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 March 31, 2013

[ ] **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 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: 2,057,085,859 shares as of May 20, 2013.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CLEARTRONIC, INC. AND SUBSIDIARY
Condensed Consolidated Balance Sheets

ASSETS

	March 31, 2013 (unaudited)	September 30, 2012
Current assets:		
Cash	$ 13,684	$ 38,420
Accounts receivable, net	4,865	2,468
Inventory	48,835	30,067
Prepaid expenses and other current assets	516,564	293,713
Deferred loan costs	-	2,369
Total current assets	**583,948**	**367,037**
Property and equipment, net	**-**	**2,342**
Total assets	**$ 583,948**	**$ 369,379**

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

	March 31, 2013 (unaudited)	September 30, 2012
Current liabilities:		
Accounts payable	$ 397,588	$ 991,843
Accrued expenses	182,643	201,657
Deferred revenue, current portion	26,233	31,110
Convertible notes payable, net of discount of $0 and $51,078	-	51,122
Derivative liability	-	143,678
Customer deposits	37,000	-
Notes payable - stockholders	306,413	286,142
Total current liabilities	**949,877**	**1,705,552**
Long Term Liabilities		
Deferred revenue, net of current portion	**17,868**	**28,002**
Total liabilities	**967,745**	**1,733,554**
Stockholders' equity (deficit):		
Series A preferred stock - $.001 par value; 1,250,000 shares authorized, 574,000 and 1,074,000 shares issued and outstanding	6	11
Series B preferred stock - $.00001 par value; 10 shares authorized, 1 share issued and outstanding	-	-
Series C preferred stock - $.00001 par value; 50,000,000 shares authorized, 2,501,907 and 0 shares issued and outstanding	25	-

Series D preferred stock - $.00001 par value; 10,000,000 shares authorized,		
0 shares issued and outstanding	-	-
Common stock - $.00001 par value; 5,000,000,000 shares authorized,		
2,057,085,859 and 136,916 shares issued and outstanding, respectively	20,571	1
Additional paid-in capital	10,784,557	7,572,635
Accumulated Deficit	(11,188,956)	(8,936,822)
Total stockholders' equity (deficit)	**(383,797)**	**(1,364,175)**
Total liabilities and stockholders' equity (deficit)	**$ 583,948**	**$ 369,379**

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

	For the three months ended March 31, 2013	For the three months ended March 31, 2012	For the six months ended March 31, 2013	For the six months ended March 31, 2012
Revenue	**$ 114,568**	**$ 260,845**	**$ 216,393**	**$ 359,974**
Cost of Revenue	**59,731**	**205,673**	**114,512**	**269,772**
Gross Profit	**54,837**	**55,172**	**101,881**	**90,202**
Operating Expenses:				
Selling expenses	8,524	39,485	13,747	75,405
Administrative expenses	172,814	138,416	1,452,018	355,406
Research and development	-	60,841	3,020	118,117
Depreciation	794	2,402	2,342	4,890
Total Operating Expenses	**182,132**	**241,144**	**1,471,127**	**553,818**
(Loss) from operations	**(127,295)**	**(185,972)**	**(1,369,246)**	**(463,616)**
Other Income (Expenses):				
Gain on derivative financial instrument	122,909	16,520	18,055	23,052
Gain on debt conversion, net	105,081	-	472,127	-
(Loss) on share exchange	(348,644)	-	(1,268,286)	-
Interest and other expense	(46,373)	(46,989)	(104,820)	(85,604)
Total Other Expenses	**(167,027)**	**(30,469)**	**(882,924)**	**(62,552)**
Net loss	**(294,322)**	**(216,441)**	**(2,252,170)**	**(526,168)**
(Loss) per Common Share	**$ (0.00021)**	**$ (4.464)**	**$ (0.003)**	**$ (11.237)**
(Loss) per Common Share basic and diluted	**$ (0.00021)**	**$ (4.464)**	**$ (0.003)**	**$ (11.237)**
Weighted Average Number of Shares Outstanding -				

basic and diluted	1,370,836,289	48,490	678,511,862	46,823

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

	For the six months ended March 31, 2013	For the six months ended March 31, 2012
NET LOSS	$ (2,252,170)	$ (526,168)
Adjustments to reconcile net (loss) to net cash (used) in operating activities:		
Depreciation	2,342	4,890
Gain on change of fair value of derivative liability	(18,055)	(23,052)
Amortization of notes payable discount	51,618	12,504
Amortization of deferred loan costs	1,331	-
Common and preferred stock issued for compensation and services	1,311,524	-
Gain on conversions of liabilities to common and preferred stock	(472,127)	-
Loss on exchange of stock and stock equivalents	1,268,286	-
(Increase) decrease in assets:		
Accounts receivable	(2,397)	3,200
Inventory	(18,768)	9,023
Prepaid expenses and other current assets	-	(12,411)
Increase (decrease) in liabilities:		
Accounts payable	(21,540)	202,583
Accrued expenses	43,231	182,912
Customer deposit	37,000	-
Deferred revenue	(15,011)	33,749
Net Cash Used in Operating Activities	(84,736)	(112,770)
Cash Flows From Financing Activities		
Principal payments on notes payable	-	(2,080)
Proceeds from issuance of preferred stock	35,000	-
Payment of convertible notes payable and related liabilities	(125,000)	-
Proceeds from convertible notes payable	-	95,000
Proceeds from note payable - stockholders	150,000	45,000
Net Cash Provided by Financing Activities	60,000	137,920
Net (Decrease) Increase in Cash	(24,736)	25,150
Cash - Beginning of Period	38,420	39,188
Cash - End of Period	$ 13,684	$ 64,338
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 32,134	$ 9,033

NONCASH FINANCING ACTIVITY:

During the six months ended March 31, 2013, the Company converted $623,215 in accounts payable and accrued expenses to common stock and Series C preferred stock

During the six months ended March 31, 2013, the Company converted $143,703 in notes payable and accrued interest to stock holders to common stock and Series C preferred stock.

During the six months ended March 31, 2013, the Company converted $7,700 in convertible notes payable and $27,363 derivative liability to common stock.

During the six months ended March 31, 2013, the Company issued common stock for $618,251 in prepaid consulting services

During the 6 months ended March 31, 2012, the Company issued 3,671,301 shares of common stock for conversion of accrued expenses of $7,342

During the 6 months ended March 31, 2012, the Company issued 8,750,000 shares of common stock to consultants for services valued at $21,875

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 condensed 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 six months ended March 31, 2013 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 March 31, 2013 and 2012, the Company had $0.00 and $60,841, respectively, in research and development costs from continuing operations. For the six months ending March 31, 2013 and 2012, the Company had $3,020 and $118,117, 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.

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 March 31, 2013 and 2012, we had outstanding options and warrants exercisable for an aggregate of 1,784 and 11,163 shares of common stock, respectively. As of March 31, 2013 and 2012, we had 574,000 and 1,074,000 shares of Series A Convertible Preferred stock outstanding convertible into 57,400,000 and 107,400,000 common shares, respectively. As of March 31, 2013, we had 2,501,907 shares of Series C Convertible Preferred stock outstanding which are convertible into 625,476,750,000 shares of common stock. There were no Series C Convertible Preferred shares outstanding on March 31, 2012.

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. As of March 31, 2013 a reserve of $5,000 was made for inventory balances, there was no reserve made for inventory balances as of March 31, 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-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. ASC 718-10 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 $2,188 during the three months ended March 31, 2013, and $2,809 during the three months ended March 31, 2012. For the six months ending March 31, 2013 and 2012, the Company had $4,728 and $6,240 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 financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 - NOTE PAYABLE TO STOCKHOLDER

In March 2013, the Company entered into a promissory note for $150,000 with a stockholder. The note bears a 10% interest rate, is unsecured and is due on December 31, 2013.

As further discussed in Note 6, during the six months ended March 31, 2013, the Company repaid approximately $132,000 in notes payable to stockholders through the issuance of 57,481 shares of Series C Convertible Preferred Stock.

Interest expense on the notes payable to stockholders was $13,471 and $ 18,996 for the six months ended March 31, 2013 and 2012, respectively and $6,467 and $9,031 for the three months ended March 31, 2013 and 2012, respectively.

NOTE 5 - CONVERTIBLE PROMISSORY NOTE AND EMBEDDEDED DERIVATIVE LIABILITIES

The Company previously 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 bore interest at 8% per annum and mature on August 15, October 23, 2012, and May 24, 2013, respectively. The Notes were convertible into unregistered shares of the Company's common stock (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 the Notes was 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. 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.

During October and November 2012, $7,700 of principal was converted to 27,500 shares of common stock. As a result of the partial conversion of the notes, $22,221 was reclassified from derivative liability to additional paid-in capital and a gain on conversion was recognized of $12,842.

On March 8, 2013 the Company paid all of the outstanding principal, accrued interest and penalties totaling $125,000 on three outstanding convertible promissory notes.

Derivative analysis

The Notes were convertible into common stock of the Company at variable conversion rates that provided 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 was 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 were 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 repayment of the convertible notes effectively removed the derivative liability and the Company recognized a gain of approximately $123,000 and additional paid-in capital of approximately $65,000. The net gain on the change in fair value of the derivative liability was $18,055 and $23,052 for the six months ended March 31, 2013 and March 31, 2012, respectively and $122,909 and $16,520 for the three months ended March 31, 2013 and 2012, respectively.

NOTE 6 - EQUITY

Common Stock

In October 2012, a noteholder converted $6,600 of a convertible promissory 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 promissory note into 9,166 shares of the Company's common stock.

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.

In February 2013, a shareholder converted 250,000 shares of Series A Preferred stock into 25,000,000 shares of common stock.

In March 2013, five shareholders converted a total of 250,000 shares of Series A Preferred Stock into 25,000,000 shares of common stock.

In March 2013, the Company issued 5,800,000 shares of common stock to nine consultants for services to be rendered valued at a total of $580,000.

Preferred Stock

In October 2012, the Company issued 14,000 shares of series C Preferred stock for cash proceeds of $35,000.

During the six months ended March 31, 2013, the Company entered into exchange agreements with 81 common stockholders to exchange 61,351 shares of common stock into 2,170,045 shares of Series C Convertible Preferred stock. The total fair value of the Series C Convertible Preferred Stock issued as consideration in the exchange was approximately $1,282,000. The total market value of the common stock exchanged was approximately $21,000. The Company recognized a loss for the difference between the consideration given and the market value of the stock of approximately $1,261,000. The Company will cancel all shares of common stock received in the exchange.

Between October and December 2012, three note-holders converted $143,703 in principal and accrued interest into 57,481 shares of Series C Convertible Preferred stock valued at $41,961. The Company recognized a gain on the conversions of $101,742.

During the six months ended March 31, 2013, the Company issued 24,000 shares of Series C Convertible Preferred stock to 2 consultants for services valued at $17,520. The Company also converted $623,215 in accounts payable into 211,786 shares of Series C Convertible Preferred stock valued at $136,883. The Company recognized a gain of $357,543 on the conversion of accounts payable and accrued expenses.

During the six months ended March 31, 2013, the Company issued 32,595 shares of Series C Convertible Preferred stock warrant and option holders for the cancellation of 5,162 warrants and 399 options. The Company recognized a loss on the exchange of $7,769.

Dividends payable on Series A Convertible Preferred Stock of approximately $61,902 are included in Accrued Expenses at March 31, 2013.

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 $14,178 and $20,835 for the three months ended March 31, 2013 and 2012, respectively and $27,738 and $40,221 for the six months ended March 31, 2013 and 2012, respectively.
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NOTE 8 - SUBSEQUENT EVENTS

In May 2009, the FASB issued accounting guidance now codified as FASB ASC Topic 855, "*Subsequent Events,"* which establishes general standards of accounting for, and disclosures of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. FASB ASC Topic 855 is effective for interim or fiscal periods ending after June 15, 2009. Accordingly, the Company adopted the provisions of FASB ASC Topic 855 on June 30, 2009. Management has evaluated subsequent events for the period from March 31, 2013 the date of these condensed consolidated financial statements, through the date of the filing of May 20, 2013 and there have been no material subsequent events during that period.

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

FOR THE THREE MONTHS ENDED MARCH 31, 2013 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2012

Revenues

Revenues decreased to $114,568 for the three months ended March 31, 2013 as compared to $260,845 for the three months ended March 31, 2012. During the three months ended March 31, 2013 there were no installations of interoperable communications systems resulting in the comparative decrease in revenues. For the three months ended

March 31, 2012, installation revenue from an airport contract amounted to $150,725 which was approximately 58% of total revenue for the period. Revenues from the sale of proprietary hardware and software increased approximately $23,000 or 31% during the three month period ended March 31, 2013.

Cost of Revenues

Cost of revenues was $59,731 for the three months ended March 31, 2013 as compared to $205,673 for the three months ended March 31, 2012. The decline was primarily due to no installation costs related to installation revenue during the three months ended March 31, 2013. Costs associated with the sale of proprietary hardware and software increased during the three month period ended March 31, 2103 due to increased sales of these products. Gross profits were $54,837 and $55,172 for the three months ended March 31, 2013 and 2012, respectively. The primary reason for the improvement in gross profit margin is the lower costs associated with the sale of proprietary hardware and software.

Operating Expenses

Operating expenses for the three months ended March 31, 2013 were $182,132 compared to $241,144 for the three months ended March 31, 2012. For the three months ended March 31, 2013, selling expenses decreased $30,961 or approximately 78% because of a reduction in sales and marketing expenses. General and administrative expenses increased $34,398 or approximately 25% primarily caused by an increase in use of outside consulting services. Research and development expenses were $0 for the three months ended March 31, 2013 as compared to $60,841 for the three months ended March 31, 2012, because of managements decision not to invest in new product development.

Loss from Operations

The Company's net loss from operations decreased to $127,295 during the three months ended March 31, 2013 as compared to $185,972 for the three months ended March 31, 2012. The primary reason for this decrease was due to a decrease in operating expenses of approximately 25%.

Net Loss

Net loss per common share was $0.00021 and $4.464 for the three months ended March 31, 2013 and 2012, respectively. The reduction in net loss per common share was due primarily to the recapitalization of the Company through the issuance Preferred shares in exchange for cancellation of common shares, the issuance of Preferred shares in exchange for the cancellation of accounts payable and accrued expenses and the issuance 2,000,000,000 restricted shares of common stock to the Company's CEO.

FOR THE SIX MONTHS ENDED MARCH 31, 2013 COMPARED TO THE SIX MONTHS ENDED MARCH 31, 2012

Revenues

Revenues from operations were $216,393 for the six months ended March 31, 2013 as compared to $359,974 for the six months ended March 31, 2012. The decrease was primarily due to a lack of installation contracts to furnish materials, equipment and supervision as well as labor and other services for installation of interoperable communication systems for enterprise clients.

Cost of Revenues

Cost of revenues was $114,512 for the six months ended March 31, 2013, as compared to $269,772 for the six months ended March 31, 2012. This decrease was due primarily to a lack of enterprise communication projects and their associated costs. Gross profits were $101,881 and $90,202 for the six months ended March 31, 2013 and 2012, respectively. The increase in gross profits was primarily due to higher gross margins earned on sales of proprietary hardware and software projects.

Operating Expenses

Operating expenses for the six months ended March 31, 2013 were $1,471,127 compared to $553,818 for the six months ended March 31, 2012. 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

The Company's net loss increased to $1,369,246 during the six months ended March 31, 2013 as compared to a loss of $463,616 for the six months ended March 31, 2012. The primary reason for this increase was a 310% increase in administrative expenses to $1,452,018 for the six months ended March 31, 2013 compared to $355,406 for the same period in 2012. This increase was primarily due to the recognition of stock compensation issued under a new employment agreement with the Company's CEO and losses incurred from restructuring activities.

Net Loss

Net loss per common share was $0.003 and $11.237 for the six months ended March 31, 2013 and 2012, respectively. The reduction in net loss per common share was due primarily to the recapitalizationg of the Company through the issuance Preferred shares in exchange for cancellation of common shares, the issuance of Preferred shares in exchange for the cancellation of accounts payable and accrued expenses and the issuance 2,000,000,000 restricted shares of common stock to the Company's CEO which resulted in a larger number of common shares outstanding.

LIQUIDITY AND CAPITAL RESOURCES

Net cash used in operating activities was $84,736 for the six months ended March 31, 2013 compared to $112,770 for the six months ended March 31, 2012. This decrease was mainly attributable to the recapitalization efforts implemented by the Company using non-cash expenditures. Accounts payable and accrued expenses were reduced through the issuance of Preferred stock in exchange for the cancellation of those liabilities in addition to the issuance of Common and Preferred stock for payment of services.

Net cash provided by financing activities was $60,000 for the six months ended March 31, 2013 compared to $137,920 for the six months ended March 31, 2012. The decrease was due to the payment of convertible debt financing during the period.

Our obligations are being met on a month-to-month basis as cash becomes available. We have made a concentrated effort to restructure the capital of the Company through the issuance of Preferred stock in exchange for cancellation of debt, issuance of stock in lieu of cash paid for services and exchanging preferred stock for common stock. We believe that this restructure will put the Company in a better position to secure an acquisition or consummate a merger with a private company. There can be no assurance that the Company's efforts in this restructure will be successful or that 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 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 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 $75,000 per month. In order for us to cover our monthly operating expenses, we would have to generate revenues of approximately $180,000 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 90 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 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. 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 of March 31, 2013. 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 recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. 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.

The was no change in the registrant's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a–15 or Rule 15d–15 under the Securities Exchange Act of 1934 that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 4T. Controls and Procedures.

Reference is made to the response to Item 4 above.

PART II - OTHER INFORMATION

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

In October 2012, the Company issued 14,000 shares of series C Preferred stock for cash proceeds of $35,000.

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.

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.

In February 2013, a shareholder converted 250,000 shares of Series A Preferred stock into 25,000,000 shares of common stock.

In March 2013, five shareholders converted a total of 250,000 shares of Series A Preferred Stock into 25,000,000 shares of common stock.

In March 2013, the Company issued 5,800,000 shares of common stock to nine consultants for services previously rendered and to be rendered valued at a total of $580,000.

During the six months ended March 31, 2013, the Company entered into exchange agreements with 81 common stockholders to exchange 61,351 shares of common stock into 2,170,045 shares of Series C Convertible Preferred stock. The total fair value of the Series C Convertible Preferred Stock issued as consideration in the exchange was approximately $1,282,000. The total market value of the common stock exchanged was approximately $21,000. The Company recognized a loss for the difference between the consideration given and the market value of the stock of approximately $1,261,000. The Company will cancel all shares of common stock received in the exchange.

Between October and December 2012, three note-holders converted $143,703 in principal and accrued interest into 57,481 shares of Series C Convertible Preferred stock valued at $41,961. The Company recognized a gain on the conversions of $101,742.

During the six months ended March 31, 2013, the Company issued 24,000 shares of Series C Convertible Preferred stock to 2 consultants for services valued at $17,520. The Company also converted $623,215 in accounts payable and accrued expenses into 211,786 shares of Series C Convertible Preferred stock valued at $136,883. The Company recognized a gain of $ 357,543 on the conversion of accounts payable and accrued expenses.

During the six months ended March 31, 2013, the Company issued 32,595shares of Series C Convertible Preferred stock warrant and option holders for the cancellation of 5,162 warrants and 399 options. The Company recognized a loss on the exchange of $7,769.

There were no principal underwriters.

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.

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: May 20, 2013	By: /s/ Larry Reid Larry 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. I am the only certifying officer 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. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Board of Directors:

(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: May 20, 2013

/s/ Larry Reid

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. I am the only certifying officer 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. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Board of Directors:

(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: May 20, 2013

/s/ Larry Reid
Larry 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 March 31, 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: May 20, 2013

/s/ Larry Reid

By Larry Reid

Principal Executive Officer and Principal Financial Officer