Grow

ACN 008 485 827

Financial Statements

For the Year Ended 30 June 2014

Grow

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Contents

30 June 2014

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Directors' Report
30 June 2014

The directors present their report on Grow for the financial year ended 30 June 2014.

Directors

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

Names	**Appointed/Resigned**
Barry Peach (Chair)	
Colleen Hosking	
Steve Bailey	
John MacIsaac	
Kathryn Harrison	
Lance Skelton	
Garry Halliday	
Neil Taylor	(appointed 1 November 2013)
Brian Graetz	(appointed 10 August 2013)
Doug Gowers	(appointed 23 February 2014)

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 established 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' recovery from mental illness through a program of mutual help with people who have experienced mental illness first hand. In addition to weekly attendance at locally based Grow Groups, Grow supports participants to develop friendships, personal networks and experience the value of being part of a community.

Objectives and Strategy for achieving short and long term objectives

<u>Grow's Vision</u>

Grow is recognised for its unique approach to developing leaders in mental health recovery, through mutual help, friendships and community.

<u>Grow's Mission</u>

To enable people with a mental health condition or illness to take their responsible and caring place in the wider community.

<u>Grow's Values</u>

Grow's values underpin how we work with each other, our Grow members, our partners and the broader community.

- Personal responsibility - we have a duty to do what is right and ethical and to take responsibility for our actions.

- Personal Value - every person is valuable and has their unique place in the community.

Objectives and Strategy for achieving short and long term objectives continued

- Mutual Help - by working together, learning together and sharing experiences we help one another grow to our full potential.

- Friendship - through companionship and leadership we develop trust and hope, we break down barriers and we gain the courage to change and grow.

Strategic Goals 2014-2018

- We will double the number of people involved in Grow by the end of 2018.

- We will be recognised as a successful and proven mental health program by 1 in 3 Australian adults by the end of 2018

Performance measures

Grow measures its performance through a range of mechanisms presented at regular Board meetings for scrutiny. Grow has developed a five year Strategic Plan and the performance measures reflect expected outcomes, and strategic plan reviewed annually. Our performance 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 members (Growers) grounds us and ensures that our performance reflects our Vision and Values. Participation of Grow members is an essential feature to our governance and how we establish our direction and reflect on our performance.

Review of Operations

The operating loss for the financial year amounted to $ (152,447) (2013: Loss of $443,199). The losses are attributed to board approved strategic investment in a national anti-stigma campaign.

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.

Future developments and results

Grow is investing in a project to ensure our readiness for the introduction of the National Disability Insurance Scheme.

We also plan to undertake ISO accreditation in 2014-2015.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

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.

Matters subsequent to the End of Financial year

No matters or circumstances have arisen since the end of the financial year that has 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.

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 (other than liabilities arising out of conduct involving a lack of good faith).

Information on directors

Barry Peach	Director The Board is chaired by Barry Peach who has worked as a company director for over 25 years and has a wealth of experience in business, especially in strategic governance, health and human services.
Colleen Hosking	Director Colleen Hosking is a recently retired partner at Ernst and Young and is a Fellow of the Institute of Chartered Accountants (FCA) and a Registered Company Auditor. Colleen is also a member of the Finance and Audit Subcommittee and has recently joined Allworths Assurance & Advisory Pty Ltd as a Director.
Steve Bailey	Director Steve Bailey, a registered psychologist, currently working at Macquarie University and who has been working with people with dual disability and dual diagnosis for more than 25 years.
John MacIsaac	Director John MacIsaac is a consulting engineer in the mining sector who has participated in the Grow Program since 2006.
Kathryn Harrison	Director Kathryn Harrison has over 25 years' experience in the community services sector working with more than 60 community organisations and managing a range of mental health programs.
Lance Skelton	Director Lance Skelton is a marketing and advertising consultant who has also participated in the Grow Program.

Information on directors continued

Garry Halliday	Director Garry Halliday has a Bachelor of Social Work and a Graduate Diploma in Family Counselling and has recently retired as the Chief Executive Officer of the Northern Territory Carers.
Neil Taylor	Director Neil Taylor is currently the Vice President of Administrative Services (Asia Pacific Japan) for CA Technologies. Neil has over 40 years' experience working for multinational companies in the IT, manufacturing, waste management and aviation industries.
Brian Graetz	Director Dr Brian Graetz is General Manager Research, Child, Youth and Families at Beyondblue and oversees their research program and a range of national programs from early childhood through to early adulthood.
Doug Gowers	Director Doug Gowers has been involved with Grow over a period of over 25 years both as a Program participant and fieldworker. Doug is also a member ol Grow's National Program Team.

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 (Chair)	4	4
Colleen Hosking	4	3
Steve Bailey	4	4
John MacIsaac	4	3
Kathryn Harrison	4	3
Lance Skelton	4	3
Garry Halliday	3	3
Neil Taylor	1	1
Brian Graetz	2	2
Doug Gowers	1	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 members of the company are liable to contribute if the company is wound up is $100.00, based on five current ordinary members.

Auditor

Hanrick Curran Audit Pty Ltd continues in office in accordance with the *Australian Charities and Not-for-profits Commission Act 2012.*

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 on page 6 of the financial report.

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

Director: .... Barry Peach (Chair)

Director: .... Kathryn Harrison

Dated: 9..... August 2014

Dated: 9.... August 2014

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Auditor's Independence Declaration to the Directors of Grow

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

(i) 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

(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

M Georghiou

Michael Georghiou
Director

Brisbane, 6 August 2014

Hanrick Curran Audit Pty Ltd
Registered Audit Company: 338599
Level 11, 307 Queen Street Brisbane QLD 4000 | GPO Box 2268 Brisbane QLD 4001
phone 07 3218 3900 | fax 07 3218 3901 | email mail@hanrickcurran.com.au
www.hanrickcurran.com.au | ABN 13 132 902 188

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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2014

	Note	2014 $	2013 $
Revenue	2	**5,376,733**	5,630,712
Employee benefits expense		**(3,541,556)**	(3,534,562)
Depreciation and amortisation expense		**(183,383)**	(197,133)
Caveat expense		**(12,903)**	(414,484)
Advertising		**(92,229)**	(48,372)
Other expenses		**(1,699,109)**	(1,879,360)
Profit / (loss) before income tax		**(152,447)**	(443,199)
Income tax expense		**-**	-
Profit / (loss) attributable to members of the entity		**(152,447)**	(443,199)
Other comprehensive income/(loss), net of income tax		**-**	-
Total comprehensive income/(loss) for the year		**(152,447)**	(443,199)

The accompanying notes form part of these financial statements.

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Statement of Financial Position
As At 30 June 2014

	Note	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	**3,202,919**	3,384,460
Trade and other receivables	4	**31,369**	27,194
Inventories	5	**41,502**	44,810
Other financial assets	6	**3,608**	1,170
Other assets	7	**71,950**	92,258
TOTAL CURRENT ASSETS		**3,351,348**	3,549,892
NON-CURRENT ASSETS			
Property, plant and equipment	8	**1,196,624**	1,301,169
TOTAL NON-CURRENT ASSETS		**1,196,624**	1,301,169
TOTAL ASSETS		**4,547,972**	4,851,061
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**262,311**	325,395
Short-term provisions	10	**500,259**	417,884
Other liabilities	11	**-**	190,950
TOTAL CURRENT LIABILITIES		**762,570**	934,229
NON-CURRENT LIABILITIES			
Non-current liabilities	10	**517,395**	496,378
TOTAL NON-CURRENT LIABILITIES		**517,395**	496,378
TOTAL LIABILITIES		**1,279,965**	1,430,607
NET ASSETS		**3,268,007**	3,420,454
EQUITY			
Retained earnings		**3,268,007**	3,420,454
TOTAL EQUITY		**3,268,007**	3,420,454

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity
For the Year Ended 30 June 2014

2014

	Retained Earnings	Total
	$	$
Balance at 1 July 2013	**3,420,454**	**3,420,454**
Profit / (loss) for the year	**(152,447)**	**(152,447)**
Balance at 30 June 2014	**3,268,007**	**3,268,007**

2013

	Retained Earnings	Total
	$	$
Balance at 1 July 2012	3,863,653	3,863,653
Profit / (loss) for the year	(443,199)	(443,199)
Balance at 30 June 2013	3,420,454	3,420,454

The accompanying notes form part of these financial statements.

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Statement of Cash Flows
For the Year Ended 30 June 2014

	Note	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from government grants		**4,513,914**	4,502,188
Receipts from customers, donations		**447,216**	1,628,476
Payments to suppliers and employees		**(5,209,638)**	(6,027,310)
Interest paid		**(4)**	(187)
Interest received		**135,391**	128,384
Net cash provided by (used in) operating activities	19	**(113,121)**	231,551
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**-**	145,066
Payment for acquisition of financial instruments		**(2,438)**	-
Payment for property, plant and equipment		**(65,982)**	(195,630)
Net cash used by investing activities		**(68,420)**	(50,564)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in cash and cash equivalents held		**(181,541)**	180,987
Cash and cash equivalents at beginning of year		**3,384,460**	3,203,473
Cash and cash equivalents at end of financial year	3	**3,202,919**	3,384,460

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 *Australian Charities and Not-for-profits Commission Act 2012* and incorporated and domiciled in Australia.

The financial statements are tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

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 financial statements were authorised for issue on 9 August 2014 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 of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Grow 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.

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.

1 Summary of Significant Accounting Policies continued

(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 as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Freehold property

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

The directors ensure the carrying amount for the land and building is 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.

Depreciation

The depreciable amount all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the 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.

1 Summary of Significant Accounting Policies continued

(c) **Property, Plant and Equipment continued**

Depreciation continued

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:

(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.

(i) 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. Gain or losses are recognised in profit and loss through the amortisation process and when the financial asset is derecognised. 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.

1 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

(ii) *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.

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 financial assets are classified as current assets.

(iii) *Financial liabilities*

Non-derivative financial liabilities other than financial 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 that point the written-off amounts are charged to the allowance account or the carrying amount of impaired 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

1 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

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.

(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

(i) 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 trade and other payables in the statement of the financial position.

(ii) 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 measure 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 obligations for long-term 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.

1 Summary of Significant Accounting Policies continued

(g) 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.

(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 is exempt from income tax pursuant to the *Income Tax Assessment Act 1997*. Accordingly Australian Accounting Standard AASB 112 *Income Taxes* has not been applied and on 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 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) Foreign currency transactions and balances

The functional currency of Grow is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars.

1 Summary of Significant Accounting Policies continued

(n) 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.

(i) 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.

(ii) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12 months period that follows (despite an informal company policy that requires annual leave to be used within 18 months), the directors believe that the obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(o) Economic dependence

Grow is dependent on State and Federal Government funding for the majority of the revenue used to operate the business. At the date of this report the directors have no reason to believe the State and Federal Government will not continue to support Grow.

(p) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory and have been adopted retrospectively by Grow.

AASB 13 Fair Value Measurement

AASB 119 Employee Benefits

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below.

AASB 13 Fair Value Measurement does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

AASB 119 Employee benefits changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

		2014 $	2013 $
2	**Revenue and Other Income**		
	Grants (Recurrent)	**4,496,708**	4,348,516
	Other grants	**48,295**	204,298
	Fundraising	**36,455**	115,700
	Donations	**142,268**	86,653
	Interest received	**135,391**	128,384
	Other income	**258,595**	536,385
	Board and lodging income	**259,021**	210,776
		5,376,733	5,630,712
3	**Cash and cash equivalents**		
	Cash on hand	**120**	120
	Term deposit and on-line cash management accounts	**3,139,756**	3,332,759
	General bank accounts	**63,043**	51,581
		3,202,919	3,384,460
4	**Trade and other receivables**		
	CURRENT		
	Trade receivables	**20,150**	27,194
	Other receivables	**11,219**	-
		31,369	27,194
5	**Inventories**		
	Literature, cards, gifts and brochures	**41,502**	44,810
6	**Other financial assets**		
	Listed shares in other corporations	**3,608**	1,170
7	**Other assets**		
	CURRENT		
	Prepayments	**58,890**	74,777
	Deposit paid	**13,060**	17,481
		71,950	92,258

Grow

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Notes to the Financial Statements
For the Year Ended 30 June 2014

	2014 $	2013 $
8 Property, plant and equipment		
Land and Building		
At cost	**774,805**	774,805
Accumulated depreciation	**(20,139)**	(13,400)
Total land and buildings	**754,666**	761,405
Plant and Equipment		
At cost	**53,223**	53,223
Accumulated depreciation	**(44,688)**	(39,934)
Total plant and equipment	**8,535**	13,289
Furniture, fixture and fittings		
Motor vehicles		
At cost	**907,528**	926,721
Accumulated depreciation	**(491,079)**	(410,846)
Total motor vehicles	**416,449**	515,875
Computer equipment		
At cost	**23,313**	9,044
Accumulated depreciation	**(7,310)**	(5,501)
Total computer equipment	**16,003**	3,543
Leasehold Improvements		
At cost	**40,566**	40,566
Accumulated depreciation	**(39,595)**	(33,509)
Total improvements	**971**	7,057
Total property, plant and equipment	**1,196,624**	1,301,169

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 $	Leasehold Improvements $	Total $
Year ended 30 June 2014						
Opening balance	761,406	13,289	515,875	3,543	7,057	1,301,170
Additions	-	-	97,019	14,269	-	111,288
Disposals	-	-	(32,451)	-	-	(32,451)
Depreciation	(6,740)	(4,754)	(163,994)	(1,809)	(6,086)	(183,383)
Balance at the end of the year	754,666	8,535	416,449	16,003	971	1,196,624

		2014 $	2013 $
9	**Trade and other payables**		
	GST payable	**1,908**	80,102
	Creditors and accruals	**173,488**	155,437
	Other payables	**86,915**	89,856
		262,311	325,395
10	**Provisions**		
	CURRENT		
	Provision for annual leave	**233,166**	246,411
	Other long term employee benefit (annual leave)	**39,831**	-
	Provision for long service leave	**227,262**	171,473
		500,259	417,884
	NON-CURRENT		
	Provision for long service leave	**90,008**	81,894
	Provisions for Carindale property loan	**427,387**	414,484
		517,395	496,378

Provision for Caveat	
Opening balance 01 July 2013	**414,484**
CPI Increase 2014	**12,903**
Balance at 30 June 2014	**427,387**

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. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

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.

	2014 $	2013 $
11 Other Liabilities		
CURRENT		
Government received in advance	-	190,950

12 Capital and Leasing Commitments

	2014 $	2013 $
Operating Leases		
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**258,893**	261,314
- between one year and five years	**297,528**	542,391
	556,421	803,705

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 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:

	2014 $	2013 $
Financial Assets		
Cash and cash equivalents	**3,202,919**	3,384,460
Trade and other receivables	**31,369**	27,194
Listed shares in other corporations	**3,608**	1,170
Total financial assets	**3,237,896**	3,412,824
Financial Liabilities		
Trade and other payables	**262,311**	325,395
Total financial liabilities	**262,311**	325,395

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.

	2014	2013
	$	$

13 Financial Risk Management continued

Fair value estimation continued

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

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 $ 293,491 (2013: $ 273,728).

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.

15 Remuneration of Auditors

	2014	2013
Remuneration of the auditor of the Company, Hanrick Curran Audit Pty Ltd, for:		
- auditing or reviewing the financial report	**13,500**	13,500

16 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.

17 Contingent liabilities

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2014 (30 June 2013:None).

	2014 $	2013 $

18 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.

19 Cash Flow Information

(a) Reconciliation of cash
Cash at the end of the financial year as shown is reconciled to items as follows:

	2014 $	2013 $
Cash and cash equivalents	**3,202,919**	3,384,460

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

	2014 $	2013 $
Reconciliation of net income to net cash provided by operating activities:		
Profit for the year	**(152,447)**	(443,199)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Depreciation	**183,383**	197,133
Profit/(loss) on disposal of fixed assets	**(12,854)**	-
Donation of shares	**-**	(1,170)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and other receivables	**247**	169,659
(Increase)/decrease in prepayments	**15,886**	(52,421)
(Increase)/decrease in inventories	**3,308**	(19,674)
(Increase/(decrease) in trade and other payables	**(63,086)**	(84,662)
(Increase/(decrease) in other creditors and accruals	**-**	86,902
(Increase/(decrease) in employee provisions	**103,392**	(35,500)
(Increase/(decrease) in other provisions	**(190,950)**	414,483
Cashflow from operations	**(113,121)**	231,551

20 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 23, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* 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 2014 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 (Chair)

Director ....
Kathryn Harrison

Brisbane, 9 August 2014

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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 2014, 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 - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* 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.

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 *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, 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.

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Independent Audit Report to the members of Grow

Opinion

In our opinion the financial report of Grow is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Hanrick Curran Audit

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599

Michael Georghiou
Director

Brisbane, ...11... August 2014

Hanrick Curran Audit Pty Ltd
Registered Audit Company: 338599
Level 11, 307 Queen Street Brisbane QLD 4000 | GPO Box 2268 Brisbane QLD 4001
phone 07 3218 3900 | fax 07 3218 3901 | email mail@hanrickcurran.com.au
www.hanrickcurran.com.au | ABN 13 132 902 188