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GROW

ACN 008 485 827

Financial Statements

For the Year Ended 30 June 2013

GROW
ACN 008 485 827

Contents
30 June 2013

GROW

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Directors' Report
30 June 2013

The directors present their report on GROW for the financial year ended 30 June 2013.

The names of each person who has been a director during the year and to the date of this report are:
Barry Peach

Colleen Hosking

Steven Bailey

John Macisaac

Kathryn Harrison

Lance Skelton

Garry Halliday (appointed May 2013)

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

Principal activities

GROW was commenced in Sydney, in 1957 by people who believed that, together, they could support each other to overcome the difficulties they experienced in their everyday life, and go on to live a life full of hope and aspiration. Today GROW is a national organisation whose principal activity is to support individuals recover from mental illness and life's challenges through mutual help from people who have experienced mental illness first hand. In addition to meeting regularly at GROW Groups,GROW supports participants to develop friendships and experience the value of being part of a caring, sharing community.

Objectives and Strategy for achieving objectives

The Vision of the company is as follows:

- Empowering individuals to create the personal change that leads to social and emotional well being and re-engagement in the community.

The Strategy for achieving this vision is:

- Collaboration, alliances and partnering
- Develop and sustain GROW Groups
- Develop and reinforce Brand and Image
- Diversify Funding
- Align Internal Processes

Objectives and Strategy for achieving objectives continued

The principal activities of GROW are under pinned by strong philosophical values:

- Friendship based on companionship, leadership and community
- Learning and living the GROW program as the way to mental health
- Self-activation through mutual support

Performance measures

GROW measures its performance through a range of mechanisms presented at regular Board meetings for scrutiny. GROW has developed a three year Strategic Plan and the performance measures reflect expected outcomes and performs an annual strategic review. Our performances indicators include a range of measures regarding the delivery of the GROW Program, financial performance, staff satisfaction and risk and workplace health and safety measures and reports. GROW is a grass roots organisation, and the voice of GROW participants (Growers) grounds us and ensures that our performance reflects our Vision. Therefore, participation of Growers is an essential feature to our governance and how we establish our direction and reflect on our performance.

Operating results

The operating loss for the financial year amounted to $ (443,199) (2011: Profit of $74,733)

Information on directors

Barry Peach	Director
Qualifications	MBA (Deakin University), MAICD and FIEAust
Experience	Barry is a member for Victoria and was first appointed to the Board in 2006. Barry brings to the Board a wealth of experience in business, especially in strategic governance, health and human services. Barry is a Fellow of the Institute of Engineers, Member of the Australian Institute of Company Directors and has a MBA from Deakin University. Barry is also the Chairman of Maryvale Private Hospital and a Director and Member of the Audit Committee of Latrobe Health Services. Barry also has 25 years experience as a company director across different organisations and is also an independent member of the Mornington Peninsula Shire Council Audit Committee for 9 years.
Special Responsibilities	Chair of Board
Colleen Hosking	Director
Qualifications	Bachelor of Economics (University of Adelaide), Chartered Accountant (ICAA), Registered Company Auditor
Experience	Colleen is a partner of Ernst and Young and generously volunteers her time to support both the NSW and Queensland branches. Colleen has been a board member since 2008.
Special Responsibilities	Member Finance and Audit Sub committee

Information on directors continued

Steven Bailey	Director
Qualifications	Bachelor of Psychology
Experience	Steven is a registered Psychologist who has been working with people with a dual diagnosis for more than twenty five years. Steven currently works as a manager of Allied Health Services at Macquarie University and provides services to more than eight hundred students on campus to enable them to have equal opportunity in their studies. Steven has been involved with Grow community at West Hoxton for five years. Steven has been a Board Member since 2010.
Special Responsibilities	Nil
John Macisaac	Director
Qualifications	MBA BE (Mining)
Experience	John is a Principal Mining Engineer with Golder Associates. He has participated with Grow since 2006 and is a member of the Grow WA Management Team. John's qualifications are MBA, Bachelor of Engineering (mining), is a member of the Australian Institute of Mining and Metallurgy and Practitioner member accredited with the LEADR Association of Dispute Resolvers. John's experience includes operations, project management, economic evaluation and design for the Australian and International minerals industry. John's volunteer work includes member of the meditation panel for the Gosnells Community Legal Centre, coach for the schools Conflict Resolution and Mediation competition and a guide at the Perth Observatory.
Special Responsibilities	Member Finance and Audit Sub Committee
Kathryn Harrison	Director
Qualifications	Bachelor of Commerce (Accounting), Dip FMBM
Experience	Kathryn has over 25 years experience working in the Community Services Sector, mainly in financial administration and management. Kathryn has worked with over 60 community organisations and when working for Anglicare in Toowoomba managed a range of mental health programs. Kathryn has been involved with a number of Committee's over time including Chairperson for the Youth Housing Project from 1990-1992; Treasurer for Young Women's Place 1995-1998 and Treasurer for the Queensland Council for Social Services Inc (QCOSS) from 2003-2004 and again from 2007-2009.
Special Responsibilities	Treasurer of Board & Chair of Finance and Audit Sub Committee
Lance Skelton	Director
Qualifications	Bachelor of Arts (Creative Writing)
Experience	Lance has been in advertising for over 20 years, having worked at a senior level in creative departments of agencies in Perth, Singapore, Scotland and Malaysia. Several years ago, a chance listing to a late night radio advertisement led Lance to become a 'Grower' in Perth, and met some wonderful people who helped him to work through some of life's challenges at the time.
Special Responsibilities	Nil

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Directors' Report
30 June 2013

Information on directors continued

Garry Halliday	Director
Qualifications	Bachelor Social Work, Grad Diploma of Systemic Family Counselling, Diploma of Youth Work, MAASW
Experience	Garry has over 26 years of experience working in the Community Services Sector. He started as a youth worker with YMCA Mt. Gambier in 1972 and moved onto obtaining a position as a Development officer at YMCA New South Wales for 5 years. He has also held the role of Chief Executive Officer at YMCA Darwin and Carers in Northern Territory.
Special Responsibilities	Nil

Meetings of directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Barry Peach	4	3
Colleen Hosking	4	4
Steven Bailey	4	3
John Macisaac	4	4
Kathryn Harrison	4	3
Lance Skelton	4	3
Garry Halliday	1	-

Number eligible to attend represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Contribution on winding up

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 member of the company are liable to contribute if the company is wound up is $100.00, based on five current ordinary members.

Dividends paid or recommended

The Company's constitution prohibits the distribution of any surplus to Members. All income must be applied solely towards the promotion of the objects of the Company, hence no dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

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Directors' Report
30 June 2013

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2013 has been received and can be found on page 6 of the financial report.

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

Director: ....
Barry Peach

Director: ....
Kathryn Harrison

Dated 8/10/2013

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of GROW

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hanrick Curran Audit

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599

Michael Georghiou
Director

Brisbane

Dated: 8 October 2013

Hanrick Curran Audit Pty Ltd
Registered Audit Company: 338599
ALLIOTT GROUP
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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2013

	Note	2013 $	2012 $
Revenue	2	**5,630,712**	5,340,158
Employee benefits expense		**(3,534,562)**	(3,136,651)
Depreciation and amortisation expense		**(197,133)**	(230,373)
Caveat expense		**(414,484)**	-
Advertising		**(48,372)**	(53,507)
Other expenses		**(1,879,360)**	(1,844,894)
Profit / (Loss) before income tax		**(443,199)**	74,733
Income tax expense		**-**	-
Profit / (Loss) attributable to members of the entity		**(443,199)**	74,733
Other comprehensive income/(loss), net of income tax		**-**	-
Total comprehensive income/(loss) for the year		**(443,199)**	74,733

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2013

	Note	2013 $	2012 $	1 July 2011 $
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	3	**3,384,460**	3,203,473	3,037,613
Trade and other receivables	4	**27,194**	196,853	94,236
Inventories	5	**44,810**	25,136	109,924
Other financial assets	6	**1,170**	-	-
Other assets	7	**92,258**	39,837	40,747
TOTAL CURRENT ASSETS		**3,549,892**	3,465,299	3,282,520
NON-CURRENT ASSETS				
Property, plant and equipment	8	**1,301,169**	1,447,738	1,065,162
TOTAL NON-CURRENT ASSETS		**1,301,169**	1,447,738	1,065,162
TOTAL ASSETS		**4,851,061**	4,913,037	4,347,682
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	9	**571,807**	668,928	298,812
Provisions	10	**585,957**	213,266	451,421
Other financial liabilities	11	**190,950**	91,590	273,809
TOTAL CURRENT LIABILITIES		**1,348,714**	973,784	1,024,042
NON-CURRENT LIABILITIES				
Provisions	10	**81,893**	75,600	165,418
TOTAL NON-CURRENT LIABILITIES		**81,893**	75,600	165,418
TOTAL LIABILITIES		**1,430,607**	1,049,384	1,189,460
NET ASSETS		**3,420,454**	3,863,653	3,158,222
EQUITY				
Reserves		**-**	-	240,042
Retained earnings		**3,420,454**	3,863,653	2,918,180
TOTAL EQUITY		**3,420,454**	3,863,653	3,158,222

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity
For the Year Ended 30 June 2013

2013

	Note	Accumulated Funds $	Asset Revaluation Reserve $	Total $
Balance at 1 July 2012		**3,863,653**	**-**	**3,863,653**
Surplus / (Deficit) for the year		**(443,199)**	**-**	**(443,199)**
Balance at 30 June 2013		**3,420,454**	**-**	**3,420,454**

2012

	Note	Accumulated Funds $	Asset Revaluation Reserve $	Total $
Balance at 1 July 2011		2,918,180	240,042	3,158,222
Transfers (to) and from reserves		102,634	-	102,634
Adjustment on correction of error to Retained Earnings	16	768,106	-	768,106
Adjustment on correction of error to Reserves	16	-	(235,242)	(235,242)
Surplus/(Deficit) for the year		74,733	-	74,733
Other comprehensive income for the year		-	(4,800)	(4,800)
Balance at 30 June 2012		3,863,653	-	3,863,653

The accompanying notes form part of these financial statements.

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Statement of Cash Flows
For the Year Ended 30 June 2013

	Note	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**6,130,664**	5,056,919
Payments to suppliers and employees		**(6,027,310)**	(4,452,513)
Interest received		**128,384**	180,622
Interest paid		**(187)**	(1,419)
Net cash provided by (used in) operating activities	18	**231,551**	783,609
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**145,066**	(482,944)
Payment for property, plant and equipment		**(195,630)**	(134,805)
Net cash used by investing activities		**(50,564)**	(617,749)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in cash and cash equivalents held		**180,987**	165,860
Cash and cash equivalents at beginning of year		**3,203,473**	3,037,613
Cash and cash equivalents at end of financial year	3	**3,384,460**	3,203,473

The accompanying notes form part of these financial statements.

1 Summary of Significant Accounting Policies

Basis of Preparation

The financial report covers GROW as an individual entity. GROW is a not-for-profit Company limited by guarantee under the *Corportions Act 2001* and incorporated and domiciled in Australia.

GROW Limited has elected to early adopt the Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. Accordingly, the entity has also early adopted AASB 2011-2: Amendments to Australian Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements and AASB 2012-7: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements in respect of AASB 2010-6: Amendments of Australian Accounting Standards - Disclosures on transfers of Financial Assets and AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income.

The financial statements of GROW are tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

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 otherwise stated.

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.

The financial statements were authorised for issue on 8 October 2013 by the directors of the company.

(a) Revenue

Non-reciprocal grant revenue is recognised in profit and loss 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 if financial position a liability until the services has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

GROW Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

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.

1 Summary of Significant Accounting Policies continued

(a) Revenue continued

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 good and services tax.

(b) Inventories

Inventories are measured at the lower of cost and 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 as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Freehold property

Freehold land and building are shown at their fair value based on periodic, but at least triennial, valuation by external independent values, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and building is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases the offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and building that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

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

1 Summary of Significant Accounting Policies continued

(c) Property, Plant and Equipment continued

Plant and equipment continued
the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight line bases 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 assets are:

Class of Fixed Asset	Depreciation Rate
Land and Buildings	5%
Computer Equipment	20%
Equipment and Machinery	15% - 40%
Motor Vehicles	22.5%
Leasehold improvement	15%

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**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company 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 plus transactions costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

1 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

(a) the amount at which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

(d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

1 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is unrecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financials assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financials guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management established that the carrying amount cannot be recovered by any means, at financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of the financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

1 Summary of Significant Accounting Policies continued

(e) Impairment of Assets

At the end of each reporting period the entity assesses whether there is any indication that an asset may be impaired. If such indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset , being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the other Standard.

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

(f) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting year. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the probability of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national governments bonds with terms to maturity that match the expected timing of cash flows.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(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 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 Limited is exempt from income tax pursuant to the income Tax Assessment Act. Accordingly Australian Accounting Standard AASB 112 Income Taxes has not been applied and on provision for income tax has been included in the Accounts.

1 Summary of Significant Accounting Policies continued

(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 Amounts

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

Where the company has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(l) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Critical accounting estimates and judgments

The directors evaluate estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained externally and within the company.

Key estimates - impairment

The Company assesses impairment at the end of each reporting year by evaluating conditions specific to the Company that may be indicative of impairment triggers.

(n) Corporate Structure

GROW Limited is incorporated in Australia and is a company limited by guarantee. In the event of the company being wound up each member, and each member who ceased to be a member in the previous year, guarantees to contribute an amount not exceeding twenty dollars ($20) to the assets of the company.

(o) Change in accounting policy

The Company changed its accounting policy so that all assets which are valued less than $5,000 have been removed from the asset register and now been recorded in the minor asset register as at 30 June 2013. Going forward all minor assets which are valued less than $5,000 are to be expensed and not capitalised. The change in accounting policy did not have any effect on the prior year financial statements as presented.

(p) Adoption of new and revised accounting standards

During the current year, the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

1 Summary of Significant Accounting Policies continued

(p) Adoption of new and revised accounting standards continued

The adaptation of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of GROW Limited.

1 Summary of Significant Accounting Policies continued

(p) Adoption of new and revised accounting standards continued

Standard Name	**Impact**
AASB 1053 Application of Tiers of Australian Accounting Standards and amending standards	The adoption of these standards resulting in the removal of a number of disclosures in the general purpose financial statements in accordance with the Reduced Disclosure Requirements. There was no impact on the reported financial position and performance.
AASB 124 Related Party Disclosures and amending standard AASB 2009-12	No significant changes on adoption of this standard.

2 Revenue and Other Income

	2013	2012
	$	$
Grants (Recurrent)	**4,348,516**	3,932,423
Other grants	**204,298**	445,833
Fundraising	**115,700**	137,906
Donations	**86,653**	280,057
Interest revenue	**128,384**	180,622
Other income	**536,385**	154,521
Board and Lodging income	**210,776**	208,796
	5,630,712	5,340,158

3 Cash and cash equivalents

	2013	2012
Cash on hand	**120**	-
Term deposit and on-line cash management accounts	**3,332,759**	2,469,326
General bank accounts	**51,581**	734,147
	3,384,460	3,203,473

4 Trade and other receivables

	2013	2012
CURRENT		
Trade receivables	**27,194**	186,573
Other receivables	**-**	10,280
	27,194	196,853

5 Inventories

	2013	2012
Literature, cards, gifts and brochures	**44,810**	25,136

6 Other financial assets

	2013	2012
	$	$
Listed shares in other corporations	**1,170**	-

7 Other assets

CURRENT		
Prepayments	**74,777**	22,639
Deposit paid	**17,481**	17,198
	92,258	39,837

8 Property, plant and equipment

Land and Building		
At cost	**774,805**	774,805
Accumulated depreciation	**(13,400)**	(6,700)
Total land and buildings	**761,405**	768,105
Plant and Equipment		
At cost	**53,223**	337,509
Accumulated depreciation	**(39,934)**	(288,129)
Total plant and equipment	**13,289**	49,380
Furniture, fixture and fittings		
At cost	**-**	125,421
Accumulated depreciation	**-**	(110,049)
Total furniture, fixture and fittings	**-**	15,372
Motor vehicles		
At cost	**926,721**	946,153
Accumulated depreciation	**(410,846)**	(405,239)
Total motor vehicles	**515,875**	540,914
Computer equipment		
At cost	**9,044**	159,048
Accumulated depreciation	**(5,501)**	(126,340)
Total computer equipment	**3,543**	32,708
Leasehold Improvements		
At cost	**40,566**	60,048
Accumulated depreciation	**(33,509)**	(18,789)
Total improvements	**7,057**	41,259
Total property, plant and equipment	**1,301,169**	1,447,738

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Notes to the Financial Statements
For the Year Ended 30 June 2013

8 Property, plant and equipment continued

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 Building	Plant and Equipment	Motor Vehicles	Computer Equipment
	$	$	$	$
Year ended 30 June 2013				
Balance at the beginning of year	768,105	49,380	540,914	32,708
Additions	-	4,832	171,437	15,952
Assets written off <$5,000	-	(28,247)	-	(34,059)
Disposals	-	-	(58,247)	-
Depreciation	(6,700)	(12,677)	(138,229)	(11,057)
Balance at the end of the year	761,405	13,288	515,875	3,544

	Leasehold Improvements	Furniture and Fittings	Total
	$	$	$
Year ended 30 June 2013			
Balance at the beginning of year	41,259	15,372	1,447,738
Additions	3,410	-	195,631
Assets written off <$5,000	(11,766)	(12,748)	(86,820)
Disposals	-	-	(58,247)
Depreciation	(25,846)	(2,624)	(197,133)
Balance at the end of the year	7,057	-	1,301,169

9 **Trade and other payables**

GST payable	80,103	45,513
Creditors and accruals	155,437	268,790
Other payables	89,856	102,315
Provision for Annual leave	246,411	252,310
	571,807	668,928

10 Provisions

	2013	2012
	$	$
CURRENT		
Provision for parental leave	-	50,371
Provision for long service leave	**171,473**	162,895
Provision for Carindale property loan	**414,484**	-
	585,957	213,266
NON-CURRENT		
Provision for long service leave	**81,893**	75,600

In November 1993 GROW had received financial assistance from the Queensland Housing Commission so that a property could be purchased by GROW in Carindale. The agreement with the Commission specified that if GROW sold the property for a purpose other than the purpose for which the funding was provided, GROW has to notify the Commission and repay the whole amount of the funding and adjust it to reflect the value in real terms calculated on the basis of the Consumer Price Index (CPI). As per the CPI calculation performed for GROW, the present value of the funding as at 30 June 2013 is $414,484.

11 Other Financial Liabilities

	2013	2012
CURRENT		
Government received in advance	**190,950**	91,590

12 Capital and Leasing Commitments

Operating Leases

	2013	2012
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**261,314**	229,820
- between one year and five years	**1,407,894**	1,373,555
	1,669,208	1,603,375

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

13 Financial Risk Management

The main risks GROW is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from subsidiaries, bills, leases, preference shares, and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2013 $	2012 $
Financial Assets		
Cash and cash equivalents	**3,384,460**	3,203,473
Trade and other receivables	**27,194**	196,853
Listed shares in other corporations	**1,170**	-
Total financial assets	**3,412,824**	3,400,326
Financial Liabilities		
Trade and other payables	**571,807**	668,928
Total financial liabilities	**571,807**	668,928

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

14 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of GROW during the year are as follows:

Directors are not entitled to and did not receive benefits during the year other than:

14 Key Management Personnel Disclosures continued

- 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.

15 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.

16 Correction of prior year errors

(a) Two expanda vans were not included in the prior year financial report. These have now been capitalised for $134,805 with an adjustment made for the accumulated depreciation component for $6,700. These expanda vans were purchased in July 2011 and should have been incorporated into the financial statements for the year ended 30 June 2012.

(b) The Asset Revaluation Reserve ("ARR") balance of $235,243 in relation to the Carindale property owned by GROW for the year ended 30 June 2012 has been reversed. A revaluation of the property was performed on 16 August 2011 and the approximate valued amount was $640,000 which was taken up as cost base of land and buildings as at 30 June 2012.

(c) We have also reversed the accumulated depreciation for $404,758 as recorded for the above mentioned Carindale property as at 30 June 2012.

The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

	2012 Actual	2012 Adjustments	2012 Restated Balance
	$	$	$
Balance Sheet			
Property, plant and equipment 16 (a) and (c)	**914,875**	**532,863**	**1,447,738**
Reserves 16(b)	**(235,243)**	**235,243**	**-**
Retained earnings	**3,095,547**	**768,106**	**3,863,653**

17 Events Occurring After the Reporting Date

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

18 Cash Flow Information

(a) Reconciliation of cash

	2013 $	2012 $
Cash at the end of the financial year as shown is reconciled to items as follows:		
Cash and cash equivalents	**3,384,460**	3,203,473

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

Reconciliation of net income to net cash provided by operating activities:

	2013 $	2012 $
Profit for the year	**(443,199)**	74,732
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Depreciation	**197,133**	230,373
Donation of shares	**(1,170)**	-
Write back of provisions to retained earnings	**-**	102,635
Prior period adjustments affecting fixed assets	**-**	532,863
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and other receivables	**169,659**	(102,617)
(Increase)/decrease in prepayments	**(52,421)**	910
(Increase)/decrease in inventories	**(19,674)**	84,788
(Increase/(decrease) in trade and other payables	**(84,662)**	301,721
(Increase/(decrease) in other creditors and accruals	**86,902**	(113,824)
(Increase/(decrease) in employee provisions	**(35,500)**	(327,972)
(Increase/(decrease) in other provisions	**414,483**	-
Cashflow from operations	**231,551**	783,609

19 Company Details

The registered office of the company is:
GROW
1018 Logan Road
Holland Park
Queensland 4121

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 7 to 25, are in accordance with the *Corporations Act 2001* and:

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

    b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the Company.

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

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

Director ....
Barry Peach

Director ....
Kathryn Harrison

Dated 8/10/2013

GROW

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Independent Audit Report to the members of GROW

Report on the Financial Report

We have audited the accompanying financial report of Grow, which comprises the statement of financial position as at 30 June 2013, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards.*

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of GROW, would be in the same terms if given to the directors as at the time of this auditor's report.

Hanrick Curran Audit Pty Ltd
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GROW

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Independent Audit Report to the members of GROW

Basis for Qualified Opinion

This is the first period we have audited the company's financial report. Previously the financial report was audited by another auditor. We have not been able to gain sufficient, appropriate audit evidence to enable us to rely on the 2012 financial report and therefore are not able to express a positive opinion on the 2012 comparative figures contained in this financial report or the impact these comparative figures have on the opening balances and reported results for the 2013 financial year.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph:

(a) the financial report of GROW is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Hanrick Curran Audit

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599

Michael Georghiou
Director

Brisbane

Dated: 8 October 2013