Grow

ACN 008 485 827

Financial Statements

For the Year Ended 30 June 2016

Grow
ACN 008 485 827

Contents
30 June 2016

Grow

ACN 008 485 827

Directors' Report

30 June 2016

The directors present their report on Grow for the financial year ended 30 June 2016.

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)	
Ian Sloan	Appointed 11/12/2015
Colleen Hosking	
Steve Bailey	
John MacIsaac	
Kathryn Harrison	
Lance Skelton	
Garry Halliday	

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

Grow's Vision

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

Grow's Mission

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

Grow's Values

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.
- 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

Objectives and Strategy for achieving short and long term objectives continued

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 $ (260,892) (2015: Loss of $336,414). 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.

Achieved ISO 9001 accreditation and the National Mental Health Standards 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

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.
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.

Information on directors continued

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.
Ian Sloan	Director Ian is a member of the Australian Institute of Company Directors and has considerable experience in business and technology. Ian has worked with government, private business and other not for profit businesses. Ian is the Managing Director of DSBS IT Consulting and Contracting.

Meetings of directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Leonie Young (Chair for Board and Observer for Finance & Audit)	4	4
Colleen Hosking	4	4
Steve Bailey	4	3
John MacIsaac	4	4
Kathryn Harrison (Chair for Finance & Audit)	4	4
Lance Skelton	4	2
Garry Halliday	4	3
Ian Sloan	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.

Grow

ACN 008 485 827

Directors' Report

30 June 2016

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 (Chair)

Director: ....
Kathryn Harrison

Brisbane, 13 October 2016

Grow

ACN 008 485 827

Auditor's Independence Declaration to the Directors of Grow

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act* 2012, as lead auditor for the audit of Grow Pty Ltd for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there has been:

(i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

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

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599

Michael Georghiou
Director

Brisbane, 13 October 2016

BRISBANE
Level 11, 307 Queen Street Brisbane QLD 4000
GPO Box 2268 Brisbane QLD 4001
phone 07 3218 3900 | fax 07 3218 3901
www.hanrickcurran.com.au

CAIRNS
Suite 73, Executive Centre Offices, The Pier at Shangri-La,
1 Pierpoint Road, Cairns QLD 4870
PO Box 7170 Cairns QLD 4870
phone 07 4052 7524 | fax 07 4052 7799
www.hanrickcurran.com.au

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

Grow

ACN 008 485 827

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2016

	Note	2016 $	2015 $
Revenue	2	**5,662,162**	5,474,972
Advertising		**(82,912)**	(114,151)
Employee benefits expense		**(3,877,471)**	(3,748,469)
Depreciation and amortisation expense	8	**(132,697)**	(191,970)
Caveat expense		**(6,000)**	(6,047)
Computer expenses		**(170,944)**	(119,194)
Consultancy Fees		**(101,918)**	(50,505)
Insurance		**(36,241)**	(42,390)
Motor vehicle expenses		**(154,800)**	(216,299)
Printing & Stationery		**(75,247)**	(63,539)
Repairs & Maintenance		**(73,484)**	(68,675)
Respite expenses		**(70,603)**	(75,351)
Staff amenities		**(41,766)**	(53,270)
S & W Workers' Compensation		**(84,719)**	(82,280)
Telephone expenses		**(82,088)**	(88,645)
Travel expenses		**(232,299)**	(225,185)
Other operating expenses		**(699,865)**	(665,416)
Profit / (loss) before income tax		**(260,892)**	(336,414)
Income tax expense		**-**	-
Profit / (loss) attributable to members of the entity		**(260,892)**	(336,414)
Other comprehensive income/(loss), net of income tax		**-**	-
Total comprehensive income/(loss) for the year		**(260,892)**	(336,414)

Grow

ACN 008 485 827

Statement of Financial Position

As At 30 June 2016

	Note	2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	**3,050,590**	3,166,302
Trade and other receivables	4	**15,729**	32,427
Inventories	5	**31,839**	49,926
Other financial assets	6	**4,887**	4,887
Other assets	7	**89,271**	69,858
TOTAL CURRENT ASSETS		**3,192,316**	3,323,400
NON-CURRENT ASSETS			
Property, plant and equipment	8	**1,212,365**	1,086,088
TOTAL NON-CURRENT ASSETS		**1,212,365**	1,086,088
TOTAL ASSETS		**4,404,681**	4,409,488
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**386,414**	337,112
Short-term provisions	11	**384,914**	591,020
Other liabilities	10	**266,216**	19,081
TOTAL CURRENT LIABILITIES		**1,037,544**	947,213
NON-CURRENT LIABILITIES			
Provisions	11	**696,436**	530,682
TOTAL NON-CURRENT LIABILITIES		**696,436**	530,682
TOTAL LIABILITIES		**1,733,980**	1,477,895
NET ASSETS		**2,670,701**	2,931,593
EQUITY			
Retained earnings		**2,670,701**	2,931,593
TOTAL EQUITY		**2,670,701**	2,931,593

The accompanying notes form part of these financial statements.

Grow

ACN 008 485 827

Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Retained Earnings
	$
Balance at 1 July 2015	**2,931,593**
Profit/(loss) attributable to members of the entity	**(260,892)**
Balance at 30 June 2016	**2,670,701**

2015

	Retained Earnings
	$
Balance at 1 July 2014	3,268,007
Profit / (loss) for the year	(336,414)
Balance at 30 June 2015	2,931,593

The accompanying notes form part of these financial statements.

Grow

ACN 008 485 827

Statement of Cash Flows

For the Year Ended 30 June 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from government grants		**4,848,517**	4,694,795
Receipts from customers, donations		**1,461,731**	1,214,628
Payments to suppliers and employees		**(6,307,644)**	(5,982,241)
Interest received		**99,003**	115,063
Net cash provided by (used in) operating activities	12	**101,607**	42,245
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**111,034**	23,299
Payment for aquisition of financial instruments		**-**	(1,278)
Payment for property, plant and equipment		**(328,353)**	(100,883)
Net cash used by investing activities		**(217,319)**	(78,862)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in cash and cash equivalents held		**(115,712)**	(36,617)
Cash and cash equivalents at beginning of year		**3,166,302**	3,202,919
Cash and cash equivalents at end of financial year	3	**3,050,590**	3,166,302

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

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Accounting Standard Board (AASB) and 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 goods 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.

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 thy 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 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%

1 Summary of Significant Accounting Policies continued

(c) Property, Plant and Equipment continued

Depreciation continued

Motor vehicles	22.5%
Leasehold improvements	15%

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

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

(d) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

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

Amortised cost is calculated as:

(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.

1 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gain or losses are recognised in profit and loss through the amortisation process and when the financial asset is derecognised. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(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.

1 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

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.

(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 2016, 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 2016.

(n) Adoption of new and revised accounting standards

During the current year, the company adopted all of the new and revised Australian Accounting Standards that are relevant to their operations and effective for the current period.

During the current year, the following standards became mandatory and have been adopted retrospectively by the company:

- AASB 2016-3 *Amendments to Australian Standards - Withdrawal of AASB 1031 Materiality.*

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

AASB 1031 Materiality is an interim standard that cross-references to the other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. The adoption of this standard had no material impact on the reported financial position or performance.

1 Summary of Significant Accounting Policies continued

(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 against early adoption of these Standards . The following table summarises those future requirements, and their impact on the Company:

AASB 9 Financial Instrument and amending standards AASB 2010-7 /AASB 2012-6 /AASB 2014-7 /AASB 2014-8	30 June 2019	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choises, including the removal of impairment testing of assets measured at fair value.	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 15 Revenue from Contracts with Customers	30 June 2019	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.

Notes to the Financial Statements
For the Year Ended 30 June 2016

		2016 $	2015 $
2	**Revenue and Other Income**		
	Grants (Recurrent)	4,801,036	4,679,766
	Grants (Non-Recurrent)	45,781	3,479
	Other grants	1,699	11,550
	Fundraising	61,243	55,220
	Donations	108,402	95,835
	Interest received	99,003	115,062
	Other income	286,406	250,722
	Board and lodging income	258,592	263,338
		5,662,162	5,474,972
3	**Cash and cash equivalents**		
	Cash on hand	130	130
	Bank balances	3,050,460	3,166,172
		3,050,590	3,166,302
4	**Trade and other receivables**		
	CURRENT		
	Trade receivables	15,729	32,427
		15,729	32,427
5	**Inventories**		
	Literature, cards, gifts and brochures	31,839	49,926
6	**Other financial assets**		
	Listed shares in other corporations	4,887	4,887
7	**Other assets**		
	CURRENT		
	Prepayments	64,561	53,706
	Deposit paid	24,710	16,152
		89,271	69,858

	2016	2015
	$	$
8 Property, plant and equipment		
Land and Buildings		
At cost	**774,805**	774,805
Accumulated depreciation	**(33,621)**	(26,881)
Total land and buildings	**741,184**	747,924
Plant and Equipment		
At cost	**39,621**	53,223
Accumulated depreciation	**(33,039)**	(47,787)
Total plant and equipment	**6,582**	5,436
Furniture, fixture and fittings		
At cost	**10,758**	10,758
Accumulated depreciation	**(2,868)**	(715)
Total furniture, fixture and fittings	**7,890**	10,043
Motor vehicles		
At cost	**832,341**	915,049
Accumulated depreciation	**(402,074)**	(608,264)
Total motor vehicles	**430,267**	306,785
Computer equipment		
At cost	**9,044**	9,044
Accumulated depreciation	**(9,044)**	(9,044)
Computer software		
At cost	**25,900**	15,900
Accumulated depreciation	**(4,280)**	-
Total computer software	**21,620**	15,900
Leasehold Improvements		
At cost	**46,551**	40,566
Accumulated depreciation	**(41,729)**	(40,566)
Total improvements	**4,822**	-
Total property, plant and equipment	**1,212,365**	1,086,088

	2016	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:

	Land and Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Leasehold Improvements	Total
	$	$	$	$	$	$	$
Year ended 30 June 2016							
Opening balance	747,924	5,436	10,043	306,785	15,900	-	1,086,088
Additions	-	3,870	-	328,355	10,000	5,984	348,209
Disposals / Write offs	-	-	-	(89,235)	-	-	(89,235)
Depreciation	(6,740)	(2,724)	(2,153)	(115,637)	(4,280)	(1,163)	(132,697)
Balance at the end of the year	741,184	6,582	7,890	430,268	21,620	4,821	1,212,365

9 Trade and other payables

	2016	2015
Trade payables	124,019	140,813
GST payable/ (receivable)	66,344	(215)
Creditors and accruals	193,211	168,067
Other payables	2,840	28,447
	386,414	337,112

10 Other Liabilities

	2016	2015
CURRENT		
Government grants received in advance	266,216	19,081

11 Provisions

	2016 $	2015 $
CURRENT		
Provision for annual leave	**139,484**	241,543
Provisions for long service leave	**111,146**	270,458
Other long term employee benefits (annual leave)	**134,284**	79,020
	384,914	591,021
NON-CURRENT		
Provision for long service leave	**257,002**	97,248
Provisions for Carindale property loan	**439,434**	433,434
	696,436	530,682

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 2016

	2016 $	2015 $
12 Cash Flow Information		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the is reconciled to items in the as follows:		
Cash and cash equivalents	**3,050,590**	3,166,302
(b) Reconciliation of result for the year to cashflows from operating activities		
Reconciliation of net income to net cash provided by operating activities:		
Profit for the year	**(260,892)**	(336,414)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	**128,417**	191,971
- loss on sale of fixed assets	**(37,374)**	(3,852)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	**16,698**	(1,057)
- (increase)/decrease in other assets	**(19,414)**	(3,093)
- (increase)/decrease in prepayments	**-**	5,185
- (increase)/decrease in inventories	**18,087**	(8,424)
- increase/(decrease) in trade and other payables	**49,302**	52,400
- increase/(decrease) in other creditors and accruals	**-**	22,400
- increase/(decrease) in income in advance	**247,136**	19,080
- increase/(decrease) in provisions	**-**	6,047
- increase/(decrease) in employee benefits	**(40,353)**	98,002
Cashflow from operations	**101,607**	42,245

13 Capital and Leasing Commitments

	2016 $	2015 $
Operating Leases		
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**246,435**	246,283
- between one year and five years	**32,278**	184,507
	278,713	430,790

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).

	2016	2015
	$	$

14 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:

	2016 $	2015 $
Financial Assets		
Cash and cash equivalents	**3,050,590**	3,166,302
Trade and other receivables	**15,729**	32,427
Financial Assets through profit or loss	**4,887**	4,887
Total financial assets	**3,071,206**	3,203,616
Financial Liabilities		
Trade and other payables	**386,414**	337,112
Total financial liabilities	**386,414**	337,112

15 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 $ 381,710 (2015: $ 347,295).

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.

16 Remuneration of Auditors

	2016 $	2015 $
Remuneration of the auditor of the Company, Hanrick Curran Audit Pty Ltd, for:		
- auditing or reviewing the financial report	**14,250**	13,950

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.

	2016	2015
	$	$

18 **Contingent liabilities**

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015:None).

19 **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.

20 **Company Details**

The registered office of the company is:

Grow

1018 Logan Road

Holland Park

Queensland 4121

Grow

ACN 008 485 827

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, are in accordance with the *Australian Charities and Not-for-profits 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 2016 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
Leonie Young (Chair)

Director Harrison
Kathryn Harrison

Brisbane, 13 October 2016

hanrickcurran
ASSURANCE. STRATEGISTS
experience. new thinking

Grow

ACN 008 485 827

Independent Audit Report to the members of Grow

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Grow, which comprises the statement of financial position as at 30 June 2016, 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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

BRISBANE
Level 11, 307 Queen Street Brisbane QLD 4000
GPO Box 2268 Brisbane QLD 4001

phone 07 3218 3900 | fax 07 3218 3901
www.hanrickcurran.com.au

CAIRNS
Suite 73, Executive Centre Offices, The Pier at Shangri-La,
1 Pierpoint Road, Cairns QLD 4870
PO Box 7170 Cairns QLD 4870
phone 07 4052 7524 | fax 07 4052 7799
www.hanrickcurran.com.au

Hanrick Curran Audit Pty Ltd
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 Division 60 of 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 2016 and of its performance for the year ended on that date; and

b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2012*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Hanrick Curran Audit Pty Ltd

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599

Michael Georghiou
Director

Brisbane, 13 October 2016