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

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 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 it's 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 than the registrant was required to submit and post such files). _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: 2,001,330,970 shares as of February 19, 2013

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CLEARTRONIC, INC. AND SUBSIDIARY

Condensed Consolidated Balance Sheets

ASSETS

	December 31, 2012 (unaudited)	September 30, 2012
Current assets:		
Cash	$ 4,093	$ 38,420
Accounts receivable, net	505	2,468
Inventory	28,672	30,067
Prepaid expenses and other current assets	23,991	293,713
Deferred loan costs	1,331	2,369
Total current assets	**58,592**	**367,037**
Property and equipment, net	**794**	**2,342**
Total assets	**$ 59,386**	**$ 369,379**

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

	December 31, 2012 (unaudited)	September 30, 2012
Current liabilities:		
Accounts payable	$ 440,042	$ 991,843
Accrued expenses	224,846	201,657
Deferred revenue, current portion	27,068	31,110
Convertible notes payable, net of discount of $33,167 and $51,078	61,333	51,122
Derivative liability	221,169	143,678
Notes payable - stockholders	168,583	286,142
Total current liabilities	**1,143,041**	**1,705,552**
Long Term Liabilities		
Deferred revenue, net of current portion	**22,935**	**28,002**
Total liabilities	**1,165,976**	**1,733,554**
Stockholders' equity (deficit):		
Series A preferred stock - $.001 par value; 1,250,000 shares authorized, 1,074,000 shares issued and outstanding	11	11
Series B preferred stock - $.00001 par value; 10 shares authorized, 1 and 0 shares issued and outstanding	-	-
Series C preferred stock - $.00001 par value; 50,000,000 shares authorized, 1,533,670 and 0 shares issued and outstanding	15	-
Series D preferred stock - $.00001 par value; 10,000,000 shares authorized, 0 shares issued and outstanding		-
Common stock - $.00001 par value; 5,000,000,000 shares authorized, 1,301,341 and 139,916 shares issued and outstanding, respectively	13	1
Additional paid-in capital	9,788,042	7,572,635
Accumulated Deficit	(10,894,671)	(8,936,822)

Total stockholders' equity (deficit)	**(1,106,590)**	**(1,364,175)**
Total liabilities and stockholders' equity (deficit)	**$ 59,386**	**$ 369,379**

See the accompanying notes to these condensed consolidated financial statements

CLEARTRONIC, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	For Three Months Ended December 31, 2012	For Three months ended December 31, 2011
Revenue	**$ 101,825**	**$ 99,129**
Cost of Revenue	**54,780**	**64,099**
Gross Profit	**47,045**	**35,030**
Operating Expenses:		
Selling expenses	5,223	35,920
Administrative expenses	1,279,160	217,326
Research and development	3,000	56,976
Depreciation	1,548	2,488
Total Operating Expenses	**1,288,931**	**312,710**
(Loss) from operations	**(1,241,886)**	**(277,680)**
Other Income (Expenses)		
(Loss) Gain on derivative financial instrument	(104,854)	6,532
Gain on debt conversion, net	367,046	-
(Loss) share exchange	(919,642)	-
Interest and other expenses	(58,448)	(38,615)
	-	-
Total Other Expenses	**(715,898)**	**(32,083)**
Net (loss)	**$ (1,957,784)**	**$ (309,763)**
(Loss) per share - basic and diluted	**$ (1.58)**	**$ (2.26)**
Weighted average of shares outstanding:		
Basic and diluted	**1,236,472**	**136,916**

See the accompanying notes to these condensed consolidated financial statements

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CLEARTRONIC, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	For Three Months Ended December 31, 2012	For Three Months Ended December 31, 2011
Net (Loss)	**$(1,957,784)**	**$(309,763)**
Adjustments to reconcile net (loss) to net cash (used) in operating activities:		
Depreciation	1,548	2,488
Change in fair value of derivative liability	104,854	(3,215)
Amortization of notes payable discount	17,911	3,597
Amortization of deferred loan costs	1,038	-
Common and preferred stock issued for compensation and services	949,238	-
Gain on conversions of liabilities to common and preferred stock	(367,046)	-
Loss on exchange of stock and stock equivalents	919,642	-
(Increase) decrease in assets:		
Accounts receivable	1,963	-
Inventory	1,395	2,834
Prepaid expenses and other current assets	269,675	(33,000)
Increase (decrease) in liabilities:		
Accounts payable	(51,976)	88,146
Accrued expenses	34,924	97,522
Deferred revenue	(9,109)	42,216
Net Cash Used in Operating Activities	**(83,727)**	**(109,175)**
Cash Flows From Financing Activities:		
Principal payments on notes payable	-	(547)
Proceeds from issuance of preferred stock	35,000	-
Proceeds from notes payable	-	60,000
Proceeds from notes payable - stockholders	14,400	45,000
Net Cash Provided by Financing Activities	**49,400**	**104,453**
Net Decrease in Cash	**(34,327)**	**(4,722)**
Cash - Beginning of Period	**38,420**	**39,188**
Cash - End of Period	**$ 4,093**	**$34,466**
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ -	$3,666

NON-CASH FINANCING ACTIVITY

During the three months ended December 31, 2012, the Company converted $499,325 in accounts payable
to common stock and Series C preferred stock

During the three months ended December 31, 2012, the Company converted $143,703 in notes payable to stock holders to common stock and Series C preferred stock

During the three months ended December 31, 2012, the Company converted $22,221 in convertible notes payable and derivative liability to common stock.

During the 3 months ended December 31, 2011, the Company converted $7,342 in accrued expenses to shares of common stock.

See the accompanying notes to these condensed consolidated financial statements

CLEARTRONIC, INC. AND SUBSIDARY

Notes to Condensed Consolidated Financial Statements

December 31, 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.

On September 13, 2012, the Board of Directors voted to decrease the par value of the Company's authorized and outstanding common and preferred stock to $.00001 per share. On November 28, 2012, the Board of Directors authorized a 3000 to 1 reverse stock split of its common shares. The reverse split was approved by the Financial Industry Regulatory Authority (FINRA) on December 4 and became effective on December 28, 2012. All share and per share amounts included in the consolidated financial statements have been adjusted retroactively to reflect the effects of the par value change and the reverse stock split.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The accompanying unaudited interim 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 financial statements for the year ended September 30, 2012 included in the Company's Annual Report on Form 10-K filed with the United States Securities and Exchange Commission. The unaudited interim 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 three months ended December 31, 2012 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2013.

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 FDIC-insured banking institution. Deposits held in noninterest-bearing transaction accounts are insured up to a maximum of $250,000 at all FDIC-insured institutions.

RESEARCH AND DEVELOPMENT COSTS

The Company expenses research and development costs as incurred. For the three months ending December 31, 2012 and 2011, the Company had $3,000 and $56,976, respectively, in research and development costs from continuing operations.

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, convertible preferred stock and convertible notes.

As of December 31, 2012 and 2011, we had outstanding options and warrants exercisable for an aggregate of 10,608 and 11,512 shares of common stock, respectively. As of December 31, 2012 and 2011, we had 1,074,000 shares of Series A Convertible Preferred stock outstanding. 500,000 Series A shares were convertible into 50,000,000 shares of common stock on December 31, 2012. No Series A shares were convertible on December 31, 2011. As of December 31, 2012, we had 1,534,670 shares of Series C Convertible Preferred stock outstanding which are convertible into 383,667,500,000 shares of common stock. There were no Series C Convertible Preferred shares outstanding on December 31, 2011. As of December 31, 2012, we had three convertible notes outstanding with a principal amount of $94,500. Each convertible note is convertible into shares of common stock at a discount to the current market price of the stock. The Company had reserved 612,031,434 shares of common stock for potential conversions effected by the note-holder.

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. For the three months ending December 31, 2012 and 2011, the Company had a reserve of $5,000 and $0, respectively.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. For financial statement purposes depreciation of property and equipment is computed using the straight-line method 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 $2,540 during the three months ended December 31, 2012, and $3,431 during the three months ended December 31, 2011.

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 financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 - NOTES PAYABLE TO STOCKHOLDERS

In November 2012, the Company entered into a promissory note for $10,000 with a stockholder. The note bears a 10% interest rate, is unsecured and is due on December 31, 2013.

In December 2012, the Company entered into a promissory note for $4,400 with a stockholder. The note bears a 10% interest rate, is unsecured and is due on December 31, 2013.

As discussed further in Note 6, during the three months ended December 31, 2012, the Company converted $131,959 in principal and acrued interest to 57,481 shares of Series C Convertible Preferred Stock.

Interest expense on the notes payable to stockholders was $7,003 and $16,958 for the three months ended December 31, 2012 and 2011, respectively.

NOTE 5 - CONVERTIBLE PROMISSORY NOTES AND EMBEDDEDED DERIVATIVE LIABILITIES

On November 15, 2011, January 19, 2012 and August 22, 2012 the Company entered into securities purchase agreements (the “Purchase Agreement”) with an investor and issued convertible promissory notes in the amount of $60,000, $37,500 and $37,500, respectively (the “Notes”). The Notes bear interest at 8% per annum and mature on August 15, 2012, October 23, 2012, and May 24, 2013 respectively. The Notes may be converted into unregistered shares of the Company’s 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 original conversion price of the notes was 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.

The convertible notes payable dated November 15, 2011 and January 19, 2012 were amended on August 22, 2012. Under the terms of the amendments, the conversion rate was changed to 40% multiplied by the Variable Conversion Rate redefined as the lowest closing bid price during the ninety trading days prior to the date of the conversion.

On August 17, 2012 the Company defaulted on a Convertible Promissory Note dated November 15, 2011. 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 December 31, 2012.. On October 23, 2012 the Company defaulted on a Convertible Promissory Note dated January 19, 2012. The default penalty of $18,750 is also included in accrued expenses as of December 31, 2012.

During the three months ended December 31, 2012, $7,700 of principal was converted to 27,500 shares of common stock. As a result of the partial conversion of the notes, $14,521 was reclassified from derivative liability to additional paid in capital.

Interest expense on the convertible notes payable for the three months ended December 31, 2012 and 2011 was $29,787 and $7,519, including $17,911 and 3,597 of discount amortization, respectively.

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 convertible notes were re-measured at December 31, 2012 and 2011 yielding a loss on change in fair value of the derivatives of $104,854 and $6,532, respectively. The derivative value of the remaining notes at December 31, 2012, yielded a derivative liability at fair value of $221,169.

NOTE 6 - EQUITY

Common Stock

In October 2012, a noteholder converted $6,600 of a convertible note into 18,334 shares of the Company's common stock.

In October 2012, the Company issued 1,000,000 shares of restricted common stock to the Company's CEO under the terms of an employment agreement.

In October 2012, the Company issued 25,000 shares of common stock to a consultant for professional services valued at $22,728 and 141,666 shares of common stock to five consultants for the conversion of $93,750 of accounts payable. The Company recognized a loss on the conversion of accounts payable of $35,037.

In November 2012, a noteholder converted $1,100 of a convertible note into 9,166 shares of the Company's common stock.

Preferred Stock

In October 2012, two individuals purchased 14,000 shares of the Company's Series C Convertible Preferred stock for $35,000 cash.

In October 2012, a note-holder converted $5,425 in principal and accrued interest into 2,170 shares of Series C Convertible Preferred stock. The Company recognized a gain on the conversion of $3,841.

In November 2012, a note-holder converted $120,127 in principal and accrued interest into 48,051 shares of Series C Convertible Preferred stock. The Company recognized a gain on the conversion of $85,849.

In December 2012, the Company issued 4,879 shares of Series C Convertible Preferred stock to one individual for the cancellation of 1,566 warrants and 83 options. The Company recognized a loss on the exchange of $3,562.

In December 2012, a note-holder converted $18,151 in principal and accrued interest into 7,260 shares of Series C Convertible Preferred stock. The Company recognized a gain/loss on the conversion of $12,851.

In December 2012, the Company issued 24,000 shares of Series C Convertible Preferred stock to 2 consultants for services valued at $17,520. Six consultants to the Company converted $406,075 in accounts payable into 162,430 shares of Series C Convertible Preferred stock. The Company recognized a gain of $287,503 on the conversion of accounts payable.

During the three months ended December 31, 2012, the Company entered into exchange agreements with 35 common stockholders to exchange 29,741 shares of common stock valued at approximately $12,000 into 1,270,880 shares of Series C Convertible Preferred stock. The Company recognized a loss on the exchange of $916,080. The Company will cancel all shares of common stock received in the exchange.

Dividends payable on Series A Convertible Preferred Stock of approximately $43,000 are included in Accrued Expenses at December 31, 2012.

NOTE 7 - 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 $13,560 and $19,836 for the three months ended December 31, 2012 and 2011, respectively.

NOTE 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 19, 2019, which is the date the consolidated financial statements were issued.

In January 2013, the Company entered into exchange agreements with 14 common stockholders to exchange 23,743 shares of common stock for 236,145 shares of Series C Convertible Preferred stock.

In January 2013, two consultants to the Company agreed to receive 14,916 shares of Series C Convertible Preferred stock in exchange for cancellation of 3,630 options and warrants.

In January 2013, two consultants agreed to receive 20,200 shares of Series C Convertible Preferred stock in exchange for forgiveness of $50,500 in accrued consulting fees due.

In January 2013, the CEO of the Company exercised the conversion of 8,000 shares of Series C Preferred stock at the stated conversion rate of 250,000 shares of common stock for each share of Series C Preferred stock resulting in the issuance of 2,000,000,000 restricted shares of common stock.

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

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.

Results of Operations – Three Months Ended December 31, 2012 and 2011

Revenues

Revenues increased approximately 2% to $101,825 for the three months ended December 31, 2012 as compared to $99,129 for the three months ended December 31, 2011. The increase was due to an increase in sales of AudioMate AM360 IP gateways.

Cost of Revenues

Cost of revenues was $54,780 for the three months ended December 31, 2012 as compared to $64,099 for the three months ended December 31, 2011, a decrease of approximately 14%. The decrease was due to increased sales of proprietary equipment which support higher gross profit margins than equipment and software that is resold on behalf of third party suppliers.

Operating Expenses

Operating expenses for the three months ended December 31, 2012 were $1,288,931 compared to $312,710 for the three months ended December 31, 2011, an increase of approximately 312%. This increase was primarily due to the recognition of stock compensation issued under a new employment agreement with the Company's CEO.

Loss from Operations

Loss from operations for the three months ended December 31, 2012 was $1,241,886 compared to a loss of $277,680 for the three months ended December 31, 2011. The increase in loss from operations in 2012 versus 2011 was primarily due to an increase in professional fees paid either through cash or stock compensation. Gross profit margins increased to approximately 46% in the three months ended December 31, 2012 from approximately 35% for the three months ended December 31, 2011. This increase was primarily due to higher margins from sales of proprietary equipment.

Other Income (Expenses)

Other expenses were $715,898 during the three months ended December 31, 2012 compared with $32,083 for the three months ended December 31, 2011. The increase is attributable to losses on the exchanges of Series C preferred stock for common stock totaling approximately $919,000. The increase is also due to a loss from the change in fair value of derivative liabilities related to convertible debt of approximately $105,000. Interest expense on the convertible debt totaled approximately $27,000. These expenses were offset by gains on the conversions of stockholder notes payable and accounts payable totaling approximately $354,000.

Net Loss Applicable to Common Stock

Net loss applicable to common stock was $1,957,784 for the three months ended December 31, 2012 compared to a net loss of $309,763 for the three months ended December 31, 2011. Net loss per common share was $1.58 and $2.26 for the three months ended December 31, 2012 and 2011, respectively. The increase in net loss is primarily applicable to stock compensation and losses on exchanges of preferred stock for common stock.

LIQUIDITY AND CAPITAL RESOURCES

Net cash used in operating activities was $83,727 for the three months ended December 31, 2012 compared to $109,175 for the three months ended December 31, 2011. The decrease in cash used by operations was due to an increase in gross profit and a decrease in recurring overhead expenses.

Net cash provided by financing activities was $49,400 for the three months ended December 31, 2012 compared to $104,453 for the three months ended December 31, 2011. The decrease was primarily due to lower debt financing of $14,400 along with the sale of $35,000 of the Company's preferred stock in the three months ended December 31, 2012 The Company raised $105,000 in debt financing for the same period in 2011.

Our obligations are being met on a month-to-month basis as cash becomes available. There can be no assurance that our present flow of cash will be sufficient to meet current and future obligations.

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 its equity or debt securities. There can be no assurance that we will be successful in accomplishing any of the foregoing.

We believe that in order to fund our business plan, we will need approximately $1.7 million in new equity or debt capital. In the past, in addition to revenues and deferred 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 $140,000 per month. In order for us to cover our monthly operating expenses, we would have to generate revenues of approximately $310,000 per month. Accordingly, in the absence of revenues, we will need to secure $140,000 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 $1,680,000 in equity or debt capital. If we are unsuccessful in securing sufficient capital or revenues, we would have to cease business in approximately 60 days.

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 our revenues and profitability, (ii) prospective business opportunities, and (iii) our strategy for financing our 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 our plans, objectives, and expectations for future operations. Although we believe that our expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of our knowledge of our 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 our 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. We undertake no obligation to release publicly the results of any future revisions we 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.

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 our chief executive officer ("CEO") and principal financial officer ("PFO") of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of December 31, 2012. Based on that evaluation, the CEO and PFO concluded that our controls and procedures were effective as of such date to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 (i) is 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.

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 our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

There have been no material developments during the quarter ended December 31, 2012 in any material pending legal proceedings to which we are a party or of which any of our property is the subject.

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

On October 3, 2012 the Company entered into securities purchase agreement (the "Purchase Agreement") with two investors and who purchased 14,000 shares of Series C Convertible Preferred stock for $35,000 in cash. Each Series C Convertible Preferred Share is convertible into the Company's common stock after one year at the conversion price of the par value of the common stock at the time of conversion at the the holder's option. The proceeds from the sales were used to fund operating expenses.

On November 29, 2012 the Company entered into a promissory note for $10,000 with an existing shareholder. The note bears a 10% interest rate, is unsecured and is due on December 31, 2013.

On December 20, 2013 the Company entered into a promissory note for $4,400 with an existing shareholder. The note bears a 10% interest rate, is unsecured and is due on December 31, 2013.

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 3. Defaults upon Senior Securities.

None.

Item 5. Other Information.

(a) None.

(b) There were no changes to the procedures by which security holders may recommend nominees to our board of directors.

Item 6. Exhibits.

Exhibit Number	Description
3.1	Articles of Incorporation (1)
3.2	Articles of Amendment to Articles of Incorporation, filed March 12, 2001. (1)
3.3	Articles of Amendment to Articles of Incorporation, filed October 4, 2004. (1)

3.4	Articles of Amendment to Articles of Incorporation, filed March 31, 2005. (1)
3.5	Articles of Amendment to Articles of Incorporation, filed May 9, 2008. (2)
3.6	Articles of Amendment to Articles of Incorporation, filed June 28, 2010. (3)
3.7	Articles of Amendment to Articles of Incorporation, filed May 6, 2011. (4)
3.8	Bylaws. (1)
3.9	Articles of Amendment to the Articles of Incorporation, filed April 19, 2012 (5)
3.10	Articles of Amendment to the Articles of Incorporation, filed on September 7, 2012 (6)
3.11	Articles of Amendment to the Articles of Incorporation, filed on September 19, 2012 (7)
3.12	Articles of Amendment to the Articles of Incorporation, filed on October 5, 2012 (8)
31.1	Section 302 Certification by the Corporation's Principal Executive Officer *
31.2	Section 302 Certification by the Corporation's Principal Financial Officer *
32.1	Section 906 Certification by the Corporation's Principal Executive Officer and Principal Financial Officer *

* Filed herewith.

(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 as an exhibit to the registrant's current report on Form 8-K filed with the Securities and Exchange Commission on September 7, 2012 and hereby incorporated by reference.

(7) Filed as an exhibit to the registrant's current report on Form 8-K filed with the Securities and Exchange Commission on September 19, 2012 and hereby incorporated by reference.

(8) Filed as an exhibit to the registrant's current report on Form 8-K filed with the Securities and Exchange Commission on October 5, 2012 and hereby incorporated by reference.

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: February 19, 2013

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

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 audit committee of the registrant's 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: February 19, 2013

/s/ Larry M. Reid
Larry M. 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 audit committee of the registrant's 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: February 19, 2013

/s/ Larry M. Reid
Larry M. Reid, Principal Financial 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 December 31, 2010 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: February 19, 2013		/s/ Larry M. Reid
	By	Larry M. Reid Principal Executive Officer and Principal Financial Officer