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

FORM10-Q

(Mark One)

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

For the quarterly period ended March 31, 2014

[ ] **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: 2,124,062,230 shares as of May 15, 2014.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CLEARTRONIC, INC. AND SUBSIDIARY
Condensed Consolidated Balance Sheets

ASSETS

	March 31, 2014 (unaudited)	September 30, 2013
Current assets:		
Cash	$ 4,898	$ 11,188
Accounts receivable, net	5,356	22,404
Inventory	17,793	22,881
Prepaid expenses and other current assets	8,656	68,657
Total current assets	**36,703**	**125,130**
Total assets	**$ 36,703**	**$ 125,130**

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:		
Accounts payable	$ 364,889	$ 442,752
Accrued expenses	263,411	236,680
Deferred revenue, current portion	22,067	36,487
Customer deposits	10,428	8,428
Notes payable - stockholders	180,738	330,738
Total current liabilities	**841,533**	**1,055,085**
Long Term Liabilities		
Deferred revenue, net of current portion	**5,254**	**10,704**
Total liabilities	**846,787**	**1,065,789**
Stockholders' deficit:		
Series A preferred stock - $.001 par value; 200,000,000 shares authorized, 474,000 and 574,000 shares issued and outstanding, respectively	5	6
Series B preferred stock - $.00001 par value; 10 shares authorized, 1 and 1 shares issued and outstanding, respectively	-	-
Series C preferred stock - $.00001 par value; 50,000,000 shares authorized, 2,481,549 and 2,521,907 shares issued and outstanding, respectively	25	25
Series D preferred stock - $.00001 par value; 10,000,000 shares authorized, 0 shares issued and outstanding	-	-
Common stock - $.00001 par value; 5,000,000,000 shares authorized, 2,118,446,438 and 2,058,069,648 shares issued and outstanding, respectively	21,185	20,581
Additional paid-in capital	11,149,415	10,839,980
Accumulated Deficit	(11,980,714)	(11,801,251)
Total stockholders' deficit	**(810,084)**	**(940,659)**
Total liabilities and stockholders' deficit	**$ 36,703**	**$ 125,130**

See the accompanying notes to these condensed consolidated financial statements

CLEARTRONIC, INC. AND SUBSIDIARY

Condensed Consolidated Statements of Operations

(Unaudited)

	For the three months ended March 31, 2014	For the three months ended March 31, 2013	For the six months ended March 31, 2014	For the six months ended March 31, 2013
Revenue	**$ 66,797**	**$ 114,568**	**$ 120,247**	**$ 216,393**
Cost of Revenue	**30,215**	**59,731**	**53,272**	**114,512**
Gross Profit	**36,582**	**54,837**	**66,975**	**101,881**
Operating Expenses:				
Selling expenses	7,315	8,524	15,613	13,747
Administrative expenses	69,402	172,814	183,870	1,452,018
Research and development	3,000	-	3,000	3,020
Depreciation	-	794	-	2,342
Total Operating Expenses	**79,717**	**182,132**	**202,483**	**1,471,127**
(Loss) from operations	**(43,135)**	**(127,295)**	**(135,508)**	**(1,369,246)**
Gain on derivative financial instrument	-	122,909	-	18,055
Gain on debt conversion, net	-	105,08	-	472,127
(Loss) on share exchange	-	(348,644)	-	(1,268,286)
Interest and other expense	(25,271)	(46,373)	(43,955)	(104,820)
Total Other Expenses	**(25,271)**	**(167,027)**	**(43,955)**	**(882,924)**
Net loss	**(68,406)**	**(294,322)**	**(179,463)**	**(2,252,170)**
(Loss) per Common Share	**$ (0.00003)**	**$ (0.00021)**	**$ (0.00009)**	**$ (0.003)**
(Loss) per Common Share basic and diluted	**$ (0.00003)**	**$ (0.00021)**	**$ (0.00009)**	**$ (0.003)**
Weighted Average of Shares Outstanding - basic and diluted	**2,114,260,304**	**1,370,836,289**	**2,061,200,283**	**678,511,862**

See the accompanying notes to these condensed consolidated financial statements

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

	For the six months ended March 31, 2014	For the six months ended March 31, 2013
NET LOSS	$ (179,463)	$ (2,252,170)
Adjustments to reconcile net (loss) to net cash (used) in		

operating activities:		
Depreciation	-	2,342
Gain on change of fair value of derivative liability	-	(18,055)
Amortization of notes payable discount	-	51,618
Amortization of deferred loan costs	-	1,331
Common and preferred stock issued for compensation and services	10,000	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	17,048	(2,397)
Inventory	5,088	(18,768)
Prepaid expenses and other current assets	60,001	-
Increase (decrease) in liabilities:		
Accounts payable	(77,825)	(21,540)
Accrued expenses	26,731	43,231
Customer deposit	2,000	37,000
Deferred revenue	(19,870)	(15,011)
Net Cash Used in Operating Activities	(156,290)	(84,736)
Cash Flows From Financing Activities		
Principal payments on notes payable	(150,000)	-
Proceeds from issuance of common and preferred stock	300,000	35,000
Payment of convertible notes payable and related liabilities	-	(125,000)
Proceeds from note payable - stockholders	-	150,000
Net Cash Provided by Financing Activities	150,000	60,000
Net Decrease In Cash	(6,290)	(24,736)
Cash - Beginning of Period	11,188	38,420
Cash - End of Period	$ 4,898	$ 13,684
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 1,000	$ 32,134

NONCASH FINANCING ACTIVITY:

During the six months ended March 31, 2014, the Company issued 35,000 shares of Series C Preferred stock for services valued at $10,000.

During the six months ended March 31, 2014, a shareholder converted 100,000 shares of Series A Convertible Preferred stock into 10,000,000 shares of common stock.

During the six months ended March 31, 2014, 3 shareholders converted 75,358 shares of Series C Convertible Preferred stock into 376,790 shares of common stock.

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

CLEARTRONIC, INC. AND SUBSIDIARY
Notes to Condensed Consolidated Financial Statements
March 31, 2014

NOTE 1 -ORGANIZATION

Cleartronic, Inc. (the "Company") was incorporated in Florida on November 15, 1999. The Company, through its wholly owned subsidiary VoiceInterop, Inc., 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. VoiceInterop is the operating subsidiary of the Company.

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, 2013 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, 2014 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2014.

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, 2014 and 2013, the Company had $3,000 and $0.00, respectively, in research and development costs from continuing operations. For the six months ending March 31, 2014 and 2013, the Company had $3,000 and $3,020, 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, 2014 and 2013, we had outstanding options and warrants exercisable for an aggregate of 1,084 and 6,363 shares of common stock, respectively. As of March 31, 2014 and 2013, we had 474,000 and 574,000 shares of Series A Convertible Preferred stock outstanding convertible into 47,400,000 and 57,400,000, common shares, respectively. As of March 31, 2014 and 2013, we had 2,566,907 and 2,501,907 shares of Series C Convertible Preferred stock outstanding which are convertible into 12,834,535 and 12,509,785 shares of common stock, respectively.

FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

INVENTORY

Inventory consists of components held for assembly and finished goods held for resale or to be utilized for installation in projects. Inventory is valued at lower of cost or market on a first-in, first-out basis. The Company's policy is to record a reserve for technological obsolescence or slow-moving inventory items. For the six months ending March 31, 2014 and 2013, the Company had a reserve of $2,492 and $5,000, respectively.

EQUITY INSTRUMENTS ISSUED TO PARTIES OTHER THAN EMPLOYEES FOR ACQUIRING GOODS OR SERVICES

The Company accounts for equity instruments issued to parties other than employees for acquiring goods or services under guidance of section 505-50-30 of the FASB ASC. Pursuant to FASB ASC Section 505-50-30, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur.

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 $2,078 during the three months ended March 31, 2014, and $2,188 during the three months ended March 31, 2013. For the six months ending March 31, 2014 and 2013, the Company had $4,083 and $4,728 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 - NOTES PAYABLE TO STOCKHOLDERS

In November 2013, the Company repaid a $150,000 promissory note due to a stockholder.

Interest expense on the notes payable to stockholders was $12,098 and $ 13,471 for the six months ended March 31, 2014 and 2013, respectively and $5,007 and $6,468 for the three months ended March 31, 2014 and 2013, respectively.

NOTE 5 - CONVERTIBLE PROMISSORY NOTE AND EMBEDDEDED DERIVATIVE LIABILITIES

The Company had no convertible promissory notes or derivative liabilities outstanding as of March 31, 2014.

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. 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 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, $22,221 was reclassified from derivative liability to additional paid in capital.

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

Derivative analysis

The Notes were 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 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 for the six months ended March 31, 2013 and $122,909 for the three months ended March 31, 2013.

NOTE 6 - EQUITY

Common Stock

In November 2013, a private investor purchased 40,000,000 shares of the Company's common stock for $200,000 cash.

In December 2013, a stockholder purchased 10,000,000 shares of the Company's common stock for $100,000 cash.

In January 2014, a stockholder converted 100,000 shares of the Company's Series A Preferred stock into 10,000,000 of the Company's common stock.

In March 2014, three shareholders converted 75,358 shares of the Company's Series C Preferred stock into 376,790 shares of the Company's common stock.

Preferred Stock

Preferred Share Designations

In December 2013, the Board of Directors voted to amend the Company's Articles of Incorporation to change the conversion rights of the Series C and Series D Convertible Preferred Stock. Each share of the Series C and Series D Preferred Stock is convertible into five shares of common stock.

In November 2013, the Company issued 35,000 shares of the Company's Series C Convertible Preferred stock to a consulting firm for services valued at $10,000.

During the six months ended March 31, 2013, the Company entered ito exchange agreements with 81 common stockholders to exchange 61,351 shares of common stock into 2,270,045 shares of Series C Convertible preferred stock. The total fair value of the Series C Convertible Preferred 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 $105,849 and $84,925 are included in Accrued Expenses at March 31, 2014 and September 30, 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 $12,386 and $14,178 for the three months ended March 31, 2014 and 2013, respectively and $26,823 and $27,738 for the six months ended March 31, 2014 and 2013, respectively.

NOTE 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events for the period from March 31, 2014, the date of these condensed consolidated financial statements, through the date of the filing of May 15, 2014.

Issuance of Common Stock for Cash

In April 20014, the Company issued 5,000,000 shares of common stock to two investors for cash proceeds of $50,000.

Conversion of Convertible Series C Preferred Stock into Common Stock

In April 2014, three stockholders converted 110,894 shares of the Company's Series C Preferred stock into 554,470 shares of the Company's 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. We also manufacture and market a line of IP Gateways under the trade name AudioMate AM 360. These gateways are sold direct to enterprises by the Company and indirectly through authorized dealers in North America and a number of foreign countries.

FOR THE THREE MONTHS ENDED MARCH 31, 2014 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2013

Revenues

Revenues decreased to $66,797 for the three months ended March 31, 2014 as compared to $114,568 for the three months ended March 31, 2013. During the three months ended March 31, 2014 there were no installations of interoperable communications systems which was the primary reason for the comparative decrease in revenues. In addition, revenues from the sale of proprietary hardware and software decreased approximately $16,000 or 26% during the three month period ended March 31, 2014.

Cost of Revenues

Cost of revenues was $30,215 for the three months ended March 31, 2014 as compared to $59,731 for the three months ended March 31, 2013. The decline was primarily due to no installation costs related to installation revenue during the three months ended March 31, 2014. Costs associated with the sale of proprietary hardware and software decreased during the three month period ended March 31, 2104 due to decreased sales of these products. Gross profits were $36,582 and $54,837 for the three months ended March 31, 2014 and 2013, 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, 2014 were $79,717 compared to $182,132 for the three months ended March 31, 2013. For the three months ended March 31, 2014, selling expenses decreased marginally to $7,315 from $8,524 for the three months ended March 31, 2013. General and administrative expenses decreased by $103,412 or approximately 60% primarily caused by a decrease in the use of outside consulting services. Research and development expenses were $3,000 for the three months ended March 31, 2014 as compared to $0.00 for the three months ended March 31, 2013, due to development of upgrades in the Company's current hardware product line.

Loss from Operations

The Company's net loss from operations decreased to $43,135 during the three months ended March 31, 2014 as compared to $127,295 for the three months ended March 31, 2013. The primary reason for this decrease was due to a decrease in operating expenses of approximately 56%.

Net Loss

Net loss per common share was $0.00003 and $0.00021 for the three months ended March 31, 2014 and 2013, respectively. The reduction in net loss per common share was due primarily to a decrease in operating expenses by approximately 56%.

FOR THE SIX MONTHS ENDED MARCH 31, 2014 COMPARED TO THE SIX MONTHS ENDED MARCH 31, 2013

Revenues

Revenues from operations were $120,247 for the six months ended March 31, 2014 as compared to $216,393 for the six months ended March 31, 2013. 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 and a decrease in sales of the Company's proprietary hardware products.

Cost of Revenues

Cost of revenues was $53,272 for the six months ended March 31, 2014, as compared to $114,512 for the six months ended March 31, 2013. This decrease was due primarily to a lack of enterprise communication projects and their associated costs. Gross profits were $66,975 and $101,881 for the six months ended March 31, 2014 and 2013, respectively. The decrease in gross profits was primarily due to a decrease in sales of the Company's hardware and software products.

Operating Expenses

Operating expenses for the six months ended March 31, 2014 were $202,483 compared to $1,471,127 for the six months ended March 31, 2013. The decrease was primarily due to the recognition of stock compensation issued under a new employment agreement with the Company's CEO and a decrease in professional fees associated with various outside consultants that were recognized in the six months ended March 31, 2013.

Loss from Operations

The Company's net loss decreased to $135,508 during the six months ended March 31, 2014 as compared to a loss of $1,369,246 for the six months ended March 31, 2013. The primary reason for this decrease was approximately an 87% decrease in administrative expenses to $183,870 for the six months ended March 31, 2014 compared to $1,452,018 for the same period in 2013. This decrease 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 that occurred in the six months ended March 31, 2013.

Net Loss

Net loss per common share was $0.00009 and $0.003 for the six months ended March 31, 2014 and 2013, respectively. The reduction in net loss per common share was due primarily to an increase in the outstanding shares of common stock from 678,511,862 in the six months ended March 31, 2013 to 2,061,200,283 in the six months ended March 31, 2014. The increase in common shares was primarily due to the issuance of 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 $156,290 for the six months ended March 31, 2014 compared to $84,736 for the six months ended March 31, 2013. This increase was mainly attributable to the restructuring implemented by the Company using non-cash expenditures in the six months ended March 31, 2013.

Net cash provided by financing activities was $150,000 for the six months ended March 31, 2014 compared to $60,000 for the six months ended March 31, 2013. The increase was due to the proceeds received from the issuance of common stock.

Our obligations are being met on a month-to-month basis as cash becomes available. We have made a concentrated effort to restructure 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 $30,000 per month. In order for us to cover our monthly operating expenses, we would have to generate revenues of approximately $75,000 per month. Accordingly, in the absence of revenues, we will need to secure $30,000 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 $400,000 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, 2014. 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.

On November 14, 2013, the Company issued 35,000 shares of Series C Convertible Preferred stock to a consulting firm for services rendered and to be rendered valued at $10,000. 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 holder's option.

On November 15, 2013 the Company entered into securities purchase agreement (the "Purchase Agreement") with a private investor who purchased 40,000,000 shares of the Company's common stock for $200,000 in cash. The funds were used to repay $150,000 in notes payable and balance for general working capital.

On December 13, 2013 the Company entered into securities purchase agreement (the "Purchase Agreement") with a stockholder who purchased 10,000,000 shares of the Company's common stock for $100,000 in cash. The funds were used for general working capital purposes.

In January 2014 a shareholder converted 100,000 shares of Series A Preferred stock into 10,000,000 shares of the Company's common stock.

In March 2014 three shareholders converted 75,358 share of Series C Convertible Preferred stock into 376,790 shares of the Company's common stock.

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 *
101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Extension Document *
101.CAL	XBRL Taxonomy Extension Calculation Linkbase*
101.DEF	XBRL Taxonomy Extension Definition Linkbase*
101.LAB	XBRL Taxonomy Extension Label Linkbase *
101.PRE	XBRL Taxonomy Extension Presentation Linkbase*

* 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.

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.

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.

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 15, 2014

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 15, 2014

/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 15, 2014

/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, 2014 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 15, 2014		/s/ Larry Reid
	By	Larry Reid Principal Executive Officer and Principal Financial Officer