Grow

ACN 008 485 827

Financial Statements

For the Year Ended 30 June 2019

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For the Year Ended 30 June 2019

Directors' Report
30 June 2019

The directors present their report on Grow for the financial year ended 30 June 2019.

General information

Directors

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

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

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

Grow is a national organisation where our principal activity is to support people's mental health recovery through a program of mutual help and personal development in a group setting. Group members share their experiences of recovery and provide ongoing support and friendship and connection to community. There are 150 groups across Australia. In 2017 we began establishing groups that meet via video conference, with a focus on people in rural and remote Australia. Research into our eGrow program was undertaken by the Centre of Online Health at the University of Queensland, with evaluated findings presented in late 2018. Grow also provides mutual help groups in prisons, for carers and focused groups for young people (under 30).

Grow is using its experience with consumer led recovery to develop early intervention programs for use in schools and the broader community. In 2018-2019 we provided 24 Get Growing Programs in schools in the Northern Territory, Queensland, New South Wales and South Australia.

Grow reached out to people across Australia again in 2018 with our Odd Socks Day campaign. This campaign is our major awareness and fundraising campaign, with Odd Socks Day occurring on the Friday before World Mental Health Day in October each year.

No significant changes in the nature of Grow's activity occurred during the financial year.

Directors' Report
30 June 2019

General information

Vision, mission and values

Our Vision

An Australia where all people are valued.

Grow Mission

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

Our Values

Personal responsibility -. We act ethically and always take responsibility for our actions.

Personal Value - We believe every person has intrinsic value.

Mutual Help - We collaborate and share knowledge, skills and expertise for the personal development and leadership of all.

Friendship - We support each other with courage in the best interests of Grow.

General information

Goals and Enablers for a sustainable organisation

In 2019 the Grow Board began work on a Statement of Strategic Intent for 2019-2022. The overall aim is to create a future for Grow's operations, where Grow is sustainable within an environment undergoing rapid change. The Board subcommittee G2 (Grow II or "Grow Grow") was established to identify change management priorities for investment. The Statement of Strategic Intent has three goals and enablers that are outlined below.

Goals

To be the Leader in peer group support for good mental health by

- continuously developing the Grow Program of Recovery and Personal Growth
- providing sustainable and vibrant peer group programs that attract and retain people
- developing and delivering prevention and early intervention strategies and programs applying the Grow Philosophy.

Enablers

To achieve our goals, we will:

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

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 $160.00, based on eight current ordinary members.

Change management

In 2019/20 Grow will undertake a business process review that will:

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

Grow is reporting a financial surplus of $98,758 (prior year -$199,244) and our reserves remain healthy. We are focused on achieving a balanced operational budget, and ensuring Grow remains a viable and sustainable organisation in a time of great change in the not for profit and disability sectors.

Significant changes in state of affairs

There has been a renewal strategy in operation for the past 12 months which has included the recruitment of a new Chair of the Board, a review of our strategic intent and a new Grow National CEO. The NCEO, David Butt, works with the Grow Board to guide the performance and development of the organisation.

Future developments and results

Grow has established a number of priorities for investment to enable a more effective and efficient organisation. We have introduced a new financial management system that will be implemented over the next year. We will review the implementation of SharePoint to improve knowledge and document management. We also are consulting regularly with our National Program Team, which is made up of experienced Grow program members from across Australia, to identify priorities for continuous improvement of the Program.

We were again successfully accredited for ISO 9001 and the National Mental Health Standards.

Environmental issues

Grow'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 which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Indemnification and insurance of officers

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

Directors' Report
30 June 2019

Information on directors

Dr Lesley van Schoubroeck (Chair)	Lesley is well known in the mental health sector having worked for more than five years as Queensland's inaugural Mental Health Commissioner and before that, with the Mental Health Commission in Western Australia. Lesley is a Graduate of the Australian Institute of Company Directors.
John MacIsaac (Deputy Chair)	John worked as a consulting engineer for more than 30 years in the minerals industry. He has participated and volunteered in the Grow program in various roles since 2006. John is a member of the Australian Institute of Company Directors.
Peter Barker (Treasurer)	Peter is a senior finance executive with significant domestic and international experience. He is the CFO & Company Secretary of multinational engineering, scientific and international development company Cardno Ltd. Prior to this Peter was the CFO of Computershare Ltd and before this was with BHP and Cisco Systems. Peter is a member of the Australian Institute of Company Directors
Barbara Cunningham	Barbara has strong research, mental health and aged care credentials and experience, along with experience working with not for profit organisations at the executive level.
Jeremy Morse (Company Secretary)	Jeremy holds a BCom and Master of Professional Accounting from UTas and is a member of CPA Australia and the Australian Institute of Company Directors. He brings his professional background as a CPA in the social services sector, strong skills in finance and data management as well as NFP Board experience.
Stephen Ryan	Steve is a senior executive and educator with more than forty years' experience in strategic leadership, governance, and service delivery. He has extensive governance capability from roles in education, as Vice President and President of the Qld Teachers' Union, a Trustee on the QSuper Board, and Director of QInvest.
Ian Sloan	Ian is a member of the Australian Institute of Company Directors and has considerable experience in business and technology. Ian has worked with government, private business and other not for profit businesses. Ian is the Managing Director of DSBS IT Consulting and Contracting.
Leonie Young	Leonie has had a 25-year national leadership career in the public and not for profit sectors in Australia, including implementing and leading Australia wide health, mental health and primary care reform strategies as a successful CEO of Beyondblue, Board Director, NGO leader, State Director and public sector executive. Leonie is a member of the Australian Institute of Company Directors.

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Directors' Report
30 June 2019

Meetings of directors

During the financial year, 7 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr Lesley van Schoubroeck (Chair)	7	7
John MacIsaac (Deputy Chair)	7	7
Barbara Cunningham	2	2
Peter Barker (Chair, Finance Audit and Risk Management Committee)	7	6
Jeremy Morse (Company Secretary)	7	7
Barbara Peach	5	3
Stephen Ryan	7	7
Ian Sloan (Chair, G2 Committee)	7	7
Leonie Young	7	7

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

Auditor's independence declaration

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

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

Director:
Dr Lesley van Schoubroeck (Chair)
Brisbane, ~~2~~ 30 September 2019

Director
Peter Barker

MAZARS

Auditor's Independence Declaration to the Directors of Grow Pty Ltd

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Grow Pty Ltd for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, 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.

Mazars

Mazars Audit (QLD) Limited
Authorised Audit Company: 338599

Michael Georghiou
Director
Brisbane, 30 September 2019

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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Revenue	2	**6,056,024**	5,868,875
Profit on Sale of Property		**40,212**	-
Advertising		**(26,200)**	(36,917)
Employee benefits expense		**(4,189,130)**	(4,251,803)
Growers expenses		**(148,929)**	(185,129)
Depreciation and amortisation expense		**(16,487)**	(20,704)
Caveat expense		**-**	(7,893)
Computer expenses		**(63,443)**	(85,878)
Consultancy Fees		**(108,111)**	(119,264)
Insurance		**(36,840)**	(36,383)
Motor vehicle expenses		**(235,472)**	(237,943)
Printing & Stationery		**(53,951)**	(77,947)
Repairs & Maintenance		**(45,874)**	(48,232)
Respite expenses		**(78,748)**	(66,197)
Staff amenities		**(26,175)**	(17,203)
S & W Workers' Compensation		**(91,370)**	(88,974)
Telephone expenses		**(65,020)**	(80,655)
Travel expenses		**(121,846)**	(172,895)
Other operating expenses		**(689,882)**	(534,102)
Profit before income tax		**98,758**	(199,244)
Income tax expense		**-**	-
Profit / (loss) attributable to members of the entity		**98,758**	(199,244)
Other comprehensive income/(loss), net of income tax		**-**	-
Total comprehensive income for the year		**98,758**	(199,244)

The accompanying notes form part of these financial statements.

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Statement of Financial Position
As At 30 June 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	**2,859,936**	2,908,962
Trade and other receivables	4	**35,223**	15,601
Inventories	5	**13,835**	15,900
Other financial assets	6	**4,887**	4,887
Other assets	7	**83,728**	86,139
TOTAL CURRENT ASSETS		**2,997,609**	3,031,489
NON-CURRENT ASSETS			
Property, plant and equipment	8	**107,969**	752,981
TOTAL NON-CURRENT ASSETS		**107,969**	752,981
TOTAL ASSETS		**3,105,578**	3,784,470
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**351,564**	379,306
Short-term provisions	11	**461,907**	577,855
Other liabilities	10	**48,577**	608,187
TOTAL CURRENT LIABILITIES		**862,048**	1,565,348
NON-CURRENT LIABILITIES			
Provisions	11	**58,900**	133,251
TOTAL NON-CURRENT LIABILITIES		**58,900**	133,251
TOTAL LIABILITIES		**920,948**	1,698,599
NET ASSETS		**2,184,630**	2,085,871
EQUITY			
Retained earnings		**2,184,630**	2,085,872
TOTAL EQUITY		**2,184,630**	2,085,872

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Statement of Changes in Equity
For the Year Ended 30 June 2019

2019

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

2018

	Retained Earnings $	Total $
Balance at 1 July 2017	2,285,116	2,285,116
Profit/(loss) attributable to members of the entity	(199,244)	(199,244)
Balance at 30 June 2018	2,085,872	2,085,872

The accompanying notes form part of these financial statements.

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Statement of Cash Flows
For the Year Ended 30 June 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from government grants		**5,207,732**	5,268,166
Receipts from fundraising and donations		**192,193**	160,543
Receipts from good and services tax		**533,108**	529,313
Receipts from other income		**471,567**	428,943
Interest received		**71,863**	65,497
Dividends received		**361**	170
Payments to suppliers and employees		**(6,726,097)**	(6,516,082)
Net cash provided by/ (used in) operating activities	12	**(249,273)**	(63,450)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**655,696**	-
Payment for property, plant and equipment		**11,475**	-
Net cash used by investing activities		**667,171**	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from / (payment of) Capital Funding Agreement		**(466,924)**	-
Net cash used by financing activities		**(466,924)**	-
Net increase/(decrease) in cash and cash equivalents held		**(49,026)**	(63,450)
Cash and cash equivalents at beginning of year		**2,908,962**	2,972,412
Cash and cash equivalents at end of financial year	3	**2,859,936**	2,908,962

Notes to the Financial Statements

For the Year Ended 30 June 2019

1. Summary of Significant Accounting Policies

Basis of Preparation

a. General Purpose

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

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

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

b. Revenue and other income

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

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

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

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

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

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

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

Donations received in advance

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

Interest revenue

Interest is recognised using the effective interest method.

c. 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.

d. Property, plant and equipment

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

Freehold property

Freehold land and building are shown 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.

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

Depreciation

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

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

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

d. **Property, plant and equipment**

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.

e. **Financial instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company 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.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

e. **Financial instruments**

Classification and subsequent measurement

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterpart will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

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.

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 unrecognised.

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).

e. **Financial instruments**

Impairment

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 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.

f. **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.

g. **Employee benefits**

Short-term employee benefits

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

Notes to the Financial Statements

For the Year Ended 30 June 2019

g. Employee benefits

Short-term employee benefits

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

Other Long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which is 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 long term obligations are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlements for at least 12 months after the reporting date, in which case the obligations are presented as current liabilities.

h. 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.

i. Goods and services tax (GST)

Revenue, expenses and assets are recognized as the 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.

j. Income Tax

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

k. 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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

l. Comparative amount

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

m. 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.

n. Adoption of new and revised accounting standards

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

Notes to the Financial Statements

For the Year Ended 30 June 2019

o. New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from Contracts with Customers	30 June 2020	This standard provides guidance on the recognition of revenue from customers.	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 16 Leases	30 June 2020	Significant revisions to accounting for operational leases on balance sheet by lessees of property and high value equipment. However, exemptions for short-term leases and leases of low value assets will reduce the impact.	The entity has not yet determined the magnitude of any changes which may be need.
AASB 1058 Income of Not for Profit Entities	30 June 2020	AASB 1058 replaces the income recognition requirements relating to private sector not for profit (NFP) entities, as well as the majority of income recognition requirements relating to public sector NFP entities previously reflected in AASB 1004 Contributions.	The entity has not yet determined the magnitude of any changes which may be needed.

o. Critical Accounting Estimates and Judgements

Grow makes estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - land and buildings

At 30 June 2019, the directors have assessed the freehold buildings and do not believe there has been any impairment to the fair value as at 30 June 2019.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimate - impairment

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

Notes to the Financial Statements
For the Year Ended 30 June 2019

2. Revenue and Other Income

	2019 $	2018 $
Sales revenue		
- Grants (Recurrent)	**5,320,041**	5,088,040
- Grants (Non-Recurrent)	**-**	129,308
- Other Grants	**30,853**	46,603
- Fundraising	**46,812**	38,411
- Donations	**145,381**	122,133
- Interest received	**71,863**	65,496
- Other income	**206,458**	178,132
- Board and lodging income	**274,828**	200,752
Total Revenue	**6,096,236**	5,868,875

3. Cash and Cash Equivalents

Cash on hand	**-**	-
Bank balances	**2,859,936**	2,908,962
	2,859,936	2,908,962

4. Trade and Other Receivables

CURRENT		
Trade receivables	**28,251**	15,601
Other receivables	**6,972**	-
	35,223	15,601

5. Inventories

Brochures	**13,835**	15,900
	13,835	15,900

6. Other Financial Assets

Listed shares in other corporations	**4,887**	4,887

7. Other Assets

CURRENT		
Prepayments and accrued income	**74,978**	75,008
Deposits paid	**8,751**	11,131
	83,729	86,139

Grow

ACN 008 485 827

Notes to the Financial Statements

For the Year Ended 30 June 2019

8. Property, plant and equipment

	2019 $	2018 $
Land and Buildings		
At cost	**134,805**	774,805
Accumulated depreciation	**(53,841)**	(47,101)
Total land and buildings	**80,964**	727,704
Plant and Equipment		
At cost	**39,621**	39,621
Accumulated depreciation	**(37,926)**	(37,346)
Total plant and equipment	**1,695**	2,275
Furniture, Fixtures and Fittings		
At cost	**10,758**	10,758
Accumulated depreciation	**(9,323)**	(7,172)
Total furniture, fixtures and fittings	**1,435**	3,586
Motor Vehicles		
At cost	**74,772**	74,772
Accumulated depreciation	**(68,452)**	(66,616)
Total motor vehicles	**6,320**	8,156
Computer Equipment		
At cost	**9,044**	9,044
Accumulated depreciation	**(9,044)**	(9,044)
Total computer equipment	**-**	-
Computer Software		
At cost	**37,375**	25,900
Accumulated depreciation	**(19,820)**	(14,640)
Total computer cost	**17,555**	11,260
Leasehold Improvements		
At cost	**46,551**	46,551
Accumulated amortisation	**(46,551)**	(46,551)
Total leasehold improvements	**-**	-
Total property, plant and equipment	**107,969**	752,981

Notes to the Financial Statements

For the Year Ended 30 June 2019

8. Property, plant and equipment

a. Movements in Carrying Amounts

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

	Land and Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles
	$	$	$	$
Year ended 30 June 2019				
Opening balance	727,704	2,275	3,586	8,156
Additions	-	-	-	-
Disposals	(640,000)	-	-	-
Depreciation expense	(6,740)	(580)	(2,151)	(1,836)
Balance at the end of the year	80,964	1,695	1,435	6,320

	Computer Equipment	Leasehold Improvements	Total
	$	$	$
Year ended 30 June 2019			
Opening balance	11,260	-	752,981
Additions	11,475	-	11,475
Disposals	-	-	(640,000)
Depreciation expense	(5,180)	-	(16,487)
Balance at the end of the year	17,555	-	107,969

9. Trade and Other Payables

	2019	2018
	$	$
Trade payables	86,488	140,551
GST payable / (receivable)	70,157	80,377
Creditors and accruals	183,781	122,547
Other payables	11,138	35,831
	351,564	379,306

10. Other Financial Liabilities

CURRENT		
Government grants received in advance	**46,075**	108,154
Donations received in advance	**2,502**	33,109
Loan repayable - Carindale Caveat property	**-**	466,924
Total	**48,577**	608,187

Grow had a Capital Funding Agreement (Dated - 2 November 1993) with the Department of Housing and Public Works for the property at 15 Lindisfarne Street Carindale. The sale of this property was settled on 13 September 2018, therefore Grow was liable to repay the Capital Funding Agreement to the Department.

11. Provisions

	2019	2018
	$	$
CURRENT		
Provisions for annual leave	**263,988**	197,154
Other long-term employee benefits (annual leave)	**-**	159,027
Provisions for long service leave	**197,919**	196,473
Other Provisions	**-**	25,201
	461,907	577,855
NON-CURRENT		
Provisions for long service leave	**58,900**	133,251

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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

12. Cash Flow Information

a. Reconciliation of cash

	2019 $	2018 $
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	**2,859,936**	2,908,962
	2,859,936	2,908,962

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

	2019 $	2018 $
Reconciliation of net income to net cash provided by operating activities:		
Profit for the year	**98,758**	(199,243)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	**16,487**	20,704
- loss on disposal of property, plant and equipment	**(40,212)**	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(19,622)**	3,634
- (increase)/decrease in other assets	**-**	1,284
- (increase)/decrease in prepayments	**3,977**	-
- (increase)/decrease in inventories	**2,065**	5,038
- increase/(decrease) in income in advance	**(92,687)**	50,810
- increase/(decrease) in trade and other payables	**(54,063)**	515,280
- increase/(decrease) in other creditors and accruals (incl GST)	**26,323**	-
- increase/(decrease) in provisions	**(190,299)**	(459,031)
- increase/(decrease) in employee benefits	**-**	(1,926)
Cashflows from operations	**(249,273)**	(63,450)

13. Capital and Leasing Commitments

Operating leases

	2019 $	2018 $
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**214,386**	201,862
- between one year and five years	**10,456**	258,488
	224,842	460,350

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

Notes to the Financial Statements

For the Year Ended 30 June 2019

14. Financial Risk Management

	2019	2018
	$	$
Financial Assets		
Cash and cash equivalents	**2,859,936**	2,908,962
Trade and other receivables	**35,223**	15,601
Financial assets	**4,887**	4,887
Total financial assets	**2,900,046**	2,929,450
Financial Liabilities		
Trade and other payables	**351,564**	379,304

15. Key Management Personnel Remuneration

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

The total remuneration paid to key management personnel of the Company was $487,804 (2018: $457,641). Directors are not entitled to and did not receive benefits during the year other than:

- A $400 per annum honorarium each, paid in arrears, to contribute towards the incidentals and out of pocket expenses.
- Accommodation, meals and travel reimbursements relating to duties as directors.
- A total of $30,686 was paid to the Chairperson for strategic advice and support, particularly in relation to the CEO renewal strategy

16. Auditors' Remuneration

	2019	2018
Remuneration of the auditor of the company, Mazars Audit (QLD) Pty Limited for:		
- auditing or reviewing the financial statements	**15,250**	14,975

17. 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.

18. Contingencies

In the opinion of the directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018: None).

19. Events after the end of the Reporting Period

There has not arisen in the interval between the end of the financial year and the date of this report any event of a material and unusual nature likely, in the opinion of the Board, to 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.

20. Statutory Information

Company details

The registered office of the Company is:

GROW
1018 Logan Road
Holland Park
Queensland 4121
Australia

Grow

ACN 008 485 827

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 28, are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* and:

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

   b. give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of Grow.

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

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

Director ....
Lesley van Schoubroeck (Chair)

Director ....
Peter Barker

Dated 30 Sept 2019

Independent Auditor's Report to the members of Grow Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Grow Pty Ltd ("the entity"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, and the responsible entities declaration.

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

(i) giving a true and fair view of the entity's financial position as at 30 June 2019 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the responsible entities for the Financial Report

The responsible entities of the registered organisation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for sure internal control as the responsible entities 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 preparing the financial report, the responsible entities are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

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

MAZARS AUDIT (QLD) PTY LIMITED
(FORMERLY HANRICK CURRAN AUDIT)
AUTHORISED AUDIT COMPANY: 338599 ABN: 13 132 902 188
LEVEL 11, 307 QUEEN STREET, BRISBANE QLD 4000 GPO BOX 2268, BRISBANE QLD 4001
TEL: +61 7 3218 3900 - FAX: +61 7 3218 3901

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the responsible entities with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the responsible entities, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Mazars

Mazars Audit (QLD) Limited
Authorised Audit Company: 338599

Michael Georghiou
Director

Brisbane, 30 September 2019