

# **CPT Global Limited and Controlled Entities**

**ABN 16 083 090 895**

## **Annual Financial Report**

**for the year ended 30 June 2013**

## Chairman's Statement

Dear Fellow CPT Global Shareholder,

CPT Global delivered a small profit in the 2013 financial year as operating conditions remained difficult in both our Australian and international markets. However the year was very much a story of two halves with a much improved revenue and profit delivered in the second half which more than offset the disappointing loss recorded in the first half. This better second half result was driven by a significant turnaround in the performance of our international operations and in particular the North American business. CPT has finally begun to reap rewards from the extensive pipeline of potential business which we have built over a number of years in the international markets. We are now focused on maintaining the improved recent performance and in particular realising the benefit of our ongoing global business development activities.

CPT's strategy is to grow IT service revenue in all our regions, improve our margins and control costs. Our business development activities remain a very high priority and over the past twelve months our Managing Director Gerry Tuddenham and his team have spent a substantial amount of time driving the sales efforts in Australia, Europe, North and South America, and Asia.

Our Australian operations have traditionally been the backbone of CPT's business and also home to many of our expert IT resources particularly in CPT's home State of Victoria where four of our top ten clients are based. Revenues across the Australian business were lower in 2013 as major clients continued to focus on cost reduction and as a result profit margins also remained under pressure. The ongoing tough and very competitive nature of the Australian IT market reinforces CPT's strategy of using its local IT experts to build a major presence in the international markets. The benefits to CPT have been to reduce its exposure to the difficult Australian IT market and to invest offshore at a time when the Australian currency was strong. While the Australian business remains very important to CPT's future we will not compromise on our margins to chase business and therefore revenues are not expected to show substantial growth until general market conditions improve.

The exciting news for CPT is that during 2013 we began to see some improved returns from our long term investment in the international operations. Despite continuing difficult economic conditions, CPT increased second half offshore revenue driven by the better performance of our US operations and in Europe where a number of significant client engagements commenced. By building our presence in the international markets CPT is seeking to grow and provide a more consistent and sustained stream of profits which are now all the more attractive as the Australian dollar weakens. During 2013 the size and quality of CPT's international client base developed further and we are moving towards a position of critical mass where potentially around half of our revenue will come from our offshore operations. Furthermore during the year CPT restructured the management of the international business in order to strengthen and better co-ordinate client service and resource utilisation and also established some global client relationships where CPT will provide services to these clients across the world. Further good progress has been made in Asia where we are working with existing clients and also successfully completed our first client engagement in mainland China.

In 2013 our revenue declined by around 11% with falls across both Australia and Europe partially offset by growth in the US. However second half revenue increased by 10% over the poor first half result when a number of European clients delayed commencement of client engagements. CPT delivered a 2013 net profit after tax of \$0.3m compared to \$0.6m in the prior year but again this comprised a loss of \$1.0m in the first half against a substantially improved profit of \$1.3m in the second half. Given the lower profit and need to retain cash to fund our overseas growth CPT will not pay a dividend in 2013. Last year CPT paid a dividend of 1.5 cents per share (fully franked). CPT ended the financial year with cash of \$1.2m and no debt.

## Chairman's Statement

Over a number of years CPT has pursued a strategy of taking its world recognised expert IT resources to major international markets in order to diversify away from the Australian IT market and to build a growing and more consistent stream of profits for shareholders. Despite winning the Victorian Governor's Export award for the IT sector three times the financial rewards for CPT have been far slower to realise in part due to the continued uncertainty caused in international markets by the Global Financial Crisis and also the long and often frustrating sales cycle for our services. However during 2013 it seems that we may finally be seeing evidence that the tide is turning and that CPT's substantial efforts in developing relationships with many of the world's most significant companies are finally to be rewarded with the conversion of this potential into more sustainable and significant revenue and profits. The poor overall result in 2013 masks a major turnaround in fortunes between the first and second halves which if continued will finally see the prospect of satisfactory returns being delivered to our shareholders for the investment we have made in developing our international operations. While it would always have been an easy option for CPT to pull back from its offshore expansion activities your Board believes that CPT shareholders may now be on the cusp of realising attractive rewards from the pursuit of these opportunities. Our growing offshore business together with a lower Australian dollar will potentially deliver more than 50% of CPT's revenue over the next year or so and deliver the critical mass required for sustainable and improved profits.

In closing I would like to thank my fellow directors and all of CPT Global's staff, under the tireless leadership of our Managing Director, Gerry Tuddenham, for their ongoing contribution to CPT's performance in a continuing difficult global economic environment. CPT has a strong team of technically skilled, long term loyal staff and consultants, many of whom are leaders in their field, and who remain committed to serving our clients' needs globally. During 2013 my confidence has grown that the risks and challenges that we have faced as a Company over recent years are receding and that CPT's shareholders are now well placed to be rewarded through more sustainable and attractive returns generated from our business.



Fred S. Grimwade  
Chairman



Fred Grimwade  
Chairman



Gerry Tuddenham  
Managing Director



Alan Baxter  
Director



Peter Wright  
Director,  
IT Management Services

## Managing Director's Review

Fellow Shareholders,

The 2012/13 financial year was a year of two halves, as CPT Global continued its investment in the International markets through tough economic conditions. Whilst the Australian market held its own in the first half, revenues and profits from the International business fell, due to the completion of a number of projects and the continued delays in the commencement of new projects and engagements. Investments in developing new markets (Asia and South America) further strained the first half results. The second half however saw a major turnaround in all facets of CPT's business as new International projects commenced and engagements occurred in each of CPT's International markets. Unfortunately revenues in the Australian business fell away due to local market pressures, thereby negating the full impact of the turnaround in the International business on CPT's overall result. We strongly believe that our recent achievements in the International markets coupled with the sharp fall in the Australian currency, places CPT in a strong position to capitalise on previous International business expansion investments, to not only reduce the impact of the slowing Australian market, but to establish a more healthy financial outlook for the company as a whole.

### Operating and Financial Review

In a tight Australian market, revenue fell by 13% from 2011/12 as large corporates and government departments cut back on their IT spend, with some financial institutions offshoring activities to lower cost countries and government spending curtailed due to the forthcoming election. This reduction was experienced in each of the Australian markets. Contract margins were maintained at levels consistent with those achieved in 2011/12.

International revenue fell by 7% compared to prior year levels with the North American operation increasing revenues by 16% while the European operation revenues decreased by 33%, due to the deferral of two major client contracts, which have now commenced. However during 2013, significant improvement occurred in the second half, as revenues increased by 145% when compared to the first half. Contract margins fell by approximately 8% in comparison to those earned in 2012, due to a reduction in phase 2 activities in the year.

CPT Global's revenue for the year ended 30 June 2013 was \$35.1 million, an 11% decrease on the previous year's revenue of \$39.5 million.

CPT Global's net profit after tax for the year ended 30 June 2012 was \$0.3m (a first half loss of \$1m and a second half profit of \$1.3m). This was a reduction of \$0.3m on the 30 June 2012 result.

No dividend has been declared for the financial year.

Basic earnings per share amounted to 0.88 cents per share (diluted earnings also 0.88 cents per share).

CPT Global's balance sheet reflected net tangible assets of \$5.44m as at 30 June 2013 (\$5.56m 30 June 2012) with net cash holdings of \$1.2m at 30 June 2013 (\$1.1m 30 June 2012).

### Strategy

The company's business strategy is to hold our current position in the Australian market as it remains tight, while continuing the International expansion, capitalizing on our previous market development investments and the falling value of the Australian dollar. The Australian market

## Managing Director's Review

position will be maintained by focusing on two key areas. Firstly, from a sales and market standpoint, we will continue to focus our efforts on 'blue chip' companies which will continue to have significant IT service requirements. Secondly, the services provided to our clients will be high value solution based services which focus on quality outcomes rather than services which have gradually become commoditised. This will lead CPT being more selective about the projects taken on and less enticed by competitive lower margin projects, which will ultimately result in the achievement of higher margins.

For the International business, we will continue leveraging the business development investments of the past and the global account relationships which have been established, to further expand into the global market. Many of the initial phase 1 exploratory cost reduction assignments which have already been undertaken, will lead to the more lucrative phase 2 engagements where substantial savings are identified and passed on to clients. Ultimately, this will lead to a growing annuity revenue base by taking on long term engagements at the completion of the phase 2 assignments to protect client cost efficiencies on an ongoing basis. Margins will increase as the number of phase 2 engagements increase, as these typically provide the company with its largest reward for services provided. As the value of the Australian dollar returns to more realistic levels, International profits will provide the group with significantly higher profit contributions than in recent years.

As we penetrate new markets such as Asia and South America, we will continue to leverage existing business partnerships and Austrade to properly qualify opportunities and subsequently engage with new clients. Global accounts where CPT has already provided successful outcomes, will be used to expand CPT's footprint into new regions of existing clients.

Continued growth of the Australian Capacity Planning and Performance Tuning Centre of Excellence will add to the scale and flexibility of the company's service offering by enhancing the capability of remotely providing service simultaneously to a range of overseas clients in various geographic locations.

### Our People

CPT maintains a truly flexible workforce in terms of the number of resources available and the locations they work around the world. While each CPT location maintains a nucleus of professionals to provide clients with ongoing contact, resources are augmented from the global resource pool and the Capacity Planning and Performance Tuning Centre of Excellence in Australia, to suit client and project needs. CPT staff are continually kept abreast of technical developments through focus group contact, structured training programs and informal training sessions. This ensures capabilities are maintained at the appropriate level. All of this has led to our enhanced ability to deliver a better service more efficiently on a global scale.

### Outlook

We consider the short term outlooks for the Australian and International businesses to be quite different.

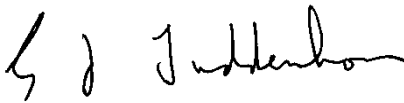
The Australian market is expected to remain tough for the foreseeable future. We expect that Australian revenues will remain flat in 2014, with margins being achieved at similar levels, as the provision of high value services will counteract the continued margin pressures. Costs will continue to be tightly managed to preserve local profits.

## Managing Director's Review

CPT's International market is expected to expand in 2014. Revenues should increase as a result of new client engagements and increased opportunities from global accounts. Margins should increase as the proportion of phase 2 success fee engagements increase as a percentage of total revenue.

The overall contribution from the International business will be enhanced by the fall in value of the Australian dollar.

A key driver to the success over the next financial year will continue to be the timing of engagement commencements. We believe that our resourcing model can gear up quickly to respond to the opportunities as they arise. Your Board understands the formula for success and is confident it will deliver on the objectives of the next year of CPT's strategic plan.



Gerry Tuddenham  
Managing Director

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## Corporate Governance Statement

The Board of Directors of CPT Global is responsible for the corporate governance of the group. The Board guides and monitors the business and affairs of CPT Global on behalf of the shareholders by whom they are elected and to whom they are accountable.

The format of the Corporate Governance Statement is based on the Australian Stock Exchange Corporate Governance Council's (the Council's) "Corporate Governance Principals and Recommendations" (the Recommendations). In accordance with the Council's recommendations, the Corporate Governance Statement must contain certain specific information and must disclose the extent to which the company has followed the guidelines during the period. CPT Global has attempted to comply with all best practice recommendations, but hasn't in some instances due to the size of the Board. Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure. CPT Global's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

- Principle 1. Lay solid foundations for management and oversight
- Principle 2. Structure the Board to add value
- Principle 3. Promote ethical and responsible decision making
- Principle 4. Safeguard integrity in financial reporting
- Principle 5. Make timely and balanced disclosure
- Principle 6. Respect the rights of shareholders
- Principle 7. Recognise and manage risk
- Principle 8. Remunerate fairly and responsibly

### Independence

Corporate Governance Council Recommendation 2.1 requires a majority of the Board to be independent directors. In addition, recommendation 2.2 requires the chairperson of the company to be independent. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with - or could reasonably be perceived to materially interfere with - the exercise of unfettered and independent judgement. In accordance with this definition, the following directors are not considered to be independent:

- Gerry Tuddenham (Managing Director)
- Peter Wright (Executive Director)

Of the four Board members, the two listed above are not considered to be independent when applying the Council's definition of independence. Despite non compliance with corporate governance best practice, it is believed that Board independence is achieved through the independent chairman who maintains the casting vote. CPT Global considers industry experience and specific expertise to be important attributes of its Board members.

CPT Global's corporate governance practices were in place throughout the year ended 30 June 2013. The corporate governance practises of CPT Global were compliant with the Council's best practice recommendations except where an executive director serves on the Audit Committee, due to the small size of the Board. Best practice recommends that the Audit Committee should be made up of non-executive directors.

**For further information on corporate governance policies adopted by CPT Global, refer to our website: [www.CPTglobal.com](http://www.CPTglobal.com)**

### Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. Accordingly, the company has established a diversity policy.

	2013		2014-15	
	No.	%	No.	%
Women on the Board	0	0	0	0
Women in senior management roles	4	28	5	29
Women employees in the company	24	15	35	18

## Corporate Governance Statement

### Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the directors' report on page 12. Directors of CPT Global are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with - or could reasonably be perceived to materially interfere with - the exercise of their unfettered and independent judgement.

In the context of director independence, "materiality" is considered from both the company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the director in question to shape the direction of the company's strategy.

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of CPT Global are considered to be independent:

Name	Position
Fred Grimwade	Non-executive Chairman
Alan Baxter	Non-executive Director

There are procedures in place, agreed by the Board, to enable directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

The term in office held by each director in office at the date of this report is as follows:

Name	Term in office
Fred Grimwade	11 years
Alan Baxter	3 years
Gerry Tuddenham	15 years
Peter Wright	12 years

### Performance Evaluation

An annual performance evaluation of:

1. The Board and all Board members was conducted by the full Board for the financial year ended 30 June 2013. The Board developed a questionnaire for all Board members to provide feedback on how they thought the Board had performed. The results from the questionnaire were collated and discussed by the Board. The Board developed a series of recommendations to improve performance and an action plan to implement the recommendations and set the performance criteria and goals for the next year.
2. The senior executive team during the year ended 30 June 2013. This encompassed a review of each of their targeted objectives, the extent to which they were achieved and the establishment of future objectives.

### Remuneration and Nomination Committee

The Board has a Remuneration and Nomination Committee which meets to ensure that the Board continues to operate within the established guidelines, including when necessary, selecting candidates for the position of director. The Committee is also responsible for ensuring that adequate resourcing levels are maintained, setting and monitoring employment conditions, reviewing the performance of executive directors and senior management and setting the scale of their remuneration. The Remuneration and Nomination Committee comprises all of the non-executive directors. The remuneration and Nomination Committee comprised the following members throughout the year:

- Alan Baxter (C)
- Fred Grimwade

Note: (C) Designates chairman of the committee.

Due to the size of the company and the Board of directors, CPT Global has not complied with corporate governance best practice, which recommends the Remuneration and Nomination Committee to have a minimum of three members.

## Corporate Governance Statement

For details of directors' attendance at meetings of the Remuneration and Nomination Committee, refer to page 18 of the Directors' Report.

For details of remuneration of all directors and executives, refer to page 16 of the Directors' Report.

For additional details regarding the Remuneration and Nomination Committee, please refer to our website [www.CPTglobal.com](http://www.CPTglobal.com).

### Ethical standards

The Board is committed to its core governance values of integrity, respect, trust and openness among and between board members, management, employees, clients and suppliers. These values are enshrined in the Board's Code of Conduct which requires all directors, management and employees to at all times:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with both the letter and spirit of the law;
- encourage the reporting and investigation of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of conduct.

Directors are obliged to be independent in judgement and ensure all reasonable steps are taken to ensure that the Board's core governance values are not compromised in any decisions the Board makes.

### Finance and Audit Committee

The Board has a Finance and Audit Committee, which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity and ensure compliance with ASX Listing Rule disclosure requirements. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, external reporting and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the consolidated entity to the Finance and Audit Committee.

The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. The Corporate Governance Principles recommend that all Finance and Audit Committee members are non-executive. CPT Global only has two non-executive directors therefore the managing director has also been appointed to the Finance and Audit Committee.

The members of the Finance and Audit Committee during the year were:

- Fred Grimwade (C)
- Alan Baxter
- Gerry Tuddenham

Note: (C) Designates chairman of the committee.

Due to the size of the company and the Board of directors, CPT Global has not complied with corporate governance best practice, which recommends the Finance and Audit Committee have a different Chairman than the CPT Board.

For details of directors' attendance at meetings of the Finance and Audit Committee, refer to page 18 of the Directors' Report.

### Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business. The Board actively encourages shareholders to attend and participate in the Annual General Meeting of CPT Global, to lodge inquiries and to be responded by the Board and or the CEO and are able to appoint proxies.

## Corporate Governance Statement

### Risk Management

CPT Global takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The main risks that could negatively impact on the performance of the Group's business include:

- the economic environment both locally and overseas;
- the availability of professional IT resources;
- the value of the Australian dollar;
- Government policy, budget and spending levels.

The group believes that it is crucial for all Board members to be a part of risk management process, and as such the Board has not established a separate risk management committee. Instead sub-committees are convened as appropriate in response to issues and risks identified by the Board as a whole, and the sub-committee further examines the issue and reports back to the Board.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include:

- Board approval of a strategic plan, which encompasses the entity's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the establishment and monitoring of Key Performance Indicators (KPI's) of both a financial and non-financial nature.
- The establishment of committees to report on specific business risks, including for example, such matters as the financial risks and concerns and occupational health and safety.

In addition to their regular reporting on business risks, risk management and internal control systems, the CEO and Chief Financial Officer also provide the Board with assurance that the directors declaration provided with the annual report is founded on a sound system of risk management and internal control and that this system is operating effectively in all material respects in relation to the financial reporting risks. This assurance is provided prior to the meeting at which the directors are due to authorise and sign the company's financial statements.

### Trading Policy

The company's policy regarding directors and employees trading in its securities is set by the Finance and Audit Committee. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the securities price.

## Directors' Report

Your directors submit their report for the year ended 30 June 2013.

### DIRECTORS

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

#### Names, qualifications, experience and special responsibilities

##### Fred S Grimwade

(Non-executive Chairman)

Fred chairs CPT's Finance and Audit Committee and is a member of the Remuneration Committee. He is an executive director of specialist corporate advisory and investment firm Fawkner Capital, and is a non-executive director of Select Harvests Limited, Troy Resources Limited, XRF Scientific Limited, and Fusion Retail Brands Pty Ltd. He is also a director of the Foundation for Rural and Regional Renewal. Fred was a commercial lawyer at Mallesons Stephen Jaques, and later worked with Goldman, Sachs & Co. in New York and Sydney. He also served as Company Secretary and General Manager of Shareholder Relations at Western Mining Corporation. In 1996, he joined Colonial Mutual as Group Company Secretary and General Manager for Legal Affairs and subsequently became Head of Private Capital for Colonial First State Investments, one of Australia's largest fund managers. He was Managing Director of the Colonial Agricultural Company from 1998 to 2006 and a non-executive director of AWB Limited from 2008 to 2010.

Fred is a senior fellow and life member of the Financial Services Institute of Australasia (Finsia) and was its joint president from 2005 to 2006. He is also a Fellow of the Australian Institute of Company Directors and a Fellow of Chartered Secretaries Australia.

##### Gerry Tuddenham

(Managing Director)

Gerry is the founder of and a major shareholder in CPT. He has more than 40 years experience in IT consulting and is a hands-on technologist with a reputation for delivering practical solutions. Gerry is widely known as a technical specialist in performance tuning, capacity planning and testing in IBM mainframes, with additional expertise in expert systems, transaction processors, middleware and database management systems. Gerry was the lead developer of the Expetune and Expetest utilities, which automate a number of intricate tuning and testing activities. He has worked internationally in a broad range of industries, with a focus on financial services and telecommunications. Gerry is a member of the Australian Institute of Company Directors. Gerry is a member of the Finance and Audit Committee.

##### Alan Baxter

(Non-executive Director)

Alan is a member of CPT's Finance and Audit Committee and also chairs the Remuneration Committee. He has a strong record of leading profitable growth initiatives, possessing a unique blend of business development skills, commercial acumen and technology expertise. Alan has some 40 years experience across all facets of the IT services industry and has held a number of senior executive roles at IBM and Unisys before his appointment as Chief Executive Officer of DMR Consulting (Asia Pacific). He subsequently moved to London where he became Chief Operating Officer of Fujitsu Consulting (formerly DMR Consulting). On his return to Australia he was appointed to a number of non-executive director roles. He currently serves as a non executive director of Integrated Research Limited.

##### Peter Wright

(Executive Director)

Peter is the leader of CPT's management consulting group and the founder of this practice at CPT. He also leads our government services across Australia and New Zealand. He has more than 40 years experience in consulting and IT management from his early days as a computer science practitioner through a successful career at several international consulting firms. This experience gives him a unique perspective on the business, fuelled by a passion for effective IT management through the application of best practice principles. Before coming to CPT, Peter was the national managing principal for applications outsourcing at IBM Global Services, as well as a consulting director and vice president at DMR Consulting. At DMR, Peter had responsibility for the Systems Delivery and Maintenance Service practice. He has also worked for numerous clients in banking, transportation and government. Peter is a member of the Australian Institute of Company Directors, member of the Australian Computer Society and a member of the Project Managers Institute.

### COMPANY SECRETARY

##### Elliot Polion

Elliot was appointed as Chief Financial Officer and Company Secretary in October 2010. Elliot brings over 20 years of financial and business management experience to CPT Global Limited, having performed roles of Chief Financial Officer, Chief Operating Officer and General Manager within the IT services sector. He is a Fellow of the Australian Society of Certified Practising Accountants.



## Directors' Report

### CORPORATE INFORMATION

#### Nature of operations and principal activities

The principal activities of the economic entity during the financial year were the provision of specialist IT consultancy services based on the following core service offerings:

#### Technical Consulting Services

- Capacity Planning Assurance and Reviews
- Cost Reduction Programs and 'Cost of Running' Reports and Models
- Tuning Services including corporate wide approach to Performance Tuning
- Technical Support including Database and System Administration
- Technical Reviews including Environment and Application Performance
- Architecture Services including Technical Architecture and Design Reviews
- Data Warehousing Solutions
- Stress and Volume Performance Testing
- Test Facilitation and Management

#### Management of IT Consulting Services

- IT Strategic Planning
- Selective Outsourcing / Multi sourcing readiness support and transition services
- IT Outsourcing Contract Services Reviews
- IT Delivery and Support Reviews and Improvement using the Shared Services / ITIL framework
- Senior Project and System Integration Management
- IT Business Metrics Alignment leveraging Balanced Scorecard and 'Cost of Ownership' models
- Business Process Re engineering
- Business Process Improvement
- Information Management Planning
- eBusiness Planning and Implementation
- Business Requirement Definition
- Systems and Technology Integration
- Organisation Change
- Records and Document Management
- Program and Project Management

There have been no significant changes in the nature of those activities during the year.

#### Employees

The consolidated entity employed 162 employees as at 30 June 2013 (2012: 192 employees).

### OPERATING AND FINANCIAL REVIEW

The consolidated profit of the economic entity after providing for income tax amounted to \$322,000. Closing net assets of the economic entity were \$13,036,000 an increase of \$134,000 on the prior year as a result of the operating performance of the group. For a detailed discussion of the financial results for the year ended 30 June 2013 please refer to the Chairman's Statement and Managing Director's Review on pages 1 and 4.

## Directors' Report

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the state of affairs of the company occurred during the financial year.

### SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 27th August 2013 CPT Global Limited announced its intention to extend the on-market share buy back for a further twelve months until 27th August 2014. A maximum of 3,000,000 shares may be bought back during the buy back period, which will run from 27th August 2009 until 27th August 2014.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments, future prospects and business strategies of the operations of the consolidated entity are detailed in the Chairman's Statement and Managing Director's Review on Pages 1 and 4.

### ENVIRONMENTAL REGULATION AND PERFORMANCE

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The company has paid premiums to insure the current directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director and officer of the company, other than conduct involving a wilful breach of duty in relation to the company. The total premium paid was \$38,253.

### REMUNERATION REPORT

#### Remuneration policy

The Remuneration and Nomination Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the directors, the managing director and the executive team. The Remuneration and Nomination Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. The outcomes of the remuneration structure are expected to comply with Executive Share and Option Scheme Guidelines, IFSA Guidance Note, Investment and Financial Services Association, 2003. The payment of bonuses, stock options and other incentive payments are reviewed by the Remuneration and Nomination Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to pre-determined performance criteria. The Board can exercise its discretion in relation to approving the incentives, bonuses and options and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. Details of such incentives awarded during the year are detailed below. Further details on the remuneration of directors and executives are provided in Note 28 to the financial statements.

To assist in achieving these objectives, the Remuneration and Nomination Committee links the nature and amount of executive directors' and officers' emoluments to the company's financial and operational performance and shareholders' value. The committee acknowledges that the creation of shareholder value has recently been inhibited by the global financial crisis and the tightening market conditions experienced within the IT industry.

#### Performance-based remuneration

Annual salary reviews are linked directly to directors' and executives' achievements of key performance indicators

(KPIs). The KPIs are set annually after consultation with the directors and executives. The measures are specifically tailored to the areas where each executive has a level of control. The KPIs target areas the Board believes hold the greatest potential for expansion and profit, covering financial and non-financial goals, for both the short and long-term.

The Board may, at its discretion, award bonuses for exceptional performance in relation to the pre-agreed KPIs.

## Directors' Report

### Company performance, shareholder wealth and director and executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. There have been two methods applied in achieving this aim, the first being annual salary reviews based on key performance indicators, and the second being the issue of shares and options to selected directors and executives to encourage the alignment of personal and shareholder interests. The company believes this policy to have been effective in increasing shareholder wealth over the past five years.

The following table shows the net profit and dividends for the last five years for the listed entity, as well as the share price at the end of the respective financial years. The analysis reflects a profit reduction for the current year which is matched by a reduced dividend. This performance has been attributed to the continued investment in overseas opportunities in which delays have been encountered in reaching contract finalisation and tightening margins across the business. The board is of the opinion that the remuneration policy is effective and can be linked to current years result.

	2009	2010	2011	2012	2013
Net profit/(loss)	\$2.171m	(\$3.133m)	\$1.052m	\$0.6m	\$0.3m
Share price at year end	\$0.51	\$0.56	\$0.64	\$0.41	\$0.37
Dividends paid	5.50c	0.00c	2.50c	1.50c	0.00c

During the year, no shares were purchased as part of the share buyback. The share price during the year ranged from a low of \$0.33 to a high of \$0.47.

### Details of remuneration for the year ended 30 June 2013

Details of the nature and amount of each element of the emoluments of each director of the company and executive officers of the company and the economic entity receiving the highest emolument for the financial year are as follows:

Directors	Short-Term Benefits		Post Employment Benefits	Other Long-Term Benefits	Total	Performance related
	Salary, Fees and Commissions	Cash bonus	Super	Long Service Leave		
	\$	\$	\$	\$	\$	%
Alan Baxter						
▪ 2013	50,000	-	5,000	-	55,000	-
▪ 2012	50,000	-	5,000	-	55,000	-
Fred Grimwade						
▪ 2013	77,982	-	7,018	-	85,000	-
▪ 2012	77,982	-	7,018	-	85,000	-
Gerry Tuddenham						
▪ 2013	374,970	-	27,500	7,563	410,033	-
▪ 2012	375,386	-	36,697	7,058	419,141	-
Peter Wright						
▪ 2013	388,614	-	25,000	7,940	421,554	-
▪ 2012	396,182	-	34,679	10,901	441,762	-
<b>Total Remuneration</b>						
▪ 2013	891,566	-	64,518	15,503	971,587	-
▪ 2012	899,550	-	83,394	17,959	1,000,903	-

## Directors' Report

Executive Officers	Short-Term Benefits		Post Employment Benefits	Other Long-Term Benefits	Total	Performance related
	Salary, Fees and Commissions	Cash bonus	Super	Long Service Leave		
	\$	\$	\$	\$	\$	%
Alan Mackenzie						
▪ 2013	239,014	16,000	-	-	255,014	6.2%
▪ 2012	227,728	-	16,107	-	243,835	-
Elliot Opolion						
▪ 2013	291,622	-	25,000	5,483	322,105	-
▪ 2012	275,814	-	26,605	6,878	309,297	-
Kevin Akom						
▪ 2013	285,159	-	25,000	5,672	315,831	-
▪ 2012	282,174	-	27,523	12,461	322,158	-
<b>Total Remuneration</b>						
▪ 2013	815,795	16,000	50,000	11,155	892,950	1.8%
▪ 2012	785,716	-	70,235	19,339	875,290	-

### Notes

The terms 'director' and 'officer' have been treated as mutually exclusive for the purposes of this disclosure.

The elements of emoluments have been determined on the basis of the cost to the economic entity.

Executives are those directly accountable and responsible for the operational management and strategic direction of the economic entity.

### Performance income as a proportion of total remuneration

Executive directors and executives are paid performance related bonuses based on set monetary figures, rather than proportions of salary since these payments are discretionary. This has led to the proportions of remuneration related to performance varying between individuals.

### Options granted as remuneration

No options were granted to executives during the year. At June 30, 2013, there were no options available to any executive (2012 nil).

### Employment contracts of directors and specified executives

Both executive directors and the executives specified in this remuneration report and notes to the accounts, have their employment conditions formalised in contracts of employment. With the exception of Alan Mackenzie, who is considered a contractor, all executive directors and specified executives are permanent employees of CPT Global Limited.

The employment contracts are generally for a fixed term, but contain notice periods and do not contain any provisions for termination payments. Any options not vested as at the date of termination will lapse.

For details of contracts under which directors are entitled to a benefit, refer to Note 27.

## Directors' Report

### DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings		Finance and Audit Committee Meetings		Remuneration and Nomination Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Alan Baxter	11	11	2	2	1	1
Fred S Grimwade	11	11	2	2	1	1
Gerry Tuddenham	11	9	2	2	-	-
Peter Wright	11	9	-	-	-	-

### Committee membership

As at the date of this report, the company had a Finance and Audit Committee and a Remuneration and Nomination Committee of the Board of Directors.

Members acting on the committees of the Board during the year were:

Finance and Audit	Remuneration and Nomination
Fred Grimwade (C)	Alan Baxter (C)
Alan Baxter	Fred Grimwade
Gerry Tuddenham	

Note: (C) Designates the chairman of the committee.

### OPTIONS

During the year ended 30 June 2013, no options to acquire ordinary shares were granted (2012: nil) and nil (2012: nil) ordinary shares were issued on the exercise of these options.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

No further shares have been issued since year end.

### PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

## Directors' Report

### NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Finance and Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Finance and Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional & Ethical Standards Board.

The following fees for non-audit services were paid/payable to Moore Stephens Melbourne during the year ended 30 June 2013:

- Taxation compliance and advice services \$56,000

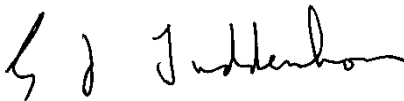
### AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 20 of the directors' report.

### ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.



Gerry Tuddenham  
Managing Director  
Melbourne, 26 September 2013

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**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of CPT Global Limited and Controlled Entities**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



MOORE STEPHENS  
Chartered Accountants



Kevin Neville  
Partner

Melbourne, 26 September 2013

## Consolidated Statement of Comprehensive Income

YEAR ENDED 30 JUNE 2013	Notes	2013 \$'000	2012 \$'000
Revenue	3	35,082	39,450
Other income		31	22
Salaries and employee benefits expense		(2,902)	(3,562)
Consultants benefits expense		(27,336)	(30,570)
Depreciation and amortisation expenses	4	(165)	(148)
Insurance expense		(237)	(251)
Finance costs	4	(203)	(117)
Lease expenses		(482)	(425)
Other expenses		(3,082)	(4,008)
<b>PROFIT BEFORE INCOME TAX</b>		<b>706</b>	<b>391</b>
<b>INCOME TAX (EXPENSE) / REVENUE</b>	5	<b>(384)</b>	<b>217</b>
<b>PROFIT AFTER INCOME TAX</b>		<b>322</b>	<b>608</b>
<b>Other Comprehensive Loss:</b>			
<b>Items that may be subsequently reclassified to comprehensive income:</b>			
Exchange differences on translating foreign controlled entities		(188)	(65)
<b>Total Other Comprehensive Loss for the year, net of tax</b>		<b>(188)</b>	<b>(65)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>134</b>	<b>543</b>
<b>PROFIT ATTRIBUTABLE TO MEMBERS OF CPT GLOBAL LIMITED</b>		<b>322</b>	<b>608</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF CPT GLOBAL LIMITED</b>		<b>134</b>	<b>543</b>
Basic earnings per share (cents per share)	25	<b>0.88</b>	1.66
Diluted earnings per share (cents per share)	25	<b>0.88</b>	1.66

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

## Consolidated Statement of Financial Position

AT 30 JUNE 2013

Notes

		2013 \$'000	2012 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	1,197	1,114
Trade and other receivables	8	6,043	7,051
Unbilled revenue	9	3,758	3,866
Current tax asset	16	98	246
Other current assets	10	399	403
<b>TOTAL CURRENT ASSETS</b>		<b>11,495</b>	<b>12,680</b>
<b>NON-CURRENT ASSETS</b>			
Deferred tax assets	16	1,225	855
Property, plant and equipment	12	76	170
Intangible assets	13	7,600	7,341
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,901</b>	<b>8,366</b>
<b>TOTAL ASSETS</b>		<b>20,396</b>	<b>21,046</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	6,544	7,674
Current tax liabilities	16	141	116
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,685</b>	<b>7,790</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax Liability	16	150	-
Other long term provisions	17	525	354
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>675</b>	<b>354</b>
<b>TOTAL LIABILITIES</b>		<b>7,360</b>	<b>8,144</b>
<b>NET ASSETS</b>		<b>13,036</b>	<b>12,902</b>
<b>EQUITY</b>			
Issued capital	18	12,075	12,075
Reserves	19	68	256
Retained earnings		893	571
<b>TOTAL EQUITY</b>		<b>13,036</b>	<b>12,902</b>

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements.

## Consolidated Statement of Changes in Equity

### YEAR ENDED 30 JUNE 2013

		\$'000	\$'000	\$'000	\$'000	\$'000
	Notes	Issued capital Ordinary	Retained Earnings	Equity Reserve	Foreign Currency Translation Reserve	Total
<b>Balance at 1 July 2011</b>		12,075	880	1,690	(1,369)	13,276
<b>Comprehensive income</b>						
Profit for the year		-	608	-	-	608
Other comprehensive loss	19				(65)	(65)
<b>Total comprehensive income/(loss) for the year</b>		-	608	-	(65)	543
<b>Transactions with owners, in their capacity as owners</b>						
Share based payments		-	-	-	-	-
Dividends paid or provided for	6	-	(917)	-	-	(917)
<b>Total transactions with owners, in their capacity as owners</b>		-	(917)	-	-	(917)
<b>Balance as at 30 June 2012</b>		<b>12,075</b>	<b>571</b>	<b>1,690</b>	<b>(1,434)</b>	<b>12,902</b>
<b>Balance at 1 July 2012</b>		12,075	571	1,690	(1,434)	12,902
<b>Comprehensive income</b>						
Profit for the year		-	322	-	-	322
Other comprehensive loss	19	-	-	-	(188)	(188)
<b>Total comprehensive income/(loss) for the year</b>		-	322	-	(188)	134
<b>Transactions with owners, in their capacity as owners</b>						
Share based payments		-	-	-	-	-
Dividends paid or provided for	6	-	-	-	-	-
<b>Total transactions with owners, in their capacity as owners</b>		-	-	-	-	-
<b>Balance as at 30 June 2013</b>		<b>12,075</b>	<b>893</b>	<b>1,690</b>	<b>(1,622)</b>	<b>13,036</b>

## Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2013	Notes	2013 \$'000	2012 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		37,456	40,890
Payments to suppliers and employees		(36,068)	(39,014)
Interest received		7	1
Finance costs paid		(64)	(58)
Income tax paid		(430)	(402)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	20	<b>901</b>	<b>1,417</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(6)	(34)
Purchase of software		(324)	(57)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(330)</b>	<b>(91)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of borrowings		(15)	(38)
Payment of dividends on ordinary shares		-	(917)
<b>NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		<b>(15)</b>	<b>(955)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>		<b>556</b>	<b>371</b>
Add opening cash & cash equivalents brought forward		1,114	884
Effects of exchange rate changes on cash and cash equivalents		(473)	(141)
<b>CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	7	<b>1,197</b>	<b>1,114</b>

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements comprise the financial statements of CPT Global Limited and its controlled entities (collectively referred to as 'the Group' or 'the Economic Entity'). The separate financial statements of the Parent Entity, CPT Global Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The principal activities of the group during the financial year were the provision of specialist IT consultancy services. The registered address and principal place of business is level 1, 4 Riverside Quay, Southbank, Victoria.

The financial report was authorised for issue on 26 September, 2013 by the Board of Directors.

#### Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. All amounts are in Australian dollars unless otherwise stated.

During the current year the Group adopted all of the amending Australian Accounting Standards and New Interpretations applicable to its operations which became mandatory. The adoption of these standards has had no significant impact on these financial statements.

#### Accounting Policies

##### (a) Principles of consolidation

A controlled entity is any entity over which CPT Global Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in note 11 to the financial statements.

As at the end of the reporting period, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity by making the necessary adjustments to the subsidiary's accounts.

The financial statements of the subsidiaries used in the preparation of these consolidated financial statements have been prepared as of the same reporting date as the parent.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Income Tax

The income tax expense/(revenue) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities/ (assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profits will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences, and it is probable that the differences will not reverse in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### (c) Unbilled Revenue

Work in progress is valued at cost plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Profits are recognised on the stage of completion basis measured using the proportion of costs incurred to date as compared to expected total costs. Where losses are anticipated they are provided for in full.

Revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost accumulated depreciation and, where applicable impairment losses.

##### Plant and equipment

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. When there are indications of any impairment, the recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

##### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	2 - 5 years
Fixtures Fittings and Equipment	33% to 50%
Motor Vehicles	12% to 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit and loss.

#### (e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership is not transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) Financial Instruments

##### Recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

##### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

##### (i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

##### (ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

##### (iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are subsequently measured at fair value with changes in carrying value being included in equity.

#### (v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

#### Derivative instruments

CPT Global Limited and Controlled Entities designate certain derivatives as either:

- i. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- ii. hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the Group's risk management objective and strategy for undertaking various hedge transactions is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

#### (i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

#### (ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity through other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in the hedge reserve in equity are transferred to profit or loss in the periods when the hedged item will affect profit or loss.

#### Impairment of Financial Instruments

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. In the case of loans and receivables, impairment is recognised when collectability is doubtful (refer to (g) for further details). Impairment losses are recognised in the profit and loss.

#### Financial guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

#### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### (g) Receivables

Trade receivables are a part of financial instruments (loans and receivables) and are initially recognised at fair value and are subsequently measured at amortised cost less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit or loss.

#### (h) Impairment of assets

At the end of each reporting period, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised as an expense in the profit and loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Non financial assets, other than goodwill that suffered impairment, are reviewed for possible reversals of the impairment at the end of each reporting period.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Intangibles

##### Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

##### Intellectual Property

Intellectual property is recognised at the cost of acquisition and has an indefinite useful life. Intellectual property is tested annually for impairment and carried at cost less accumulated impairment losses.

##### Computer Software

Computer software is recognised at the cost of acquisition. Computer software costs have a finite useful life and are carried at cost less accumulated amortisation and any impairment losses. Computer software costs are amortised on a straight line basis over their useful life. The amortisation rate used for software costs varies from 14% to 50%.

#### (j) Foreign Currency Transactions and Balances

##### Functional and presentation currency

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

##### Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are re-translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedges. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the underlying gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the profit or loss.

##### Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period;
- and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from translation of transactions considered to be net investment in foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (k) Trade and other payables

Trade and other payables are a part of financial instruments (Non-derivative financial liabilities). These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (l) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

##### (i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the end of the reporting period are recognised in other payables in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. When measuring sick leave entitlement, only the unutilised entitlement that is likely to be utilised over and above the leave entitlement that continues to accrue in the future periods is taken into account.

##### (ii) *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### (iii) *Retirement benefit obligations*

Contributions to defined contributions superannuation funds are recognised as an expense as they become payable.

##### (iv) *Share based payments*

Share-based compensation benefits are provided to certain employees via the CPT Share and Option Incentive Plan and an employee share scheme. Information relating to these schemes is set out in note 22.

The fair value of options granted under the CPT Share and Option Incentive Plan is recognised as an employee benefit expense with a corresponding increase in equity in the period the options are granted. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Hull-White trinomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At the end of the each reporting period, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to the original estimates, if any, is recognised in the profit and loss with a corresponding adjustment to equity.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the end of the reporting period.

#### (n) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Group.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

#### (o) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (p) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

The following specific recognition criteria must also be met before revenue is recognised:

##### Sale of Goods

Significant risk and rewards of ownership of goods has passed to the buyer.

##### Rendering of Services

Where the contract outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured. Stage of completion is measured by reference to the labour hours incurred to date as a percentage of total estimated hours for each contract.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

##### Interest

Interest revenue is recognised on a proportional basis taking into account the effective interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

#### (r) Earnings per share ("EPS")

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

#### (s) Consumption Taxes (GST and VAT)

Revenues, expenses and assets are recognised net of the amount of GST and VAT, except where the amount of GST and VAT incurred is not recoverable from the taxation authority. In these circumstances the GST and VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST and VAT.

Cash flows are presented in the statement of cash flows inclusive of GST and VAT.

#### (t) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

#### (u) Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### (v) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$1,000, or in certain cases the nearest dollar.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (w) Critical Accounting Estimates & Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

##### Key estimates

###### (i) *Impairment of Goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units (CGU) to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value.

Refer to Note 14 for details of the assumptions used in this calculation and the potential impact of changes to the assumptions.

##### Key judgements

###### (i) *Provision for impairment of receivables*

Included in trade receivables at the end of the reporting period is an amount receivable from a customer during the current financial year amounting to \$35,957. The Group has determined that the recoverability of this debt from the customer is uncertain hence a provision for impairment has been made. An assessment of all accounts outstanding for longer than the agreed trading terms has been undertaken.

###### (ii) *Unbilled revenue*

The Group measures unbilled revenue based on information available at the time of recognition. This information includes historical trends, data analysis, significant judgements from key management personnel as to the reasonable expectations of future events and completion of projects in progress. Management has considered certain old amounts as fully recoverable and therefore no provision for impairment was made. See Note 9 for further details.

#### (x) New Accounting Standards for Application in Future Period

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2015).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The directors anticipate the Group will adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 30 June 2016. The directors anticipate that the adoption of AASB 9 and AASB 2010-7 may have a significant impact on the amounts reported in respect of financial instruments for the period ending 30 June 2016. However, it is impracticable at this stage to provide a reasonable estimate of the possible impact on the Group's financial statements from applying AASB 9 and AASB 2010-7.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements [August 2011], AASB 128: Investments in Associates and Joint Ventures [August 2011] and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127 [March 2008, as amended] and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either 'joint operations' (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or 'joint ventures' (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a 'structured entity', replacing the 'special purpose entity' concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued.

These Standards are not expected to significantly impact the Group's financial statements.

AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Group's financial statements.

AASB 119: Employee Benefits [September 2011] and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Group does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 [September 2011] also includes changes to:

(a) require only those benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as either other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

- (i) for an offer that may be withdrawn - when the employee accepts;
- (ii) for an offer that cannot be withdrawn - when the offer is communicated to affected employees; and
- (iii) where the termination is associated with a restructuring of activities under AASB 137 and if earlier than the first two conditions - when the related restructuring costs are recognised.

These Standards are not expected to significantly impact the Group's financial statements.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 2. PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

	2013	2012
	\$'000	\$'000
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>ASSETS</b>		
Current Assets	18,740	16,956
<b>Total Assets</b>	<u>27,030</u>	<u>25,052</u>
<b>LIABILITIES</b>		
Current Liabilities	12,891	11,901
<b>Total Liabilities</b>	<u>13,822</u>	<u>12,551</u>
<b>EQUITY</b>		
Issued Capital	12,075	12,075
Reserves	1,608	1,608
Retained earnings/(accumulated losses)	(475)	(1,182)
<b>Total Equity</b>	<u>13,208</u>	<u>12,501</u>

	2013	2012
	\$'000	\$'000
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Total profit	<u>707</u>	<u>675</u>
Total comprehensive income	<u>707</u>	<u>675</u>

#### Guarantees

CPT Global Limited has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries. Refer to Note 23 for details of bank guarantees in relation to leased offices.

### 3. REVENUE

	2013	2012
	\$'000	\$'000
<b>REVENUE</b>		
Services Revenue	35,082	39,450
<b>Total Revenue</b>	<u>35,082</u>	<u>39,450</u>
<b>OTHER INCOME</b>		
Rent Income	11	13
Interest Income	7	1
Other Income	13	8
<b>Total Other Income</b>	<u>31</u>	<u>22</u>

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 4. PROFIT/(LOSS) FOR THE YEAR

Note

2013  
\$'000

2012  
\$'000

Profit or loss for the year also includes the following specific expense items.

Finance costs:

Interest expense on borrowings	203	117
Total finance costs	<u>203</u>	<u>117</u>

Foreign currency translation losses (gains)	(646)	25
Rental expense on operating leases	482	484
Depreciation and amortisation of non-current assets	165	148
Defined superannuation contribution expense - Others	300	229
Defined superannuation contribution expense - KMP	115	154

### 5. INCOME TAX EXPENSE

2013

2012

Tax expense comprises:	\$'000	\$'000
Current tax	474	318
Deferred tax	16 (220)	(430)
Under/(over) provision of previous year	130	(105)
	<u>384</u>	<u>(217)</u>

The prima facie tax on profit before income tax is reconciled to the income tax as follows:

Prima facie tax on profit before income tax at 30% (2012: 30%)	212	117
Tax effect of		
▪ Tax on overseas income at a different rate	99	(47)
▪ Share-based payments expense	-	-
▪ Other non-allowable items	6	(4)
▪ Foreign exchange differences arising on net investment in foreign entities	1(j) (54)	(11)
▪ Current year tax losses not brought to account	9	103
▪ Foreign currency exchange profit not subject to income tax	(18)	(9)
▪ Utilisation of prior year tax losses	-	(228)
Under/(over) provision of previous year	130	(138)
Income tax expense attributable to the entity	<u>384</u>	<u>(217)</u>

The applicable weighted average effective tax rates are as follows: 54% -55%

The effective tax rate increased in 2013 due to the recognition of \$228,000 of prior year tax losses in the USA and an under provision of income tax Of \$130,000 in 2012.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 6. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

	2013	2012
	\$'000	\$'000
<b>(a) Dividends paid during the year</b>		
<i>Current year interim</i>		
Franked dividends (0.0c per share) (2012: 1.5c per share)	-	551
<i>Previous year final</i>		
Franked dividends (0.0c per share) (2011: 1.0c per share)	-	366
	<u>-</u>	<u>917</u>
<b>(b) Dividends proposed and not recognised as a liability</b>		
• Franked dividends (0.0c per share) (2012: 0.0c per share)	-	-
	<u>-</u>	<u>-</u>
<b>(c) Franking credit balance</b>		
Balance of franking account at year end adjusted for franking credits arising from:		
▪ Payment of provision for income tax		
▪ Franking debits arising from payment of proposed dividends	2,069	1,809
Subsequent to year end, the franking account would be reduced by the proposed dividend reflected in Note 6(b) as follows:	-	-
	<u>2,069</u>	<u>1,809</u>

### 7. CASH AND CASH EQUIVALENTS

	2013	2012
	\$'000	\$'000
Cash at bank and in hand	<u>1,197</u>	<u>1,114</u>
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>1,197</u>	<u>1,114</u>
	<u>1,197</u>	<u>1,114</u>

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 8. TRADE AND OTHER RECEIVABLES

Notes

		2013	2012
		\$'000	\$'000
<b>CURRENT</b>			
Trade receivables	8(a)	6,067	7,000
Provision for impairment of receivables	8(b)	(36)	(33)
		<u>6,031</u>	<u>6,967</u>
Other receivables		12	84
		<u>6,043</u>	<u>7,051</u>

- (a) Trade receivables are non-interest bearing and generally on 30 day terms. The average credit period on rendering of services and sale of goods is 62 days (2012: 65 days). Management has objective evidence that certain receivable amounts arising from the past sale of goods and rendering of services are impaired and therefore a provision for impairment has been recognised.

Before accepting new customers, the Group assesses the creditworthiness of the potential client using information provided by independent rating agencies, publicly available information and its own trading record. The Group's client portfolio consists of leading blue chip companies, Fortune Global 500 companies and Government departments within Australia. The profile of the trade receivable balance as at the reporting date is as follows:

Of the trade receivable balance at the end of the reporting period, \$613,065 (2012: \$727,921) is due from a large Australian telecommunications company totalling 10.1% (2012: 10.3%) of the trade receivables balance. There is also \$523,665 (2012: \$705,938) and \$392,837,381 (2012: \$586,381) from two leading banking institutions in Australia, \$388,111 (2012: \$152,688) from an Australian health insurer, \$26,400 (2012: \$611,690) from an Australian government department, \$362,194 (2012: \$407,118) from a major banking group in France, \$1,040,134 (2012: \$49,818) from a large Canadian telecommunications company and \$724,730 (2012: \$397,340) from a large financial organisation in North America.

There are no other customers who represent more than 5% of the total balance of trade receivables.

Also of the trade receivables balance at the end of the reporting period a concentration of \$2,808,304 (46%) (2012: \$5,042,677 (71%)) relates to Australia. The remaining amounts are not individually significant.

#### Trade receivables that are past due but not impaired

Included in the trade receivable balance are debtors with a carrying amount of \$361,770 (2012: \$1,003,304) in the group which are past due at the end of the reporting period but have not been provided for as there has not been a significant change in credit quality and the amounts are still considered recoverable. Of the overdue balance, \$327,685 (2012: \$879,108) relates to clients with whom the Group has traded with for more than one year with no history of delinquency. The nature of the clients, namely a mix of large financial institutions, telecommunications companies and government give further confidence that these past due balances are not impaired. The Group does not hold any collateral over these balances. The ageing analysis of these trade receivables is:

	2013	2012
	\$'000	\$'000
1-3 months	362	689
3-6 months	-	245
Over 6 months	-	69
Within initial trade terms	<u>5,705</u>	<u>5,997</u>
	<u>6,067</u>	<u>7,000</u>

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 8. TRADE AND OTHER RECEIVABLES (continued)

#### (b) Provision for impairment of current trade receivables

Current trade and other receivables are non-interest bearing and generally on 30 day terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

Movement in the provision for impairment of receivables is as follows:

	2013	2012
	\$'000	\$'000
Balance at beginning of year	(33)	(11)
Charge for the year	(3)	(22)
Balance at end of year	<u>(36)</u>	<u>(33)</u>

#### Fair values

	2013	2012
	\$'000	\$'000
Trade receivables	6,031	6,967
Other receivables	12	84

The Group determines fair values based on future cash flows discounted at the current market interest rate that is available to the Group for similar financial instruments. However, the carrying value less impairment provision of trade receivables are assumed to approximate fair value, due to their short term nature.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 9. UNBILLED REVENUE (CURRENT)

	2013	2012
	\$'000	\$'000
Unbilled revenue	3,758	3,866
Total	<u>3,758</u>	<u>3,866</u>

Unbilled revenue represents amounts relating to revenue recognised in accordance with the accounting policies detailed in Note 1(c) that had not been invoiced to the customer as at the end of the reporting period. Included in the Group's work in progress balance is \$143,256 (2012: \$272,622) relating to revenue that was recognised more than 12 months prior to the end of the reporting period. No provision for impairment has been recognised in relation to these amounts as management still consider these amounts to be recoverable.

### 10. OTHER CURRENT ASSETS

	2013	2012
	\$'000	\$'000
Prepayments	82	112
Other current assets	317	291
	<u>399</u>	<u>403</u>

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 11. INTERESTS IN SUBSIDIARIES

Name	Country of incorporation	Percentage of equity interest held by the economic entity*	
		2013 %	2012 %
CPT Global Ltd	United Kingdom	100	100
CPT Global GmbH	Germany	100	100
CPT Global Inc	USA	100	100
CPT Global Consulting Corp	Canada	100	100
CPT Global France	France	100	100
CPT Global Australia Pty Ltd	Australia	100	100
CPT Global International Pty Ltd	Australia	100	100
CPT Global Singapore Pte Ltd	Singapore	100	-

\* The percentage of voting power is proportional to ownership.

### 12. PROPERTY, PLANT AND EQUIPMENT

Notes

	2013 \$'000	2012 \$'000
<i>Motor vehicles</i>		
At cost	60	50
Accumulated depreciation	(60)	(46)
	-	4
<i>Office equipment</i>		
At cost	1,049	995
Accumulated depreciation	(1,003)	(906)
	46	89
<i>Furniture, fixtures and fittings</i>		
At cost	238	238
Accumulated depreciation	(215)	(196)
	23	42
<i>Improvements</i>		
At cost	167	167
Accumulated depreciation	(167)	(150)
	-	17
<i>Leased plant and equipment</i>		
At cost	205	205
Accumulated depreciation	(198)	(187)
	7	18
Total property, plant and equipment	76	170

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 12. PROPERTY, PLANT AND EQUIPMENT (continued)

	2013	2012
	\$'000	\$'000
<b>(a) Reconciliations</b>		
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.		
<i>Motor vehicles</i>		
Carrying amount at beginning	4	3
Additions	-	7
Depreciation expense	(4)	(6)
	<u>-</u>	<u>4</u>
<i>Office equipment</i>		
Carrying amount at beginning	89	112
Additions	6	26
Disposals	-	-
Depreciation expense	(49)	(49)
	<u>46</u>	<u>89</u>
<i>Furniture, fixtures and fittings</i>		
Carrying amount at beginning	42	60
Additions	-	1
Depreciation expense	(19)	(19)
	<u>23</u>	<u>42</u>
<i>Improvements</i>		
Carrying amount at beginning	17	39
Additions	-	-
Depreciation expense	(17)	(22)
	<u>-</u>	<u>17</u>
<i>Leased plant and equipment</i>		
Carrying amount at beginning	18	32
Additions	-	-
Depreciation expense	(11)	(14)
	<u>7</u>	<u>18</u>

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 13. INTANGIBLE ASSETS

	2013	2012
	\$'000	\$'000
Goodwill at cost	9,659	9,659
Accumulated impairment losses	(2,473)	(2,473)
Total goodwill	<u>7,186</u>	<u>7,186</u>
Intellectual Property at cost	75	75
Software at cost	818	494
Accumulated amortisation and impairment	(479)	(414)
Total software	<u>339</u>	<u>80</u>
Total intangible assets	<u><u>7,600</u></u>	<u><u>7,341</u></u>

	Goodwill	Intellectual Property	Software
	\$'000	\$'000	\$'000
<b>Year ended 30 June 2012</b>			
Balance at the beginning of the year	7,186	75	60
Additions	-	-	57
Disposals	-	-	-
Impairment loss	-	-	-
Amortisation charge	-	-	(37)
	<u>7,186</u>	<u>75</u>	<u>80</u>

#### Year ended 30 June 2013

Balance at the beginning of the year	7,186	75	80
Additions	-	-	324
Disposals	-	-	-
Impairment loss	-	-	-
Amortisation charge	-	-	(65)
	<u>7,186</u>	<u>75</u>	<u>339</u>

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 13. INTANGIBLE ASSETS (continued)

Intangible assets other than goodwill and intellectual property have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of comprehensive income. Goodwill and intellectual property have indefinite useful lives. These have been assessed as having indefinite useful lives because these intangible assets arose on the acquisition of businesses purchased as going concerns. These businesses continue to be operated within the CPT Global Group and there are no plans to cease any part of these operations.

Goodwill is allocated to cash-generating units, based on the Group's reporting segment.

	2013 \$'000	2012 \$'000
Australian Segment	6,557	6,557
Europe Segment	629	629
	<u>7,186</u>	<u>7,186</u>

The recoverable amount of the cash-generating units is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of the projected cash flows from that cash-generating unit over 5 years; periods beyond 5 years have been extrapolated using the terminal value growth rate of 4.7%.

#### Key Assumptions

The following key assumptions were used in determining the recoverable amount of goodwill:

	Discount rate		Gross Margin		Sales Growth		Transfer Pricing	
	2013	2012	2013	2012	2013	2012	2013	2012
Australian Segment	16.5%	16.5%	27.0%	27.0%	5.6%	5.6%	32%	32%

Management has based the value-in-use calculations on budgets and estimates for the CGU. The value-in-use is most sensitive to the following assumptions:

- Discount rate;
- Gross profit margins;
- Sales growth rates; and
- Transfer Pricing

*Discount rate* - discount rate is a post tax rate and reflects the risks associated with a particular segment.

*Gross profit margins* - values assigned reflect past experience and recognition of the existing tightening market conditions.

*Sales growth rates* - reflects management's expectations of revenue growth in the context of the Group's Australian market strategy.

*Transfer Pricing* - represents expected costs incurred by CPT Global Australia in respect to supporting the operations of foreign subsidiaries and recovery of them based on their performance. Delays in the closing of contracts within the International regions have led to the underperformance of foreign subsidiaries at the date of this report. Notwithstanding this, the directors still believe the estimated future cash flow required to support the value of goodwill will be achieved within the financial year.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 13. INTANGIBLE ASSETS (continued)

#### Sensitivity to changes in assumptions

The recoverable amount of goodwill is sensitive to reasonable possible changes in some of the key assumptions. Sensitivity analysis has been performed by applying the following possible changes in key assumptions:

- Gross margin - 2% decrease in gross margins achieved
- Discount rate - 2% increase in discount rate

The maximum possible effect of these changes would result in impairment in the value of goodwill of up to \$1.88 million as at 30 June 2013.

### 14. TRADE AND OTHER PAYABLES

	2013	2012
	\$'000	\$'000
<b>CURRENT</b>		
Trade payables	3,784	4,792
Sundry payables and accrued expenses	1,765	1,657
Lease Liability	-	16
Employee benefits	979	1,047
Unearned revenue	16	162
	<u>6,544</u>	<u>7,674</u>

Due to the short-term nature of these payables, their carrying value is assumed to approximate to their fair value. There are no financial guarantees in place.

### 15. BORROWINGS

	2013	2012
	\$'000	\$'000
<b>Secured liabilities</b>		
Bank overdrafts	-	-
	<u>-</u>	<u>-</u>
<b>Unutilised financing facilities</b>		
Credit facility	5,000	1,832
Amount utilised	-	-
	<u>5,000</u>	<u>1,832</u>

During the year the parent entity replaced its ANZ bank overdraft facility with a GE debtors financing facility. The new facility is secured by a first registered company charge (mortgage debenture) over the carrying value of the total assets of the parent entity, which totalled \$27,030,000 at the end of the reporting period. Interest is charged at 5.5% plus a margin of 2.82% above the 90 day Bank Bill Swap Rate.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 16. TAX

	2013	2012
	\$'000	\$'000
<b>(a) Liabilities</b>		
<b>CURRENT</b>		
Income tax	141	116
<b>NON CURRENT</b>		
<b>(b) Liabilities</b>		
Deferred tax liabilities comprise:		
Unrealised foreign exchange gain	150	-
<b>Reconciliation of deferred tax liabilities</b>		
Opening balance		
Debited to the statement of comprehensive income	150	-
Reversals during year	-	-
Closing balance	150	-
<b>(c) Assets</b>		
<b>CURRENT</b>		
Income tax	98	246
<b>NON CURRENT</b>		
Deferred tax assets comprise:		
Provisions, accrued employee entitlements and benefits and accruals	518	497
Future income tax benefits attributable to tax losses	707	358
	1,225	855
<b>Reconciliation of deferred tax assets</b>		
Opening balance	855	425
Credited to the statement of comprehensive income	370	430
Other	-	-
Closing balance	1,225	855

The future income tax benefit of the deferred tax assets will only be realised if the conditions of deductibility set out in Note 1(b) occur. Deferred tax assets not brought to account for which the benefits will only be realised if the conditions for deductibility set out in Note 1(b) occur amount to \$269,206 (2012: nil).

### 17. PROVISIONS (NON-CURRENT)

	2013	2012
	\$'000	\$'000
<b>Long-term employee benefits</b>		
Balance at 1 July 2012	354	305
Additional provisions	171	49
Balance at 30 June 2013	525	354

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 17. PROVISIONS (NON-CURRENT) (Continued)

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

### 18. ISSUED CAPITAL

(a) Issued and paid up capital	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
36,716,364 (2012: 36,716,364) fully paid ordinary shares	<b>12,075</b>	<b>12,075</b>
	<b>12,075</b>	<b>12,075</b>

### (b) Movements in shares on issue

	2013		2012	
	Number of shares	\$'000'	Number of shares	\$'000
Beginning of the financial year	<b>36,716,364</b>	<b>12,075</b>	36,716,364	12,075
Shares issued under ESOP	-	-	-	-
Performance shares issued to executive directors	-	-	-	-
Shares cancelled during the period	-	-	-	-
End of the financial year	<b>36,716,364</b>	<b>12,075</b>	36,716,364	12,075

- (i) Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. During the year ended 30<sup>th</sup> June 2013 no ordinary shares were bought back under the on market buyback (2012: Nil). Ordinary shares have no par value.
- (ii) The on market buyback commenced on the 27<sup>th</sup> August 2002 with 3,000,000 shares being the maximum to be bought back of which 2,413,905 were outstanding as at 30 June 2013.

### (c) Options

- (i) For information relating to the CPT Global Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 23 Share based payments.
- (ii) For information relating to share options issued to key management personnel during the financial year, refer to Note 28 Key management compensation.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 18. ISSUED CAPITAL (Continued)

#### (d) Capital Management

Management controls the capital of the group in order to maintain an appropriate debt to equity ratio, provide shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern. The Group does not currently have significant debt capital employed in the business as indicated in the following table. Management effectively manages the group's capital by assessing the group's financial risks and adjusts its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders, share buy-backs and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. This strategy is to ensure that the group's gearing ratio remains at an appropriate level between 0% and 50%.

The gearing ratios for the year ended 30 June 2013 and 30 June 2012 are as follows:

	2013	2012
	\$'000	\$'000
Total borrowings	-	-
Less cash and cash equivalents	(1,197)	(1,114)
Net debt	-	-
Total equity	13,036	12,902
Total capital employed	13,036	12,902
Gearing ratio	0%	0%

### 19. RESERVES

#### (a) Foreign currency translation

The foreign currency translation reserve records exchange differences arising on translation of the financial statements of foreign subsidiaries.

#### (b) Equity reserve

The equity reserve is a non-distributable reserve used to record share based payment expense.

#### (c) Analysis of items of other comprehensive income by each class of reserve

	2013	2012
	\$'000	\$'000
<b>Foreign currency translation reserve</b>		
Exchange difference on translating foreign controlled entities	(188)	(65)
Tax effect	-	-
Movement in foreign currency translation reserve	(188)	(65)
<b>Total other comprehensive income for the year</b>	(188)	(65)

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 20. CASH FLOW INFORMATION

	2013	2012
	\$'000	\$'000
<b>(a) Reconciliation of the net profit after tax to the net cash flows from operations</b>		
Net profit/(loss)	322	608
<b>Non-Cash Items</b>		
Depreciation and amortisation of non-current assets	165	148
Bad and doubtful debts expense	-	33
<b>Changes in assets and liabilities</b>		
Decrease in trade and term receivables	1,169	(113)
(Increase)/decrease in prepayments	30	(75)
(Increase)/decrease in inventories	108	(668)
Deferred tax assets (increase)	(222)	(561)
(Decrease) in trade payables and accruals	(988)	1,902
(Decrease)/increase in income taxes payable	26	(58)
(Decrease) in deferred tax liabilities	150	-
Increase in employee entitlements	141	201
Net cash flow from operating activities	<u>901</u>	<u>1,417</u>

There were no acquisitions or disposals of subsidiaries in the 2013 financial year.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 21. EXPENDITURE COMMITMENTS

(a) Lease expenditure commitments	2013	2012
(i) Finance leases	\$'000	\$'000
Minimum lease payments		
- not later than one year	-	17
- later than one year and not later than five years	-	-
- later than five years	-	-
Minimum lease payments	-	17
Less future finance charges	-	(1)
Present value of minimum lease payments	-	16
(ii) Operating leases (non-cancellable):		
Minimum lease payments		
- not later than one year	495	474
- later than one year and not later than five years	1,181	1,433
- later than five years	-	128
	<u>1,676</u>	<u>2,035</u>

#### Notes:

- (i) The finance leases on selected property, plant and equipment are part of a progressive drawdown facility, with a 60 month term, with lease payments made monthly in advance.
- (ii) The property leases are non-cancellable with terms ranging from 2 to 5 years. Rent is payable monthly in advance and the amounts disclosed do not include GST. Contingent rental provisions within the leases require the minimum lease payments to be increased by CPI on the anniversary of the lease agreement. No options exist to renew the leases.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 22. SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2013:

		Issue date	Expiry date	Exercise Price	As at 1 July 2012	Issued	Forfeited/ Exercised/ transferred / expired	As at 30 June 2013
Directors Performance Shares	(a)	-	-	-	-	-	-	-

(a) On 28 November 2008, at the Company's Annual General Meeting, 200,000 performance shares were granted to executive directors to take up ordinary shares at an exercise price of \$1 in total. The fair value of these performance shares at the date of grant was \$49,000. The fair value has been calculated using a Hull-White trinomial option pricing model using the following inputs:

Weighted average exercise price	nil
Maximum life of option	3 years
Underlying share price	\$0.33
Expected share price volatility	36%
Risk free interest rate	6.5%
Dividend yield	10%

The issue of these performance shares in one tranche was contingent upon the Company's share price exceeding certain levels for specified periods between 30 November 2010 and 29 November 2011, as follows:

No. of shares to be issued	Conditions which must be satisfied
200,000	The highest quoted (buy) price of CPT Global shares reaching or exceeding \$1.40 for 5 consecutive business days during the period 30 November 2010 to 29 November 2011 (both dates inclusive)

The share price criteria for the issuance of these performance shares expired in 2011 due to the share price never reaching or exceeding \$1.40 during the specified periods. For the year ended 30 June 2013, nil (2012: nil) has been expensed in relation to these share options.

Historic volatility has been used as a basis for determining expected share price volatility as it is assumed that this is indicative of future trends.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 22. SHARE-BASED PAYMENTS (continued)

(b) Information with respect to the number of options granted is as follows:

	2013		2012	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding at the beginning of the year	-	0.00	200,000	0.00
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	(200,000)	-
Outstanding at year end	-	0.00	-	0.00

At 30 June 2013 there were no outstanding options to be vested or exercised.

There are no other options granted by CPT Global Limited to any other party. Options do not confer on the holder any right to vote or participate in the dividends of the economic entity and are not transferable.

### 23. CONTINGENT LIABILITIES

#### Guarantees

CPT Global Limited has provided guarantees of \$217,662 to third parties in relation to its performance and obligations in respect of property lease rentals and lease finance facilities. The guarantees are for the term of the facilities and leases. The guarantee for lease covers the next 12 months.

### 24. EVENTS AFTER THE REPORTING PERIOD

(a) On 27<sup>th</sup> August 2013 CPT Global Limited announced its intention to extend the on-market share buy back for a further twelve months until 27<sup>th</sup> August 2014. A maximum of 3,000,000 shares may be bought back during the buy back period, which will now run until 27<sup>th</sup> August 2014.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 25. EARNINGS PER SHARE

(a) The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

Net profit

Adjustments:

Earnings used in calculating basic and diluted earnings per share

	2013	2012
	\$'000	\$'000
Net profit	322	608
Adjustments:	-	-
Earnings used in calculating basic and diluted earnings per share	<u>322</u>	<u>608</u>

Weighted average number of ordinary shares used in calculating basic earnings per share

Weighted average number of options outstanding

Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share

	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	36,716,364	36,716,364
Weighted average number of options outstanding	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	<u>36,716,364</u>	<u>36,716,364</u>

### 26. AUDITORS' REMUNERATION

Amounts received or due and receivable by Moore Stephens for:

- an audit or review of the financial report of the parent and any other entity in the Group
- other services in relation to the entity and any other entity in the Group
  - tax compliance
  - other services

	2013	2012
	\$'000	\$'000
an audit or review of the financial report of the parent and any other entity in the Group	125	126
other services in relation to the entity and any other entity in the Group	56	16
- tax compliance	-	6
- other services	-	-
	<u>-</u>	<u>6</u>

Other services relate to accounting and taxation services.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 27. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Names and positions held of economic entity key management personnel in office at any time during the financial year are:

Key Management Person	Position
Fred S Grimwade	Non-executive Chairman
Alan Baxter	Non-executive Director
Gerry Tuddenham	Managing Director
Peter Wright	Executive Director
Alan Mackenzie	Technical Director CPT Global Ltd (UK)
Kevin Akom	Chief Operating Officer
Elliot Opolion	Company Secretary and Chief Financial Officer

#### b) Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Director's Report for details of the remuneration paid to each member of the Group's key management personnel for the year ended 30 June 2013.

The totals of remuneration paid to key management personnel of the company and the Group during the year are as follows:

	2013	2012
	\$000	\$000
Short-term employee benefits	1,723	1,685
Post-employment benefits	115	154
Other long-term benefits	27	37
	1,865	1,876

### 27. KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

#### (c) Compensation Options

No options were granted to executives during the year. At June 30, 2013 there were no options available to any executive (2012 nil).

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### (d) Shareholdings

Shares held by key management personnel directly, indirectly or beneficially including their related parties:

Shares held in CPT Global Limited	Balance 1 July 2012 Ord	Granted as Remuneration Ord	On Exercise of Options Ord	Net Change Other Ord	Balance 30 June 2013 Ord
Fred S Grimwade	718,200	-	-	-	718,200
Alan Baxter	-	-	-	-	-
Gerry Tuddenham	12,981,926	-	-	-	12,981,926
Peter Wright	164,500	-	-	-	164,500
<b>Specified Executives</b>					
Kevin Akom	565,013	-	-	-	565,013
Alan Mackenzie	327,812	-	-	-	327,812
<b>Total</b>	<b>14,757,451</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,757,451</b>

Shares held in CPT Global Limited	Balance 1 July 2011 Ord	Granted as Remuneration Ord	On Exercise of Options Ord	Net Change Other Ord	Balance 30 June 2012 Ord
Fred S Grimwade	718,200	-	-	-	718,200
Gerry Tuddenham	12,759,072	-	-	222,854	12,981,926
Peter Wright	164,500	-	-	-	164,500
<b>Specified Executives</b>					
Kevin Akom	565,013	-	-	-	565,013
Alan Mackenzie	327,812	-	-	-	327,812
<b>Total</b>	<b>14,534,597</b>	<b>-</b>	<b>-</b>	<b>222,854</b>	<b>14,757,451</b>

A review of the shares held by directors and key management personnel was carried out as at 30 June 2013. This review indicated that Gerry Tuddenham's and Alan Mackenzie's share balances were overstated by 68,866 and 18,811 shares respectively at 1 July 2011. Consequently the current period and prior period's share balance for Gerry Tuddenham and Alan Mackenzie have been adjusted. These adjustments have no impact on the financial statements as no financial statement line items were affected.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 28. RELATED PARTY DISCLOSURES

#### (a) Controlling Relationships

Interests in subsidiaries are set out in note 11. The parent entity and the ultimate controlling party of the group is CPT Global Limited.

#### (b) Key management personnel

Disclosures relating to key management personnel are set out in note 27. Key management personnel include the board of directors and key executives who are accountable and responsible for the operational, management and strategic direction of the Group.

### 29. OPERATING SEGMENTS

#### Identification of Reportable Segments

CPT Global Limited has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing the performance and determining the allocation of resources. The reportable segments disclosed are based on a geographical basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- services provided by the segment;
- the type of customer for the services provided; and
- external regulatory requirements

#### Types of Services by Segment

Below outlines the major lines of services provided to customers for each reportable segment:

##### *Australia*

- Capacity Planning
- Cost Reduction Sustainable
- Mainframe & Midrange performance
- Project & Program management
- Technical Support services
- Management IT (MIT)
- Management, Functional & Automation Testing

##### *Europe*

- Mainframe & Midrange performance
- Technical Support services

##### *North America*

- Mainframe & Midrange performance
- Management, Functional & Automation Testing

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### Basis of accounting for purposes of reporting by reportable segments

#### Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of CPT Global Limited.

#### Inter-segment transactions

Segment revenues, expenses and results exclude transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar services to parties outside of the Group on an arm's length basis. These transfers are eliminated on consolidation.

#### Segment Assets and Liabilities

Segment assets and liabilities reported are based on the internal reports reviewed by the Board of Directors. Assets include trade debtors and unbilled revenue balances. Liabilities include trade creditors and accruals.

#### Unallocated items

The Board of Directors review segment performance to only the gross profit level. All other items of revenue and expenses are not allocated to operating segments as they are not considered part of the core operations of any segment. Liabilities are not reported by segment for internal reporting purposes for the Board of Directors and therefore have been treated as unallocated items.

### Segment Performance

	Australia		Europe		North America		Consolidated	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>REVENUE</b>								
External Sales	24,096	27,336	4,143	6,209	6,843	5,905	35,082	39,450
<b>Total Group Revenue</b>							35,082	39,450
<b>Segment Gross Profit before tax</b>	6,302	7,436	1,269	2,997	3,199	2,059	10,770	12,492
<i>Reconciliation of segment result to group profit/loss before tax</i>								
Unallocated Items								
- Overheads							(10,064)	(12,101)
<b>Profit/ (Loss) before tax</b>							706	391

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### Segment Assets

	Australia		Europe		North America		Consolidated	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Segment Assets</b>	<b>3,153</b>	<b>5,291</b>	<b>2,152</b>	<b>2,919</b>	<b>4,496</b>	<b>2,742</b>	<b>9,801</b>	<b>10,952</b>
Segment asset increases for the period:								
- Capital Expenditure	-	-	-	-	-	-	-	-
	<b>3,153</b>	<b>5,291</b>	<b>2,152</b>	<b>2,919</b>	<b>4,496</b>	<b>2,742</b>	<b>9,801</b>	<b>10,952</b>
<i>Reconciliation of segment assets to group assets</i>								
Unallocated assets:								
- Goodwill	<b>6,632</b>	<b>6,632</b>	<b>629</b>	<b>629</b>			<b>7,261</b>	<b>7,261</b>
- Property, plant & equipment							<b>415</b>	<b>250</b>
- Other Assets							<b>2,918</b>	<b>2,583</b>
<b>Total Group Assets</b>							<b>20,396</b>	<b>21,046</b>

### Segment Liabilities

	Australia		Europe		North America		Consolidated	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Segment Liabilities</b>	<b>4,460</b>	<b>5,776</b>	<b>1,017</b>	<b>921</b>	<b>953</b>	<b>797</b>	<b>6,430</b>	<b>7,494</b>
Segment liability increases for the period:								
-	-	-	-	-	-	-	-	-
	<b>4,460</b>	<b>5,776</b>	<b>1,017</b>	<b>921</b>	<b>953</b>	<b>797</b>	<b>6,430</b>	<b>7,494</b>
<i>Reconciliation of segment liabilities to group liabilities</i>								
Unallocated assets:								
- Provisions	<b>930</b>	<b>650</b>	-	-	-	-	<b>930</b>	<b>650</b>
- Other Liabilities	-	-	-	-	-	-	-	-
<b>Total Group Liabilities</b>							<b>7,360</b>	<b>8,144</b>

### Major Customers

CPT Global Limited provides services to a range of clients in the financial services and telecommunications industries. CPT's top 10 clients account for 71% of the group's global revenue (2012: 70%). Three of CPT's client's contributed more than 10% of the annual revenue (NAB 13%, Telstra 11% and ANZ Bank 11%).

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 30. FINANCIAL INSTRUMENTS

#### Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

Derivatives may be used by the Group for hedging purposes. Such instruments include forward exchange and currency option contracts. The Group does not speculate in the trading of derivative instruments.

The board of directors is responsible for monitoring and managing financial risk exposures of the Group. The board reviews the effectiveness of internal controls relating to interest rate risk and foreign currency risk. The overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance in regards to financial and currency rate risk.

#### (i) Financial Risks

The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

##### Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value and cash flows will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

Economic Entity	Floating interest rate		Fixed interest rate maturing in 1 to 5 years		Non-interest bearing		Total carrying amount as per statement of financial position		Weighted average effective interest rate	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 %	2012 %
<i>(i) Financial assets</i>										
Cash and cash equivalents	1,197	1,114	-	-	-	-	1,197	1,114	0.58	0.11
Trade receivables	-	-	-	-	6,043	7,051	6,043	7,051		
Total financial assets	1,197	1,114	-	-	6,043	7,051	7,240	8,165		
<i>(ii) Financial liabilities at amortised cost</i>										
Bank overdrafts	-	-	-	-	-	-	-	-		
Trade and sundry payables	-	-	-	-	5,821	6,921	5,821	6,921		
Lease Liability	-	-	-	16	-	-	-	16	0.0	10.09
Total financial liabilities	-	-	-	16	5,821	6,921	5,821	6,937		

Interest rate risk arises on cash and cash equivalents and bank overdrafts. Interest rate risk is managed by monitoring and reviewing cash flow forecasts and the trade receivables balance of the Group.

#### Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for cash and cash equivalents as this is the only financial instrument materially exposed to floating interest rates. The analysis is based on actual monthly borrowing amounts throughout the year, as reported to management, with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 120 basis point increase or decrease has been used and represents management's assessment of the possible changes in interest rates. At the reporting date, if interest rates had been 120 basis points higher or lower and all other variables were held constant, the Group's profit before income tax would increase by \$12,000 and decrease by \$12,000 (2012: increase by \$3,000 and decrease by \$3,000).

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 30. FINANCIAL INSTRUMENTS (Continued)

#### Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from the sale and purchase of services in currencies other than the group's functional currency, and the translation of foreign subsidiary results on consolidation. The group may from time to time enter into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates within approved policy parameters. The objective in entering the forward exchange contracts is to protect the economic entity against unfavourable exchange rate movements for both the contracted and anticipated future sales and purchases undertaken in foreign currencies.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period is as follows:

Economic Entity	Liabilities		Assets	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Australian dollars	9,705	8,000	39	205
US dollars	830	452	2,978	1,778
Sterling	545	437	1,595	902
Euro	1,814	2,116	2,097	2,011
Canadian dollars	41	-	710	83

The amounts disclosed above in relation to Australian dollars relate to intercompany payables and receivables in the each of the foreign subsidiaries whose functional currency is not Australian dollars.

#### Foreign currency sensitivity analysis

The Group is mainly exposed to US dollars, Euros and Sterling.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used as it represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external assets and liabilities as well as loans, receivables and payables balances with foreign subsidiaries where the denomination of the balance is in a currency other than the functional currency of the lender or borrower. A positive number indicates an increase in profit or loss and other equity where the Australian dollar strengthens against the respective currency. For a weakening of the Australian dollar against the respective currency there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

Economic Entity	USD Impact		Sterling Impact		Euro Impact		CAD Impact	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit or loss	(765)	(619)	(400)	(304)	(66)	(54)	(54)	28
Other equity	(236)	(142)	(610)	(12)	41	(39)	(163)	(217)

The above impacts are mainly attributable to the exposure of intercompany payables, receivables and loan balances at the end of the reporting period.

## Notes to the Financial Statements

YEAR ENDED 30 JUNE 2013

### 30. FINANCIAL INSTRUMENTS (Continued)

#### Liquidity risk

Liquidity risk is the risk the group will not be able to meet its financial obligations as they fall due.

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing

facilities are maintained. Included in Note 15 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk. The borrowing facilities may be drawn at any time and may be terminated by the financing provider with three month's notice. All facilities are subject to annual review.

The table below analyses the Group's financial liabilities. All such liabilities are classified as current and therefore have contractual maturity within 12 months from the reporting date.

	2013 \$'000	2012 \$'000
Lease liability	-	16
Trade payables	3,784	4,792
Sundry payables and accrued expenses	1,765	1,657
	<u>5,549</u>	<u>6,465</u>

For details of expenditure commitments and maturity profile of the lease liability, refer to Note 21. The trade and sundry payables listed above are due for payment within 3 months.

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and essentially arises from holdings of cash and deposits, trade receivables and loans receivable as well as from the parent's potential obligations under the indemnity guarantee provided to banks. The risk is largely managed through a policy of only dealing with creditworthy counterparties. Periodic assessments of debtor balances are undertaken and provisions for impairment are recognised where appropriate.

The maximum credit risk exposure is the carrying value of cash and deposits, trade receivables and loan receivables as disclosed in notes 7 and 8.

## Notes to the Financial Statements

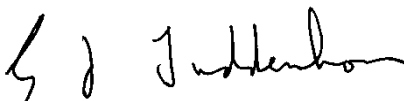
YEAR ENDED 30 JUNE 2013

### Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 21 to 64, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the company and economic entity.
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
  - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - b. the financial statements and notes for the financial year comply with Accounting Standards; and
  - c. the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Gerry Tuddenham  
Managing Director

Melbourne, 26 September 2013

Level 10, 530 Collins Street  
Melbourne VIC 3000

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F +61 (0)3 8102 3400

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPT GLOBAL LIMITED AND CONTROLLED ENTITIES**

### **Report on the Financial Report**

We have audited the accompanying financial report of CPT Global Limited which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

#### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Opinion*

In our opinion:

- a) the financial report of CPT Global Limited is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

*Significant Uncertainty Regarding Accounting Estimate*

Without qualification to the opinion expressed above, we draw your attention to Note 13 in the financial report. The impairment analysis performed on the goodwill is based on cash flow projections that use a range of assumptions and accounting estimates whose outcome depends on future events. Given the current uncertainty in achieving the cash flows, it is extremely difficult to forecast future cash flows with the degree of confidence required to be able to state that goodwill is fully recoverable at the amount disclosed in the financial report. The recoverable amount of the goodwill is sensitive to reasonable possible changes in these key assumptions.

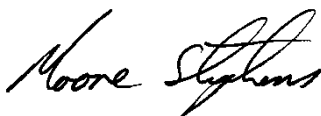
Notwithstanding the directors' belief that the goodwill is fully recoverable, this matter indicates the existence of a material uncertainty should key assumptions change which may cast doubt on the carrying value of the goodwill and whether it is impaired.

*Report on the Remuneration Report*

We have audited the Remuneration Report included in pages 15 to 17 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Auditor's Opinion*

In our opinion the remuneration report of CPT Global Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.



MOORE STEPHENS  
Chartered Accountants



Kevin Neville  
Partner

Melbourne, 26 September 2013

## Corporate Information

ACN 083 090 895  
ABN 16 083 090 895

### Directors

**Fred Grimwade**  
(Non-executive Chairman)

**Gerard (Gerry) Tuddenham**  
(Managing Director)

**Alan Baxter**  
(Non-executive Director)

**Peter Wright**  
(Executive Director)

### Company Secretary

**Elliot Opolion**

### Principal Registered Office

Level 1, 4 Riverside Quay  
Southbank VIC 3006  
Telephone: +61 (0)3 9684 7900  
Facsimile: +61 (0)3 9684 7999  
Internet: [www.CPTglobal.com](http://www.CPTglobal.com)

### 2013 Annual General Meeting

The Annual General Meeting of CPT Global Limited members will be held on Monday 18<sup>th</sup> November 2013 at 11.00 am at CPT's principal registered office.

### Auditors

**Moore Stephens**  
Level 10, 530 Collins Street  
Melbourne VIC 3000

### Share Register

**Computershare Investor Services Pty Ltd**  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067  
Telephone: 1300 850 505  
Facsimile: +61 (0)3 9473 2500

### Solicitors

**Gadens Lawyers**

### Bankers

**ANZ Banking Group Limited**

### ASX Code

**CGO**

### CPT Global on the Web

For an introduction to the company and access to company announcements, descriptions of our core business, services and careers, and our corporate governance policies and procedures visit our website at [www.CPTglobal.com](http://www.CPTglobal.com)

## ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 18<sup>th</sup> September 2013.

### (a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

	Ordinary shares		Preference shares	
	Number of holders	Number of shares	Number of holders	Number of shares
1 - 1,000	68	52,598	-	-
1,001 - 5,000	380	1,085,670	-	-
5,001 - 10,000	192	1,523,373	-	-
10,001 - 100,000	300	9,232,710	-	-
100,001 and over	46	24,822,013	-	-
	<b>986</b>	<b>36,716,364</b>	-	-
The number of shareholders holding less than a marketable parcel of shares are:	<b>83</b>	<b>70,655</b>	-	-

### (b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

	Listed ordinary shares	
	Number of shares	Percentage of ordinary shares
1 TUDDY SUPER PTY LTD	8,811,546	24.0%
2 GNP NOMINEES PTY LTD	4,977,751	13.6%
3 SONDA FONDO DE INVERSION PRIVADO	2,664,993	7.3%
4 MR BEN TUDDENHAM	743,526	2.0%
5 FRED GRIMWADE	718,200	2.0%
6 MR PHILIP ADAM	503,995	1.4%
7 MR LUKE TUDDENHAM	500,661	1.4%
8 MR MICHAEL LAZORIK	500,000	1.4%
9 FIVE TALENTS LIMITED	471,369	1.3%
10 MRS ALISON BOLGER	362,550	1.0%
11 MR ALAN MACKENZIE	327,812	0.9%
12 MR JOHN CAREY	326,000	0.9%
13 MR KEVIN AKOM	300,727	0.8%
14 MR IAN GRAHAM MACDONALD	300,000	0.8%
15 STRACHAN ENTERPRISES PTY LTD	269,716	0.7%
16 MR NEVILLE WINSTON HASKETT	267,108	0.7%
17 K&D CONSULTING PTY LTD	264,286	0.7%
18 TUDDCORP PTY LTD	242,244	0.7%
19 ABN AMRO	240,759	0.7%
20 MRS SELINA DALLY	213,320	0.6%
	<b>23,006,563</b>	<b>62.7%</b>

## ASX Additional Information

### (c) Shares held in escrow

As at 18<sup>th</sup> September 2013, there were nil fully paid ordinary shares held in escrow for the benefit of participants in the CPT Share and Option Incentive Plan.

### (d) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of Shares
GNP NOMINEES PTY LTD AS TRUSTEE FOR THE CPT TRUST	4,977,751
MR GERARD (GERRY) TUDDENHAM AND HIS ASSOCIATES (EXCLUDING HIS BENEFICIAL INTEREST IN THE CPT TRUST)	10,322,837
SONDA FONDO DE INVERSION PRIVADO	2,664,993

### (e) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction. Options do not carry voting rights.