Grow

ACN 008 485 827

Financial Statements

For the Year Ended 30 June 2015

Grow
ACN 008 485 827

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30 June 2015

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Directors' Report

30 June 2015

The directors present their report on Grow for the financial year ended 30 June 2015.

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
Leonie Young (Chair)	Appointed 21/2/2015
Colleen Hosking	
Steve Bailey	
John MacIsaac	
Kathryn Harrison	
Lance Skelton	
Garry Halliday	
Barry Peach (Past Chair)	Resigned 16/05/2015
Brian Graetz	Resigned 7/11/2014
Neil Taylor	Resigned 7/11/2014
Doug Gowers	Resigned 21/02/2015

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 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 our approach and how we work with each other, our Grow members, our partners and the community.

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

Objectives and Strategy for achieving short and long term objectives continued

- Personal Value - every person is valuable and has their unique place in the community.
- 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. The strategic plan is 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 $ (336,414) (2014: Loss of $152,447). The losses are attributed to board approved strategic investments including 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 obtain ISO accreditation in 2015-2016.

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 was chaired by Barry Peach until the 21 February 2015 Barry 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.
Leonie Young	Director The Board is now chaired by Leonie Young, who 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, Board Director, NGO leader, State Manager and public sector executive.
Steve Bailey	Director Steve Bailey is a registered psychologist and currently works at Macquarie University. He 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.
Colleen Hosking	Director Colleen Hosking has a Bachelor of Economics (major Accounting) from the University of Adelaide. She is a retired partner from 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 Committee and is now working with Allworths Assurance & Advisory Pty Limited as a Partner.
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 of Grow's National Program Team.

Meetings of directors

During the financial year, 4 meetings of directors (3 Finance and Audit Committee meetings) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance and Audit Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Leonie Young (Chair for Board and Observer for Finance & Audit)	2	2	1	1
Colleen Hosking	4	3	3	3
Steve Bailey	4	3	-	-
John MacIsaac	4	3	3	3
Kathryn Harrison (Chair for Finance & Audit)	4	4	3	3
Lance Skelton	4	3	-	-
Garry Halliday	4	3	-	-
Barry Peach (Past Chair for Board and Observer for Finance & Audit)	4	4	3	3
Brian Graetz	2	2	-	-
Neil Taylor	2	-	-	-
Doug Gowers	3	3	-	-

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'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 below.

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

Director: Leonie Young
Leonie Young (Chair)

Director: K Harrison
Kathryn Harrison

Brisbane, 2 October 2015

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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 2015, 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*

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

Hanrick Curran Audit

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599

Michael Georghiou
Director

Brisbane, 1 October 2015

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Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599 | ABN 13 132 902 188

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 $	2014 $
Revenue	2	**5,474,972**	5,376,733
Advertising		**(114,151)**	(92,229)
Employee benefits expense		**(3,748,469)**	(3,541,556)
Depreciation and amortisation expense	8	**(191,970)**	(183,383)
Caveat expense		**(6,047)**	(12,903)
Computer expenses		**(119,194)**	(58,369)
Consultancy Fees		**(50,505)**	(61,610)
Insurance		**(42,390)**	(41,716)
Motor vehicle expenses		**(216,299)**	(237,318)
Printing & Stationery		**(63,539)**	(59,505)
Repairs & Maintenance		**(68,675)**	(36,350)
Respite expenses		**(75,351)**	(77,572)
Staff amenities		**(53,270)**	(32,022)
S & W Workers' Compensation		**(82,280)**	(85,548)
Telephone expenses		**(88,645)**	(97,030)
Travel expenses		**(225,185)**	(179,888)
Other expenses		**(665,416)**	(732,181)
Profit / (loss) before income tax		**(336,414)**	(152,447)
Income tax expense		**-**	-
Profit / (loss) attributable to members of the entity		**(336,414)**	(152,447)
Other comprehensive income/(loss), net of income tax		**-**	-
Total comprehensive income/(loss) for the year		**(336,414)**	(152,447)

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2015

	Note	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	**3,166,302**	3,202,919
Trade and other receivables	4	**32,427**	31,369
Inventories	5	**49,926**	41,502
Other financial assets	6	**4,887**	3,608
Other assets	7	**69,858**	71,950
TOTAL CURRENT ASSETS		**3,323,400**	3,351,348
NON-CURRENT ASSETS			
Property, plant and equipment	8	**1,086,088**	1,196,624
TOTAL NON-CURRENT ASSETS		**1,086,088**	1,196,624
TOTAL ASSETS		**4,409,488**	4,547,972
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**337,112**	262,311
Short-term provisions	11	**591,020**	500,259
Other liabilities	10	**19,081**	-
TOTAL CURRENT LIABILITIES		**947,213**	762,570
NON-CURRENT LIABILITIES			
Non-current liabilities	11	**530,682**	517,395
TOTAL NON-CURRENT LIABILITIES		**530,682**	517,395
TOTAL LIABILITIES		**1,477,895**	1,279,965
NET ASSETS		**2,931,593**	3,268,007
EQUITY			
Retained earnings		**2,931,593**	3,268,007
TOTAL EQUITY		**2,931,593**	3,268,007

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

	Retained Earnings $
Balance at 1 July 2014	**3,268,007**
Profit/(loss) attributable to members of the entity	**(336,414)**
Balance at 30 June 2015	**2,931,593**

2014

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

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from government grants		**4,694,795**	4,513,914
Receipts from customers, donations		**1,214,628**	447,216
Payments to suppliers and employees		**(5,982,241)**	(5,209,638)
Interest received		**115,063**	135,391
Interest paid		**-**	(4)
Net cash provided by (used in) operating activities		**42,245**	(113,121)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**23,299**	-
Payment for aquisition of financial instruments		**(1,278)**	(2,438)
Payment for property, plant and equipment		**(100,883)**	(65,982)
Net cash used by investing activities		**(78,862)**	(68,420)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in cash and cash equivalents held		**(36,617)**	(181,541)
Cash and cash equivalents at beginning of year		**3,202,919**	3,384,460
Cash and cash equivalents at end of financial year	3	**3,166,302**	3,202,919

The accompanying notes form part of these financial statements.

1 Summary of Significant Accounting Policies

Basis of Preparation

Grow applies Australian Accounting Standards - Reduced Disclosure Requiremens as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements..

The financial statements are 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*. The company is 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.

(a) Revenue

Non-reciprocal grant revenue is recognised inthe 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 good and services tax.

(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.

1 Summary of Significant Accounting Policies continued

(b) **Inventories continued**

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 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 assets are:

Class of Fixed Asset	Depreciation Rate
Land and buildings	5%
Furniture and Fittings	20%
Computer equipments	20%
Computer System	10%
Equipment and machinery	15% - 40%
Motor vehicles	22.5%
Leasehold improvements	15%

1 Summary of Significant Accounting Policies continued

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

Depreciation continued

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

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

(d) **Financial instruments**

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

1 Summary of Significant Accounting Policies continued

(d) **Financial instruments continued**

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.

(ii) *Held-to-maturity investments*

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

(iii) *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.

(iv) *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

1 Summary of Significant Accounting Policies continued

(d) **Financial instruments continued**

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.

(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.

(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 provisions in the statement of the financial position.

1 Summary of Significant Accounting Policies continued

(f) **Employee benefits continued**

(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.

(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.

1 Summary of Significant Accounting Policies continued

(k) **Comparative Amounts**

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

(l) **Trade and other payables**

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

(m) **Critical accounting estimates and judgments**

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

(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) Land and Buildings key estimates

At 30 June 2015, the directors have assessed the freehold land and buildings and do not believe there has been any impairment to the fair value as at 30 June 2015.

(n) **New Accounting Standards and Interpretations**

In the current year, the company has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operation and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any material impact to the company's accounting policies for the current or future periods. At the date of authorisation of the financial report, there are no Accounting Standards and Interpretations that were issued but not yet effective that would have a material financial impact on the company.

Notes to the Financial Statements
For the Year Ended 30 June 2015

		2015 $	2014 $
2	**Revenue and Other Income**		
	Grants (Recurrent)	**4,679,766**	4,450,744
	Grants (Non-Recurrent)	**3,479**	14,877
	Other grants	**11,550**	48,295
	Fundraising	**55,220**	36,455
	Donations	**95,835**	142,268
	Interest received	**115,062**	135,391
	Other income	**250,722**	289,682
	Board and lodging income	**263,338**	259,021
		5,474,972	5,376,733
3	**Cash and cash equivalents**		
	Cash on hand	**130**	120
	Term deposit and on-line cash management accounts	**601,461**	3,139,756
	General bank accounts	**2,564,711**	63,043
		3,166,302	3,202,919
4	**Trade and other receivables**		
	CURRENT		
	Trade receivables	**32,427**	20,150
	Other receivables	**-**	11,219
		32,427	31,369
5	**Inventories**		
	Literature, cards, gifts and brochures	**49,926**	41,502
6	**Other financial assets**		
	Listed shares in other corporations	**4,887**	3,608
7	**Other assets**		
	CURRENT		
	Prepayments	**53,706**	58,890
	Deposit paid	**16,152**	13,060
		69,858	71,950

	2015	2014
	$	$
8 Property, plant and equipment		
Land and Buildings		
At cost	**774,805**	774,805
Accumulated depreciation	**(26,881)**	(20,140)
Total land and buildings	**747,924**	754,665
Plant and Equipment		
At cost	**53,223**	53,223
Accumulated depreciation	**(47,787)**	(44,688)
Total plant and equipment	**5,436**	8,535
Furniture, fixture and fittings		
At cost	**10,758**	-
Accumulated depreciation	**(715)**	-
Total furniture, fixture and fittings	**10,043**	-
Motor vehicles		
At cost	**915,049**	907,528
Accumulated depreciation	**(608,264)**	(491,078)
Total motor vehicles	**306,785**	416,450
Computer equipment		
At cost	**9,044**	9,044
Accumulated depreciation	**(9,044)**	(7,310)
Total computer equipment	**-**	1,734
Computer software		
At cost	**15,900**	14,269
Total computer software	**15,900**	14,269
Leasehold Improvements		
At cost	**40,566**	40,566
Accumulated depreciation	**(40,566)**	(39,595)
Total improvements	**-**	971
Total property, plant and equipment	**1,086,088**	1,196,624

Grow

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Notes to the Financial Statements

For the Year Ended 30 June 2015

8 **Property, plant and equipment continued**

Movements in Carrying Amounts

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

Year ended 30 June 2015								
Opening balance	754,665	8,535	-	416,450	1,734	14,269	971	1,196,624
Additions	-	-	10,758	103,171	-	15,900	-	129,829
Disposals / Write offs	-	-	-	(34,126)	-	(14,269)	-	(48,395)
Depreciation	(6,741)	(3,099)	(715)	(178,710)	(1,734)	-	(971)	(191,970)
Balance at the end of the year	747,924	5,436	10,043	306,785	-	15,900	-	1,086,088

	2015	2014
	$	$
9 **Trade and other payables**		
Trade payables	**140,813**	50,885
GST payable/ (receivable)	**(215)**	1,908
Creditors and accruals	**168,067**	173,488
Other payables	**28,447**	36,030
	337,112	262,311
10 **Other Liabilities**		
CURRENT		
Government grants received in advance	**19,081**	-

11 Provisions

	2015 $	2014 $
CURRENT		
Provision for annual leave	**241,542**	233,166
Provisions for long service leave	**270,458**	227,262
Other long term employee benefits (annual leave)	**79,020**	39,831
	591,020	500,259
NON-CURRENT		
Provision for long service leave	**97,248**	90,008
Provisions for Carindale property loan	**433,434**	427,387
	530,682	517,395

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.

	2015	2014
	$	$

12 Capital and Leasing Commitments

Operating Leases

Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**246,283**	258,893
- between one year and five years	**184,507**	297,528
	430,790	556,421

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:

	2015 $	2014 $
Financial Assets		
Cash and cash equivalents	**3,166,302**	3,202,919
Trade and other receivables	**32,427**	31,369
Financial Assets through profit or loss	**4,887**	3,608
Total financial assets	**3,203,616**	3,237,896
Financial Liabilities		
Trade and other payables	**337,112**	262,311
Total financial liabilities	**337,112**	262,311

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 $ 347,295 (2014: $ 293,491).

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

- A $400 per annum honorarium each, paid in arrears, to contribute towards the incidentals and out of pocket expenses.

- Accommodation, meals and travel reimbursements relating to duties as directors.

- A $15,000 per annum (including superannuation) Chairperson's fee is paid by the Company.

- $7,500 was paid to the Chairperson for Chairperson’s fees during the current financial year.

	2015	2014
	$	$
15 **Remuneration of Auditors**		
Remuneration of the auditor of the Company, Hanrick Curran Audit Pty Ltd, for:		
- auditing or reviewing the financial report	**13,950**	13,950

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 2015 (30 June 2014:None).

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 **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 2015 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 ....Leonie Young........ Director ....Harrison........

Leonie Young (Chair) Kathryn Harrison

Brisbane, 2 October 2015

Grow

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Independent Audit Report to the members of Grow

Report on the Financial Report

We have audited the accompanying financial report of Grow, which comprises the statement of financial position as at 30 June 2015, 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 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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Authorised Audit Company: 338599 | ABN 13 132 902 188

Grow

ACN 008 485 827

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 2015 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, 2 October 2015