UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.20549

FORM10-Q

(Mark One)

[X] **Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2012

[ ] **Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from ________ to ________

Commission File Number: **333-135585**

Cleartronic, Inc.
(Exact name of registrant as specified in its charter)

Florida	**65-0958798**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8000 North Federal Highway, Boca Raton, Florida	**33487**
(Address of principal executive offices)	(Zip Code)

561-939-3300
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes _X__ No _____

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No _

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer ____	Accelerated filer ____
Non-accelerated filer ____	Smaller reporting company _X_

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ___ No _X_

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ___ No ___

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 277,852,727 shares as of August 20, 2012

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CLEARTRONIC, INC. AND SUBSIDIARY

Condensed Consolidated Balance Sheets

ASSETS

	June, 30 2012 (unaudited)	September 30, 2011
Current assets:		
Cash	$ 5,376	$ 39,188
Accounts receivable, net	6,488	-
Inventory	45,479	45,998
Prepaid expenses and other current assets	46,075	8,656
Total current assets	**103,418**	**93,842**
Property and equipment, net	**4,452**	**12,201**
Total assets	**$ 107,870**	**$ 106,043**

LIABILITIES AND STOCKHOLDERS' DEFICIT

	June, 30 2012 (unaudited)	September 30, 2011
Current liabilities:		
Accounts payable	$ 546,352	$ 333,735
Accrued expenses	255,370	145,474
Deferred revenue, current portion	48,868	22,786
Convertible notes payable, net of discount of $52,212 and $0, respectively	29,288	-
Derivative liability	60,302	-
Notes payable - Stockholders	286,142	168,499
Total current liabilities	**1,226,322**	**670,494**
Long Term Liabilities		
Notes Payable - Stockholders	-	115,000
Deferred revenue, net of current portion	33,069	18,870
Total long term liabilities	**33,069**	**133,870**
Total liabilities	**1,259,391**	**804,364**
Stockholders' deficit:		
Series A preferred stock - $.001 par value; 200,000,000 shares authorized, 1,074,000 shares issued and outstanding	1,074	1,074
Common stock - $.001 par value; 1,250,000,000 shares authorized, 242,602,727 and 134,657,169 shares issued and outstanding, respectively	242,603	134,657
Additional paid-in capital	7,066,174	6,853,558
Accumulated Deficit	(8,461,372)	(7,687,610)
Total stockholders' deficit	**(1,151,521)**	**(698,321)**
Total liabilities and stockholders' deficit	**$ 107,870**	**$ 106,043**

See accompanying notes to financial statements.

CLEARTRONIC, INC. AND SUBSIDIARY
Condensed Consolidated Statements of Operations
(Unaudited)

	For the three months ended June 30, 2012	For the three months ended June 30, 2011	For the nine months ended June 30, 2012	For the nine months ended June 30, 2011
Revenue	$ 53,408	$ 184,467	$ 413,383	$ 493,267
Cost of revenue	23,819	105,287	293,591	259,824
Gross profit	29,589	79,180	119,792	233,443
Operating Expenses:				
Selling expenses	8,779	32,915	62,444	108,793
Administrative expenses	185,634	283,722	541,040	729,835
Research and development	24,553	47,276	142,670	102,746
Depreciation	2,859	3,165	7,749	10,529
Total operating expenses	221,825	367,078	753,903	951,903
Gain (loss) on derivative financial instrument	8,743	-	31,795	-
Interest and other expenses	(64,104)	16,415	(171,446)	(19,164)
Net loss	$ (247,597)	$ (271,483)	$ (773,762)	$ (737,624)
(Loss) per share - basic and diluted	$ (0.001)	$ (0.002)	$ (0.005)	$ (0.006)
Weighted average of shares outstanding:				
Basic and diluted	203,096,288	127,744,205	161,243,906	125,856,832

See accompanying notes to financial statements.

CLEARTRONIC, INC. AND SUBSIDIARY
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For the nine months ended June 30, 2012	For the nine months ended June 30, 2011
NET LOSS	$ (773,762)	$ (737,624)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	7,749	10,530
Common stock and warrants issued for services		53,657
Change in fair value of derivative liability	(31,795)	-
Amortization of notes payable discount	29,288	937

(Increase) decrease in assets:		
Accounts receivable	(6,488)	(175,331)
Inventory	519	(8,255)
Prepaid expenses and other current assets	37,386	16,485
Increase (decrease) in liabilities:		
Accounts payable	212,616	64,805
Accrued expenses	312,974	61,797
Deferred revenue	40,281	42,675
Net Cash Used in Operating Activities	(171,232)	(670,324)
Cash Flows From Financing Activities		
Principal payments on notes payable	(2,580)	(2,086)
Proceeds from notes payable - stockholder	45,000	45,000
Proceeds from convertible notes payable	95,000	-
Proceeds from issuance of preferred stock	-	650,000
Net Cash Provided by Financing Activities	137,420	692,914
Net (Decrease) Increase In Cash	(33,812)	22,590
Cash - Beginning of Period	39,188	22,348
Cash - End of Period	$ 5,376	$ 44,938
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 15,029	$ 15,486
NONCASH FINANCING ACTIVITIES:		
For the 9 months ended June 30, 2012, the Company issued 28,750,000 shares of common stock to consultants for services value at $73,750.	$ 73,750	$ -
For the 9 months ended June 30, 2012, the Company issued 45,959,907 shares of common stock for conversion of accrued expenses of $170,298.	$ 170,298	$ -
For the 9 months ended June 30, 2012, the Company issued 33,235,653 shares of common stock for conversion of debt of $76,510.	$ 76,510	$ -
Reclassification of derivative liability to additional paid in capital	$ 10,511	$ -

See accompanying notes to financial statements.

CLEARTRONIC, INC. AND SUBSIDIARY

Notes to Condensed Consolidated Financial Statements

June 30, 2012

NOTE 1 -ORGANIZATION

Cleartronic, Inc. (the “Company”) was incorporated in Florida on November 15, 1999. The Company designs, builds and installs unified group communication solutions, including unique hardware and customized software, for public and private enterprises and markets those services and products under the VoiceInterop brand name.

NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The accompanying unaudited interim condensed consolidated financial statements contain the consolidated accounts of Cleartronic, Inc., and VoiceInterop, Inc. All material intercompany transactions and balances have been eliminated.

BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q of Regulation S-K. They may not include all information and footnotes required by United States generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there have been no material changes in the information disclosed in the notes to the condensed consolidated financial statements for the year ended September 30, 2011 included in the Company's Annual Report on Form 10-K filed with the United States Securities and Exchange Commission. The unaudited interim condensed consolidated financial statements should be read in conjunction with those financial statements included in the Form 10-K. In the opinion of management, all adjustments considered necessary for a fair presentation, consisting solely of normal and recurring adjustments have been made. Operating results for the nine months ended June 30, 2012 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2012.

USE OF ESTIMATES

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and operations for the reporting period. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

ACCOUNTS RECEIVABLE

The Company provides an allowance for uncollectible accounts based upon a periodic review and analysis of outstanding accounts receivable balances. Uncollectible receivables are charged to the allowance when deemed uncollectible. Recoveries of accounts previously written off are used to credit the allowance account in the periods in which the recoveries are made.

The Company has an Accounts Receivable Purchase and Security Agreement with Bridgeport Capital Resources of Birmingham, AL. Under the terms of the agreement the Company sells certain acceptable accounts receivable to Bridgeport Capital at a discount to the receivable face value. Discounts can range between 2.25 and 6.25 percent depending on the length of time the receivable remains outstanding.

CONCENTRATION OF CREDIT RISK

The Company currently maintains cash balances at one banking institution. Beginning December 31, 2010 through December 31, 2012, deposits held in noninterest-bearing transaction accounts are fully insured, regardless of the amount in the account, at all FDIC-insured institutions.

RESEARCH AND DEVELOPMENT COSTS

The Company expenses research and development costs as incurred. For the three months ending June 30, 2012 and 2011, the Company had $24,553 and $47,276 in research and development costs, respectively. For the nine months ending June 30, 2012 and 2011, the Company had $142,670 and $102,746 in research and development costs, respectively.

REVENUE RECOGNITION AND DEFERRED REVENUES

Unified group communication solutions consist of three elements to be provided to customers: software licenses and equipment purchased from third-party vendors, proprietary hardware that is manufactured on contract to required specifications and installation and integration of the hardware and software into the cohesive communication source.

The Company's revenue recognition policies are in accordance with Accounting Standards Codification 605-10 “Revenue Recognition” (ASC 605-10). Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the contract price is fixed or determinable, and collectability is reasonably assured. No right of return privileges are granted to customers after shipment. The Company recognizes revenue for the elements separately as the sales of the equipment and software, installation and integration, and support services represent separate earnings processes that are generally specified under separate agreements.

Revenue from the resale of equipment utilized in unified group communication solutions is recognized when shipped. For software licenses, the Company does not provide any services that are considered essential to the functionality of the software, and therefore revenue is recognized upon delivery of the software, provided (1) there is evidence of an arrangement, (2) collection of the fee is considered probable and (3) the fee is fixed and determinable.

The Company also provides support to customers under separate contracts varying from one to five years. The Company’s obligations under its service contracts vary by the length of the contract. In all cases the Company is the primary obligor to provide first level support to the client. If the contract has less than one year of service and support remaining on the contract it is classified as a current liability, if longer it is classified as a non-current liability.

Installation and integration services are recognized upon completion.

EARNINGS PER SHARE

Basic income (loss) per common share is calculated using the weighted average number of shares outstanding during the periods reported. Diluted earnings per share include the weighted average effect of all dilutive securities outstanding during the periods presented. Diluted per share loss is the same as basic per share loss when there is a loss from continuing operations. Accordingly, for purposes of dilutive earnings per share, the Company excluded the effect of warrants and options as of June 30, 2012 and 2011 and there were 37,323,947 and 22,471,265 options and warrants outstanding, respectively.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company adopted ASC topic 820, "Fair Value Measurements and Disclosures" (ASC 820), formerly SFAS No. 157 "Fair Value Measurements," effective January 1, 2009. ASC 820 defines "fair value" as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There was no impact relating to the adoption of ASC 820 to the Company's consolidated financial statements.

ASC 820 also describes three levels of inputs that may be used to measure fair value:

- Level 1:Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities traded in active markets.
- Level 2:Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs that are generally observable. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial instruments consist principally of cash, accounts receivable, prepaid expenses and other current assets, accounts payable, accrued expenses and deferred revenue. The carrying amounts of such financial instruments in the accompanying condensed consolidated balance sheet approximate their fair values due to their relatively short-term nature. The fair value of long-term debt is based on current rates at which the Company could borrow funds with similar remaining maturities. The carrying amounts approximate fair value. It is management's opinion that the Company is not exposed to any significant currency or credit risks arising from these financial instruments.

The Company revalues its derivative liability at every reporting period and recognizes gains or losses in the interim condensed consolidated statement of operations that are attributable to the change in the fair value of the derivative liability. The Company has no other assets or liabilities measured at fair value on a recurring basis.

INVENTORY

Inventory consists of components held for assembly and finished goods held for resale or to be utilized for installation in projects. Inventory is valued at lower of cost or market on a first-in, first-out basis. The Company's policy is to record a reserve for technological obsolescence or slow-moving inventory items. No reserve was made for inventory balances as of June 30, 2012.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. For financial statement purposes depreciation of property and equipment is computed using the straight-linemethod over the estimated useful lives of the asset. Expenditures for replacements, maintenance and repairs that do not extend the lives of the respective assets are charged to expense as incurred. When assets are retired, sold or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are recognized.

STOCK-BASED COMPENSATION

Effective January 1, 2006, the Company adopted the fair value recognition provisions of Accounting Standards Codification 718-10 “Compensation” (ASC 718-10) using the modified retrospective transition method. SFAS 123R requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense ratably over the requisite service periods. The Company has estimated the fair value of each award as of the date of grant or assumption using the Black-Scholes option pricing model, which was developed for use in estimating the value of traded options that have no vesting restrictions and that are freely transferable. The Black-Scholes option pricing model considers, among other factors, the expected life of the award and the expected volatility of the Company's stock price. In March 2005, the SEC issued SAB No. 107, Share-Based Payment ("SAB 107") which provides guidance regarding the interaction of ASC 718-10 and certain SEC rules and regulations. The Company has applied the provisions of SAB 107 in its adoption of ASC 718-10.

DERIVATIVE INSTRUMENTS

The Company evaluates its convertible debt, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with paragraph 810-10-05-4 of the FASB Accounting Standards Codification and paragraph 815-40-25 of the FASB Accounting Standards Codification. The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the Statement of Operations as other income or expense. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity.

In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities will be classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within 12 months of the balance sheet date.

ADVERTISING COSTS

Advertising costs are expensed as incurred. The Company had advertising costs of $3,015 during the three months ended June 30, 2012 and $13,500 during the three months ended June 30, 2011. For the nine months ending June 30, 2012 and 2011, the Company had $20,880 and $24,530 in advertising costs, respectively.

NOTE 3 -GOING CONCERN

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management is currently seeking funding from significant shareholders and outside funding sources sufficient to meet its minimal operating expenses. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying interim condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 -INSTALLATION CONTRACT

In January 2012, the Company entered into a contract to furnish materials, equipment and supervision as well as labor and other services for installation of a communication system to a regional airport for a total contract price of approximately $234,000 to be completed no later than March 15, 2012.

The Company recorded the revenues associated with the contract in accordance with ASC 605-25 Multiple Element Arrangements. Accordingly, management identified the separate units of accounting for delivered and deliverable items, which included equipment, software, labor and installation fees. Equipment and software consisted of items sold by the Company in its normal course of business and were recorded at the standard sales price. Labor revenue was recorded at the Company’s standard hourly rates. At June 30, 2012, all equipment and software had been delivered to the customer and all necessary labor had been completed. Total equipment, software and labor revenues recognized were approximately $86,000. Management determined that the project was substantially complete at March 31, and received the retainage deposit of $26,000 in May 2012.

NOTE 5 -NOTE PAYABLE TO STOCKHOLDER

On December 9, 2011, the Company received an additional $45,000 from an existing noteholder per the terms of an amendment to a secured promissory note payable executed in June 2011. In April 2012, the noteholder assigned $50,000 of principal due under the terms of the note to four separate entities. Subsequently the four noteholders converted the $50,000 of promissory notes into 20,000,000 shares of the company's common stock. Total principal due at June 30, 2012 under the amended note is $110,000. The original note and the amendment call for interest payable at 10% quarterly with a maturity date of December 31, 2012.

On June 26, 2012 the Company entered into a promissory note for $10,000 with an existing noteholder. The note bears a 10% interest rate, unsecured and is due on December 31, 2013.

NOTE 6 -CONVERTIBLE PROMISSORY NOTE AND EMBEDDEDED DERIVATIVE LIABILITIES

On November 15, 2011 and January 19, 2012 the Company entered into securities purchase agreement (the "Purchase Agreement") with an investor and issued convertible promissory notes in the amount of $60,000 and $37,500, respectively (the "Notes"). On August 17, 2012 the Company defaulted on a Convertible Promissory Note dated November 15, 2011 that was due on August 17, 2012. As a result of the default the Company is required to pay 150% on the remaining principal amount of $44,000 and is subject to a default interest rate of 22% until paid in full. The default penalty of $22,000 is included in Accrued expenses as of June 30, 2012. The Notes bear interest at 8% per annum and mature on August 15 and October 23, 2012, respectively. The Notes may be converted into unregistered shares of the Company's common stock, par value $0.001 per share (the "Common Stock"), at the Conversion Price, as defined below, in whole, or in part, at any time beginning 180 days after the issuance of the note. The Conversion Price of both Notes shall be equal to 58% multiplied by the Variable Conversion Rate which is equal to the average of the three (3) lowest closing bid prices of the Common Stock during the ten (10) trading day period prior to the date of conversion. The Notes also contain prepayment options whereby the Company may make payments to the holder based on the length of time the Notes have been outstanding, upon three (3) trading days' prior written notice to the holder. During the first 60 days, the Company may make a payment to the holder equal to 130% of the then outstanding unpaid principal and interest, from days 61 until 120 days, the Company may make a payment to the holder equal to 135% of the then outstanding unpaid principal and interest, from days 121 until 180, days the Company may make a payment to the holder equal to 140% of the then outstanding unpaid principal and interest, after 180 days, the Company has no right of prepay. In any event of default before the maturity date payment is immediately due in the amount 150% of the outstanding unpaid principal along with interest and any penalties.

In May 2012, the noteholder converted $8,000 of the November 15, 2011 convertible note into 4,444,444 shares of the Company's common stock.

In June 2012, the noteholder converted $8,000 of the November 15, 2011 convertible note into 8,791,209 shares of the Company's common stock.

As a result of the partial conversion of the notes, $10,511 was reclassified from derivative liability to additional paid in capital.

Derivative analysis

The Notes are convertible into common stock of the Company at variable conversion rates that provides a fixed return to the note-holder. Under the terms of the notes, the Company could be required to issue additional shares in the event of a default. Due to these provisions, the conversion feature is subject to derivative liability treatment under Section 815-40-15 of the FASB Accounting Standard Codification ("Section 815-40-15") (formerly FASB Emerging Issues Task Force ("EITF") 07-5). The Notes have been measured at fair value using a lattice model at each reporting period with gains and losses from the change in fair value of derivative liabilities recognized on the consolidated statement of operations. The conversion feature was recorded as a discount to the notes due to the beneficial conversion feature upon origination.

The embedded derivatives of the remaining Notes were remeasured at June 30, 2012 yielding a gain on change in fair value of the derivatives of $8,743 for the three months ended June 30, 2012, and $31,795 for the nine months ended June 30, 2012. The derivative value of the remaining Notes at June 30, 2012, yielded a derivative liability at fair value of $ 60,352.

NOTE 7 -EQUITY

Common Stock

In December 2011, the Company issued 3,671,301 shares of the Company's common stock to a consultant in exchange for services previously accrued in the amount of approximately $7,300.

In January 2012, the Company issued 5,000,000 shares of the Company's common stock to a consultant in exchange for services valued at approximately $12,500.

In February 2012, the Company issued 3,750,000 shares of the Company's common stock to a consultant in exchange for services valued at approximately $9,375.

In April 2012, the Company authorized the issuance of 20,000,000 shares of the Company's common stock to a consultant in exchange for services valued at $50,000. As of June 30, 2012, the Company had recognized $13,636 and the remaining balance is included in prepaid expenses and other current assets.

In April 2012, two officers and directors of the Company converted accrued consulting fees of $36,000 into 9,856,380 shares of common stock.

In April 2012, a consultant to the Company converted accrued consulting fees of $14,000 into 3,835,616 shares of common stock.

In April 2012, four noteholders converted $50,000 of promissory notes into 20,000,000 shares of the Company's common stock.

In May 2012, a convertible noteholder converted $8,000 of a convertible note into 4,444,444 shares of the Company's common stock.

In June 2012, a convertible noteholder converted $8,000 of a convertible note into 8,791,209 shares of the Company's common stock.

In June 2012, two officers and directors of the Company converted accrued consulting fees of $112,954 into 28,596,608 shares of common stock.

Preferred Stock

Dividends payable on Series A Convertible Preferred Stock of approximately $107,000 are included in Accrued Expenses at June 30, 2012.

NOTE 8 -RELATED PARTY TRANSACTIONS

The Company leases its office space from another entity that is also a stockholder. Rent expense paid to the related party was $18,860 and $19,575 for the three months ended June 30, 2012 and 2011, respectively. For the nine months ending June 30, 2012 and 2011, rent expense paid to the related party was $59,081 and $62,973, respectively.

Included in Accrued Expenses are consulting expenses for approximately $8,300 and $108,000 at June 30, 2012 and September 30, 2011, respectively, due to an officers and directors of the Company.

NOTE 9 - SUBSEQUENT EVENTS

In July 2012, the Company issued 35,250,000 of the Company's common stock to a consultant in exchange for services valued at $35,250.

Item 2. Management's Discussion and Analysis or Plan of Operation.

FORWARD-LOOKING STATEMENTS

The information set forth in this Management's Discussion and Analysis contains certain "forward-looking statements," including, among others (i) expected changes in the Company's revenues and profitability, (ii) prospective business opportunities and (iii) its strategy for financing its business. Forward-looking statements are statements other than historical information or statements of current condition. Some forward-looking statements may be identified by use of terms such as "believes," "anticipates," "intends" or "expects." These forward-looking statements relate to the Company's plans, objectives and expectations for future operations. Although the Company believes that its expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of its knowledge of its business and operations, in light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in this prospectus should not be regarded as a representation that the Company's objectives or plans will be achieved. In light of the risks and uncertainties, there can be no assurance that actual results, performance or achievements will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. The foregoing review of important factors should not be construed as exhaustive. The Company undertakes no obligation to release publicly the results of any future revisions it may make to forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

Overview

Cleartronic, Inc. (the "Company," formerly GlobalTel IP, Inc.) was incorporated in Florida on November 15, 1999. The Company, through its wholly owned subsidiary, VoiceInterop, Inc., designs, builds, sells and installs unified group communication solutions for public and private enterprises and is developing an Application Service Provider solution for voice interoperability.

COMPARISON OF THE THREE MONTHS ENDED JUNE 30, 2012 AND THE THREE MONTHS ENDED JUNE 30, 2011

Revenues

Revenues decreased to $53,408 for the three months ended June 30, 2012 as compared to $184,467 for the three months ended June 30, 2011. The decrease was due to a decrease in sales of equipment and software.

Cost of Revenues

Cost of revenues was $23,819 for the three months ended June 30, 2012 as compared to $105,287 for the three months ended June 30, 2011. The decrease was due to a decrease in sales of equipment and software.

Operating Expenses

Operating expenses for the three months ended June 30, 2012 were $221,825 compared to $367,078 for the three months ended June 30, 2011. Operating expenses decreased in all categories. Selling expenses decreased from $32,915 to $8,779 because of cuts to marketing and promotion expenses. Administrative expenses decreased from $283,722 to $185,634 primarily because of reduction in use of outside consultants as well as the departure of some executives. Research and development expenses decreased from $47,276 to $24,553 because of reduced expenditures on product development and depreciation expense decreased from $3,165 to $2,859 because of assets reaching the end of their depreciation period.

Net Loss

The Company’s net loss decreased to $247,597 during the three months ended June 30, 2012 as compared to $271,483 for the three months ended June 30, 2011. Net loss per common share was $0.001 and $0.002 for the three months ended June 30, 2012 and 2011, respectively.

COMPARISON OF THE NINE MONTHS ENDED JUNE 30, 2012 AND THE NINE MONTHS ENDED JUNE 30, 2011

Revenues

Revenues from operations were $413,383 for the nine months ended June 30, 2012 as compared to $493,267 for the nine months ended June 30, 2011. The decrease was primarily due to a decrease in sales of equipment and software for approximately $208,000 which was partially offset by an increase due to a contract to furnish materials, equipment and supervision, as well as labor and other services for installation of an interoperable communication system for a regional airport. Installation revenue from this contract amounted to approximately $151,000 which was approximately 36% of total revenue for the nine months ended June 30, 2012.

Cost of Revenues

Cost of revenues was $293,591 for the nine months ended June 30, 2012, as compared to $259,824 for the nine months ended June 30, 2011. While sales of software and equipment decreased during the period ended June 30, 2012 the Company's cost of revenues increase was due to a large increase in installation costs related to a communication system for a regional airport. Gross profits were $119,792 and $233,443 for the nine months ended June 30, 2012 and 2011, respectively. This significant decrease in gross operating margin was due primarily to aggressively lower bids on competitive bidding projects won by the Company.

Operating Expenses

Operating expenses for the nine months ended June 30, 2012 were $753,903 compared to $951,903 for the nine months ended June 30, 2011. This decrease was primarily due to the departure of some executives and a decrease in consulting fees.

Loss from Operations

The Company's net loss increased slightly to $773,762 during the nine months ended June 30, 2012 as compared to a loss of $737,624 for the nine months ended June 30, 2011. Net loss per common share was $0.005 and $0.006 for the nine months ended June 30, 2012 and 2011, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Net cash used in operating activities was $171,232 for the nine months ended June 30, 2012 compared to $670,324 for the nine months ended June 30, 2011. The decrease was primarily due to increases in accounts payable and accrued expenses, which were partially offset by a decrease in accounts receivable.

Net cash provided by financing activities was $137,420 for the nine months ended June 30, 2012 compared to $692,914 for the nine months ended June 30, 2011. The decrease was due to primarily to equity financing from the sale of preferred stock that occurred in the nine months ended June 30, 2011, while there was no equity financing in the nine month period ended June 30, 2012.

Our obligations are being met on a month-to-month basis as cash becomes available. There can be no assurance that the Company's present flow of cash will be sufficient to meet current and future obligations. On August 17, 2012 the Company defaulted on a Convertible Promissory Noted dated November 15, 2011 that was due on August 17, 2012. As a result of the default the Company is required to pay 150% on the remaining principal amount of $44,000. The principal and related penalty is subject to a default interest rate of 22% until paid in full. The default penalty of $22,000 is included in Accrued expenses as of June 30, 2012. This default may make it more difficult for us to raise additional capital.

We have incurred losses since our inception and continue to require additional capital to fund operations and development. As such, our ability to pay our already incurred obligations is mostly dependent on the Company being able to have substantially increased revenues and raising substantial additional capital through the sale of our equity or debt securities. There can be no assurance that the Company will be successful in accomplishing any of the foregoing.

We believe that in order to fund our business plan, we will need approximately $1 million in new equity or debt capital. In the past, in addition to revenues, we have obtained funds from the private sale of our debt and equity securities. We intend to continue to seek private financing from existing stockholders and others.

The costs to operate our current business are approximately $75,000 per month. In order for us to cover our monthly operating expenses, we would have to generate revenues of approximately $175,000 per month. Accordingly, in the absence of revenues, we will need to secure $75,000 in equity or debt capital each month to cover our overhead expenses. In order to remain in business for one year without any revenues we would need to secure $900,000 in equity or debt capital. If we are unsuccessful in securing sufficient capital or revenues, we would have to cease business in approximately 30 days.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

An evaluation was conducted by the registrant's chief executive officer (CEO) and principal financial officer ("PFO") of the effectiveness of the design and operation of the registrant's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act") as of June 30, 2012. Based on that evaluation, the CEO and PFO concluded that the registrant's controls and procedures were effective as of such date to ensure that information required to be disclosed in the reports that the registrant files or submits under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (ii) is accumulated and communicated to our management, including our CEO and PFO, as appropriate to allow timely decisions regarding required disclosures. If the registrant develops new business or engages or hires a chief financial officer or similar financial expert, the registrant intends to review its disclosure controls and procedures.

Management is aware that there is a lack of segregation of duties due to the small number of employees dealing with general administrative and financial matters. However, at this time management has decided that considering the abilities of the employees now involved and the control procedures in place, the risk associated with such lack of segregation is low and the potential benefits of adding employees to clearly segregate duties do not justify the substantial expenses associated with such increases. Management may reevaluate this situation as circumstances dictate.

Changes in Internal Control over Financial Reporting

There was no change in the registrant's internal control over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In April 2012, we authorized the issuance of 20,000,000 shares of the Company's common stock to a consultant in exchange for services valued at $50,000.

In April 2012, we authorized the issuance of 9,856,380 shares of the Company's common stock to two officers and directors of the Company in exchange for converting $36,000 in accrued consulting fees and we issued 3,835,616 shares of the Company's common stock to a consultant in exchange for converting $14,000 in accrued consulting fees.

In April 2012, four noteholders converted $50,000 of promissory notes into 20,000,000 shares of the Company's common stock.

In May 2012, a convertible noteholder converted $8,000 in principal of a convertible note into 4,444,444 shares of the Company's common stock and in June 2012, the same convertible noteholder converted $8,000 in principal of a convertible note into 8,791,209 shares of the Company's common stock.

In June 2012, we issued 28,596,608 share of the Company's common stock to two officers and directors of the Company in exchange for converting $112,954 in accrued consulting fees.

The registrant claimed exemption from the registration provisions of the Securities Act of 1933 with respect to the securities pursuant to Section 4(2) thereof inasmuch as no public offering was involved. The shares were not offered or sold by means of: (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium, or broadcast over television or radio, (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising, or (iii) any other form of general solicitation or advertising and the purchases were made for investment and not with a view to distribution. Each of the purchasers was, at the time of the purchaser's respective purchase, an accredited investor, as that term is defined in Regulation D under the Securities Act of 1933, and had access to sufficient information concerning the registrant and the offering.

Item 6. Exhibits.

3.01	Articles of Incorporation.(1)
3.02	Articles of Amendment to Articles of Incorporation filed March 12, 2001. (1)
3.03	Articles of Amendment to Articles of Incorporation filed October 4, 2004. (1)
3.04	Articles of Amendment to Articles of Incorporation filed March 31, 2005. (1)
3.05	Articles of Amendment to Articles of Incorporation filed May 9, 2008. (2)
3.06	Articles of Amendment to Articles of Incorporation filed June 28, 2010. (3)
3.07	Articles of Amendment to Articles of Incorporation filed May 6, 2011. (4)
3.08	Bylaws. (1)
3.09	Articles of Amendment to Articles of Incorporation filed April 19, 2012. (5)
10.1	Convertible Promissory Note Dated November 15, 2011 between Cleartronic, Inc.

	and Asher Enterprises, Inc. (5)
10.2	Convertible Promissory Note Dated January 19, 2012 between Cleartronic, Inc. and Asher Enterprises, Inc. (5)
10.3	Promissory Note Dated June 26, 2012 between Cleartronic, Inc. and Dominic Albi (6)
31.1	Rule 13a-14(a)/14d-14(a) Certification of Larry Reid. (6)
31.2	Rule 13a-14(a)/14d-14(a) Certification of Larry Reid. (6)
32.1	Section 1350 Certification of Larry Reid (6)
101	The financial statements included in the Cleartronic, Inc. Quarterly Report for the quarter ended June 30, 2012 formatted in Extensive Business Reporting Language (XBRL): (i) balance sheet; (ii) statements of operations; (iii) statements of cash flows; and (iv) the notes to the financial statements.

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(1) Filed as an exhibit to the registrant's registration statement on Form SB-2 filed with the Securities and Exchange Commission on July 3, 2006 and hereby incorporated by reference.

(2) Filed as an exhibit to Amendment No. 6 to the registrant's registration statement on Form S-1 filed with the Securities and Exchange Commission on May 28, 2008 and hereby incorporated by reference.

(3) Filed as an exhibit to the registrant's quarterly report on Form 10-Q filed with the Securities and Exchange Commission on February 14, 2011 and hereby incorporated by reference.

(4) Filed as an exhibit to the registrant's current report on Form 8-K filed with the Securities and Exchange Commission on May 6, 2011 and hereby incorporated by reference.

(5) Filed as an exhibit to the registrant's quarterly report on Form 10-Q filed with the Securities and Exchange Commission on May 15, 2012 and hereby incorporated by reference.

(6) Filed herewith.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CLEARTRONIC, INC.

Date: August 20, 2012

By: /s/ Larry Reid
Larry Reid
Principal Executive Officer and Principal
Financial Officer and Chief Accounting Officer

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THAT ACT OR AN EXEMPTION FROM REGISTRATION UNDER THAT ACT IS AVAILABLE.

PROMISSORY NOTE

$10,000.00 Boca Raton, Florida

June 26, 2012

FOR VALUE RECEIVED, the undersigned**, Cleartronic, Inc.** (the "Obligor"), promises to pay to the order of **Dominic Albi** (said party and any subsequent holders hereinafter being collectively called the "Holder") at 7999 North Federal Highway, Suite 401, Boca Raton, Florida (or at such other place in the Palm Beach County, Florida as the Holder may designate) the sum of $1,000.00 (the "Principal Amount").

The Principal Amount and any then accrued and unpaid interest shall be due (the "Due Date") on December 31, 2013.

This Promissory Note shall bear interest at the rate of 10.00 % per annum on the unpaid Principal Amount and such interest shall be payable at maturity.

This Promissory Note may be prepaid without penalty at any time.

1. **Default**. The happening of any of the following events shall constitute a default hereunder:

(a) Failure of Obligor to pay in full the Principal Amount when it becomes due'

(b) Fifteen days after the Holder correctly gives notice to the Obligor to the effect that any interest payment required to be made under this Promissory Note has not been paid in full and such payment is not thereafter made within such fifteen day period.

(c) The Obligor becomes bankrupt, insolvent or if any bankruptcy (voluntary or involuntary) or insolvency proceedings (as said terms "insolvent" and "insolvency proceedings" are defined in the Uniform Commercial Code of Florida) are instituted or made by or against Obligor, or if application is made for the appointment for a receiver for the Obligor or for any of the assets of any Obligor, or an assignment is made for the benefit of the Obligor's creditors.

Upon the happening of any event of default as defined herein, the Holder, at his, her or its option, may declare the entire unpaid Principal Amount to be immediately due and payable without notice or demand. In the event of default, the then unpaid Principal Amount shall bear interest from the time of such default at the maximum legal rate permissible.

In addition to payment of the Principal Amount, if there is a default in this Promissory Note, the Holder shall be entitled to recover from the Obligor all the Holder's costs of collection, including the Holder's attorneys' fees, paralegals' fees and legal assistants' fees (whether incurred in connection with any judicial, bankruptcy, reorganization, administrative, appeals or other proceedings and whether such fees or expenses arise before proceedings are commenced or after entry of any judgment), and all other costs or expenses incurred in connection therewith.

2. **Waiver**. With respect to the payment hereof, the Obligor waives the following:

- All rights of exemption of property from levy or sale under execution or the process for the collection of debts under the Constitution or laws of the United States or of any state thereof;
- Demand, presentment, protest, notice of dishonor, suit against any party, and all other requirements necessary to charge or hold any Obligor liable hereunder; and
- All statutory provisions and requirements for the benefit of Obligor now or hereafter in force (to the extent that same may be waived).

3. **Fees and Costs.** The Obligor agrees to pay all filing fees and taxes, and all costs of collection or securing or attempting to collect or secure the payment thereof, including attorneys' fees, whether or not involving litigation and/or appellate proceedings.

4. **Remedies.** The Holder shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid, unless in writing and signed by the Holder. All rights and remedies of the Holder shall be cumulative. Furthermore, the Holder shall be entitled to all the rights of a holder in due course of a negotiable instrument.

5. **Governing Law**. This Promissory Note shall be governed by and construed in accordance with the laws of Florida.

6. **Enforceability**. Any provision of this Promissory Note that may be unenforceable or invalid under any law shall be ineffective to the extent of such unenforceability or invalidity without affecting the enforceability or validity of any other provision hereof.

7. **Notice.** Any notice required to be given to any person shall be deemed sufficient if mailed, postage prepaid, to such person's address as set forth in this Promissory Note.

8. **Successors and Assigns**. The provisions of this Promissory Note are binding on the assigns and successors of Obligor and shall inure to the benefit of the Holder and the Holder's successors and assigns. This Promissory Note is executed under the seal of the Obligor.

9. **Collection.** If this Promissory Note is not paid upon demand or according to the tenor hereof and strictly as above provided, it may be placed in the hands of an attorney at law for collection. In such event, each party liable for payment thereof, as obligor, maker, endorser, guarantor or otherwise, hereby agrees to pay the holder hereof, in addition to the sums above stated, a reasonable attorneys' fee, whether or not suit be initiated, which fee shall include attorneys' fees at the trial level and on appeal, together with all costs incurred.

Notwithstanding anything to the contrary, in no event, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid balance hereof, or otherwise, shall the amount taken, reserved or paid, charged or agreed to be paid, for the use, forbearance or detention of money advanced pursuant hereto or pursuant to any other document executed in connection herewith, exceed the maximum rate allowed by Florida law. If, for any circumstances whatsoever, fulfillment of any obligation hereunder shall cause the effective rate of interest to exceed the maximum lawful rate allowed under Florida law, then, ipso facto, the obligation shall be reduced to the limit of such validity, and any amounts received by the Holder as interest that would exceed the maximum lawful rate allowed under Florida law shall be applied to the reduction of the unpaid principal balance and not the payment of interest. If such excessive interest exceeds the unpaid principal balance, the excess shall be refunded. In determining whether or not the interest paid or payable hereunder exceeds the maximum lawful rate, the Holder may utilize any law, rule or regulation in effect from time to time and available to the Holder. This provision shall control every other provision of all agreements between the undersigned and Holder.

THE PROPER DOCUMENTARY STAMP TAX, IF REQUIRED, HAS BEEN PAID ON THIS PROMISSORY NOTE BY OBLIGOR.

Cleartronic, Inc.

By: /s/ Larry M. Reid
Larry M. Reid, President

Exhibit 31.1

CERTIFICATION

I, Larry Reid, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cleartronic, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 20, 2012

<u>/s/ Larry Reid</u>
Larry Reid, Principal Executive Officer

Exhibit 31.2

CERTIFICATION

I, Larry Reid, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cleartronic, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 20, 2012

/s/ Larry Reid
Larry Reid, Principal Financial & Accounting Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Cleartronic, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that the Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 20, 2012

/s/

By Larry Reid

Principal Executive Officer and Principal Financial Officer