599

Michael Georghiou
Director

Brisbane, 10 September 2020