

Tutorials by Mukesh Kala

FORM 10-K

(Mark One)

☒ ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 2018

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934For the transition period from _____ to _____
Commission File No. 000-55329

CLEARTRONIC, INC.

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(Exact name of registrant as specified in its charter)

India

65-345618190

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

8000 North Federal Highway, Suite 100

33487

Boca Raton, Florida

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (561) 1234-4590

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: Common stock, par value \$0.00001 per share
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [X] No []

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [X] No []

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 preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

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 12(b)-2 of the Exchange Act). Yes [] No [X]

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant on March 30, 2018 (based on the closing sale price of \$0.06 per share of the registrant's common stock, as reported on the OTC PINK operated by The OTC Markets Group, Inc. on that date) was approximately \$7,020,000. Common stock held by each officer and director and by each person known to the registrant to own five percent or more of the outstanding common stock has been excluded in that those persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes. Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. At December 29, 2018 the registrant had outstanding 203,899,190 shares of common stock, par value \$0.00001 per share.

PART I		2
Item 1.	Business.	2
Item 1A.	Risk Factors.	8
Item 1B.	Unresolved Staff Comments.	8
Item 2.	Properties.	8
Item 3.	Legal Proceedings.	8
Item 4.	(Removed and Reserved).	8
PART II		9
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.	9
Item 6.	Selected Financial Data.	11
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations.	11
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk.	15
Item 8.	Financial Statements and Supplementary Data.	15
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.	15
Item 9A.	Controls and Procedures.	15
Item 9B.	Other Information.	17
PART III		17
Item 10.	Directors, Executive Officers and Corporate Governance.	17
Item 11.	Executive Compensation.	19
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.	20
Item 13.	Certain Relationships and Related Transactions and Director Independence.	23
Item 14.	Principal Accounting Fees and Services.	25
PART IV		26
Item 15.	Exhibits, Financial Statement Schedules.	26

In light of the risks and uncertainties inherent in all projected operational matters, the inclusion of forward-looking statements in this Form 10-K, should not be regarded as a representation by us or any other person that any of our objectives or plans will be achieved or that any of our operating expectations will be realized. Our revenues and results of operations are difficult to forecast and could differ materially from those projected in the forward-looking statements contained in this Form 10-K, as a result of certain risks and uncertainties including, but not limited to, our business reliance on third parties to provide us with technology, our ability to integrate and manage acquired technology, assets, companies and personnel, changes in market condition, the volatile and intensely competitive environment in the business sectors in which we operate, rapid technological change, and our dependence on key and scarce employees in a competitive market for skilled personnel. These factors should not be considered exhaustive; we undertake no obligation to release publicly the results of any future revisions we may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

PART I

Except for historical information, this report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such forward-looking statements involve risks and uncertainties, including, among other things, statements regarding our business strategy, future revenues and anticipated costs and expenses. Such forward-looking statements include, among others, those statements including the words "expects," "anticipates," "intends," "believes" and similar language. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in the section "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this report. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances taking place after the date of this document.

Item 1. Business.

The Company

We were initially incorporated on November 4, 1999, as Menu Sites, Inc., a Florida corporation. On March 9, 2001, we changed our name to CNE Communications, Inc. On October 1, 2004, we changed our name to CNE Industries, Inc. On March 29, 2005, we changed our name to GlobalTel IP, Inc. On May 9, 2008, we changed our name to Cleartronic, Inc.

All of our operations are conducted through our wholly owned subsidiaries, VoiceInterop, Inc., a Florida corporation, incorporated on November 13, 2007, and ReadyOp Communications, Inc., a Florida corporation, incorporated on September 15, 2014, which facilitate the marketing and sales of *ReadyOp*™ software and AudioMate IP gateways, discussed below.

Business Overview

We do not currently have sufficient capital to conduct the present or proposed business activities described below. The costs to operate our business are approximately \$115,000 per month. In order for us to cover our monthly operating expenses, we must generate revenues of approximately \$175,000 per month. Accordingly, in the absence of revenues, we must secure \$115,000 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 must secure \$1,380,000 in equity or debt capital. If we are unsuccessful in securing sufficient capital or revenues, we will be unable to continue any business activities. We have not obtained any commitments for additional capital, and we may not be able to obtain any additional capital on terms not unfavorable to us, if at all.

From March 2005 to October 2007, we were primarily engaged in providing telecommunications services to our customers employing Voice over Internet Protocol (VoIP) technology. In October 2007, we sold substantially all of our assets utilized in that business. Prior to 2005, we were a website development company.

We are now a provider of Internet Protocol, or IP, unified group communication solutions. The products used in our solutions include our own proprietary products as well as products from other software and hardware vendors.

We have designed and customized standards based audio and voice collaboration solutions for prospective customers as part of a unified group communication system. We consider all aspects of a potential customer's information technology resources and existing telecommunications network in creating a design best suited for that customer. In 2013, we developed our own proprietary group communication solution and have built and installed four of these solutions as of the filing date of this report. Prior to developing our own solution we used WAVE software as the core component. We have designed, built and installed 20 unified group communication solutions as of the filing date of this report, 14 of which utilize WAVE software. In November 2013, we discontinued using WAVE software as a component in our unified communication solution installations.

Revenues have been generated from the design, construction and installation of the group communication systems. We have also generated revenues from maintenance and support contracts, once a unified group communication solution has been installed and tested. While we no longer sell WAVE based systems we will continue to support the installations that we have previously installed. We also sell our proprietary line of Internet Protocol Gateways which we have branded the *AudioMate 360 IP Gateway*, discussed below. These units are currently being sold directly to end-users and by Value Added Resellers ("VARs"). As of the date of this filing, we have approximately 10 active VARs, and we have sold our gateways to more than 1,000 end-users in the United States and 18 foreign countries.

We have developed an Internet Protocol Gateway which we call the *AudioMate 360 IP Gateway*. The *AudioMate 360 IP Gateway* has been designed to provide an Internet Protocol Gateway to users of unified group communications. The *AudioMate 360 IP Gateway* is available in different configurations which enable it to be used with various types of communications equipment.

Although other devices are available that perform the same or similar functions, we believe that our price for the *AudioMate 360 IP Gateway* is substantially lower than the prices others are presently charging for similar devices. If we are unable to provide the *AudioMate 360 IP Gateway* to our prospective customers at substantially lower prices than others are charging for similar gateways, our business will be materially adversely affected.

We do not have any other products at this time.

Acquisition of Certain Collabria Assets

In March 2015, the Company amended its Licensing Agreement with Collabria LLC of Tampa, Florida ("Collabria"). The Agreement grants the Company master distribution rights to market, sell and support Collabria's command and control software, trade-named ReadyOp. ReadyOp software is designed for fast, efficient access to information and for communication with multiple persons, groups and agencies. This agreement will remain in effect for an initial term of five years unless either the Company or Collabria sooner terminates the agreement. Upon expiration of the agreement, the Company's only obligation to Collabria shall be the payment of all outstanding obligations to Collabria. In September 2014, the Company formed ReadyOp Communications, Inc. (a Florida corporation), as a wholly owned subsidiary to facilitate the marketing of ReadyOp software. According to the terms of the agreement ReadyOp Communications will pay Collabria a royalty for all ReadyOp software sold.

In November 2016, the Company cancelled its Licensing Agreement with Collabria LLC of Tampa, Florida ("Collabria") and acquired all of the intellectual property related to Collabria's command and control software, trade-named ReadyOp. In addition the Company acquired Collabria's client list. In exchange for these assets the Company issued Collabria 3,000,000 shares of the Company's restricted Series E Convertible Preferred stock with a fair value of \$292,240. The Company assumed none of Collabria's liabilities.

Need for Unified Group Communications

Unified group communications and coordination within and between agencies for response actions to incidents and emergencies has been a challenge for many years. The result has been inefficiencies and in some cases the loss of lives, time and money during response activities. Governmental agencies, hospitals and other organizations experience these same interoperability failures.