CPT Global Limited and Controlled Entities

ABN 16 083 090 895

Annual Financial Report

for the year ended 30 June 2011

Chairman's Statement

Dear Fellow CPT Global Shareholder,

CPT Global's performance improved in the 2011 financial year but is still to reach targeted levels. Total revenues were higher than the prior year primarily due to a stronger performance by our US business. Our Australian business has broadened its client base and a number of new customer relationships have been established. The Company's financial position remains sound and further action has been taken to build our business development and management capabilities.

Revenue from our Australian operations fell although margins have recovered somewhat. In Victoria revenues were lower despite the growth in two key accounts which failed to offset further declines in services provided to our previous largest client. Our ACT business performed well and increased revenue. However, the revenues of our NSW operations slipped and remain of concern. Further changes have been made to our business development team in Australia in an effort to deepen and establish more new client relationships. While there has been some progress over the past year, our effort to increase revenue, improve margins and control costs will remain a major focus this financial year.

Despite the negative impact of the higher Australian dollar, CPT's revenue from international operations was higher than the previous year due to a better performance from our US operations. In Europe revenues were similar to the prior year but margins were stronger and a number of new client relationships were established. Record revenues were generated in the US despite the higher Australian dollar and the forward pipeline is looking healthy. CPT's market penetration in the international markets continues to develop with three of CPT's largest six global clients now being based in the US and Europe. Some preliminary work has also been undertaken to explore exciting opportunities that have been presented to CPT in both Asia and South America.

Our revenue grew by 1.0 % in 2011 driven by the better result in the US. CPT returned to profitability delivering a net profit after tax of $1.05m compared to a loss before impairment charges of $0.7m in the prior year. As a result of the stronger performance CPT will pay dividends of 2.5 cents per share (fully franked) for the year compared to no dividend last year. CPT ended the financial year with cash of $884k and no bank debt.

Despite some positive developments, CPT continues to struggle to deliver satisfactory returns for our shareholders. Our performance in 2011 was held back by a further reduction in activity at our previous largest client and the negative impact of the strong Australian dollar on our international revenues. While CPT returned to profitability in 2011 we are still to see the full benefit of our on-going business development activities which have established relationships with some of the world's most significant companies. Your Board remains convinced that in time CPT will capitalise on the opportunities being developed by these efforts.

CPT's strategy remains to grow revenue in all our regions, improve margins and control costs. Our business development activities continue to be a high priority and we have been able to attract some more high quality staff to the CPT team over the past twelve months. Further action is being taken to allow our Managing Director Gerry Tuddenham to focus more time on the sales efforts in Europe and North America in order to build on the success of this high margin business.

CPT's improving performance is directly attributable to the ongoing effort of its strong team of technically skilled and loyal staff and consultants who are focused on serving our clients' interests globally. I would like to thank my fellow directors and all our staff, under the active leadership of our Managing Director, Gerry Tuddenham, for their contribution to CPT's performance. I am hopeful that in the year ahead we will see further evidence of progress emerge from the considerable efforts of the CPT Global team through the generation of attractive shareholder returns from the more profitable operation of our businesses both in Australia and internationally.

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 2010/11 financial year was a year of consolidation for CPT Global. After laying the foundation for the financial turnaround in the second half of 2009/10, both the local and international businesses achieved positive results, with the return to profitability, the growth of a number of new strategic accounts in the Australian market, the reduction of reliance on CPT's largest client for many years and the growth of the international opportunity pipeline to unprecedented levels. Although overall revenues grew by only 1% on last year and profit targets were not achieved, the achievement of the financial turnaround and some key strategic objectives have set CPT up well to continue on its growth trajectory.

Operating and Financial Review

Australian revenue reduced by $1.3m or 4% from 2009/10 primarily due to a reduction of $4.9m in CPT's previously largest client. The enhancement of new strategic accounts in the finance and government sectors reduced the impact of this and created a firm revenue base for the Australian market going forward. The Victorian and New South Wales regions fell 7% and 12% short of prior year levels, while the Federal Region revenue grew by 19%. Australian margins increased by 2% reflecting CPT's enhanced service delivery processes.

International revenue increased by 16% compared to 2009/10, even after being negatively impacted by almost $0.9m by the strengthening Australia dollar. The North American operation increased revenues from $3.7m to $5.6m ($6.2m before currency movement) while the European operation revenues fell marginally from $6.0m to $5.7m ($6.0m before currency movement).

CPT Global's revenue for the year ended 30 June 2011 was $38.1 million, a 1.0% increase on the previous year's revenue of $37.7 million.

CPT Global's net profit after tax for the year ended 30 June 2011 was $1.05 million, a significant improvement on the 30 June 2010 pre impairment loss of $0.7 million.

A fully franked final dividend of 1 cent per share (2.5 cents for the year) has been declared.

Basic earnings per share amounted to 2.87 cents per share (diluted earnings 2.85 cents per share).

CPT Global's balance sheet reflected net tangible assets of $5.96m as at 30 June 2011 ($5.72m 30 June 2010) with net cash holdings of $884k at 30 June 2011 (overdraft of $523k 30 June 2010).

From a market development standpoint, CPT closed the year with an international opportunity pipeline of $31.4m in Europe and $16.6m in North America.

Managing Director's Review continued

Strategy

Our ongoing overall strategy for the Australian business is to continue growth through the ongoing provision of independent expert services to strategically selected blue chip clients and enhancing service delivery efficiencies to achieve margin expansion. The establishment of a number of key strategic clients in 2010/11 is an illustration of the success recently achieved. All existing clients have well articulated account service plans in place, targeting the continuation of this strategy.

For the International business, we plan to continue leveraging the business development investments of the past, converting many of the phase 1 exploratory cost reduction assignments already undertaken, to the more lucrative phase 2 engagements where substantial savings are identified and passed on to clients. This will ultimately lead to growing the 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. We expect margins to increase as the number of phase 2 engagements increase, as these typically provide the company with its largest reward for services provided. This growth will be funded internally.

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.

More specifically our 2 main overall areas of focus remain:

1) Market coverage

a) Continue the enhancement of CPT's service offering to satisfy emerging market requirements

b) Continue to grow the Melbourne market organically

c) Expand our market coverage to new Federal Government Agencies through our presence on two major ICT panels in Canberra

d) Increase our presence in the Sydney market through increased business development activities

e) Transition current international clients into annuity relationships

f) Offer a broader range of CPT services internationally, including mid-range and testing services

g) Expand international client base including government

h) Access to new markets via additional international alliance partners

2) Services positioning

a) Greater alignment with business outcomes

b) Expand Data Centre optimization services into the Cloud environment and Green IT outcomes

c) Consolidate and improve existing services

d) Provide new services that leverage existing competencies

e) Development of Oracle tools continue and focus on SAP with European clients

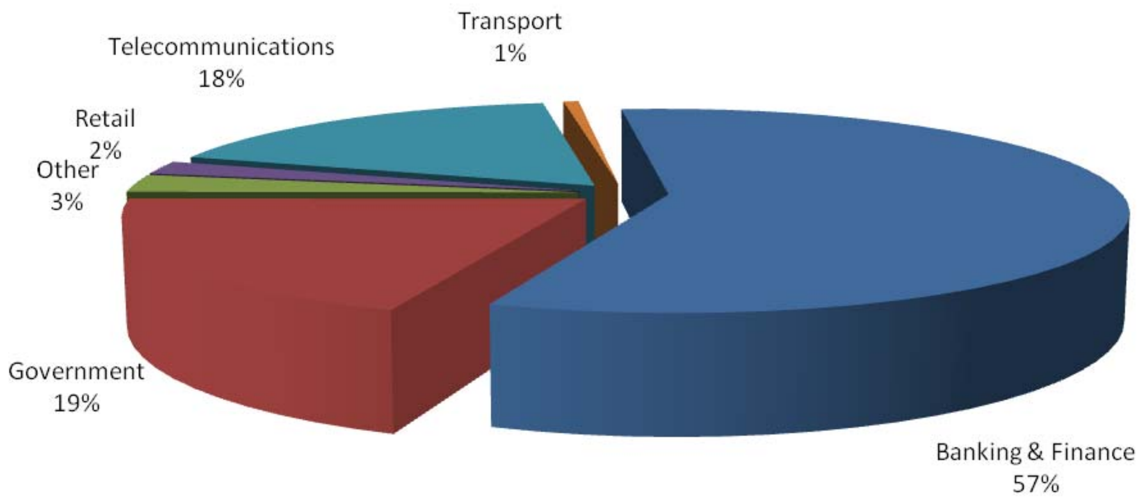
f) Test coverage across mid-range

Managing Director’s Review continued

CPT Worldwide Market by Sector and Line of Business

CPT remains in the same markets and lines of business as prior years, although the current year has seen a shift when compared to 2009/10 predominantly due to a shift in the mix of Australian clients. The reduction in activity in CPT’s previously largest client in the telecommunication industry and enhancement of some major strategic clients in the banking and finance sector has seen a move of approximately 10% of the Company’s global revenue from Telecommunications sector to the Banking and Finance sector.

Revenue by Sector (Worldwide)

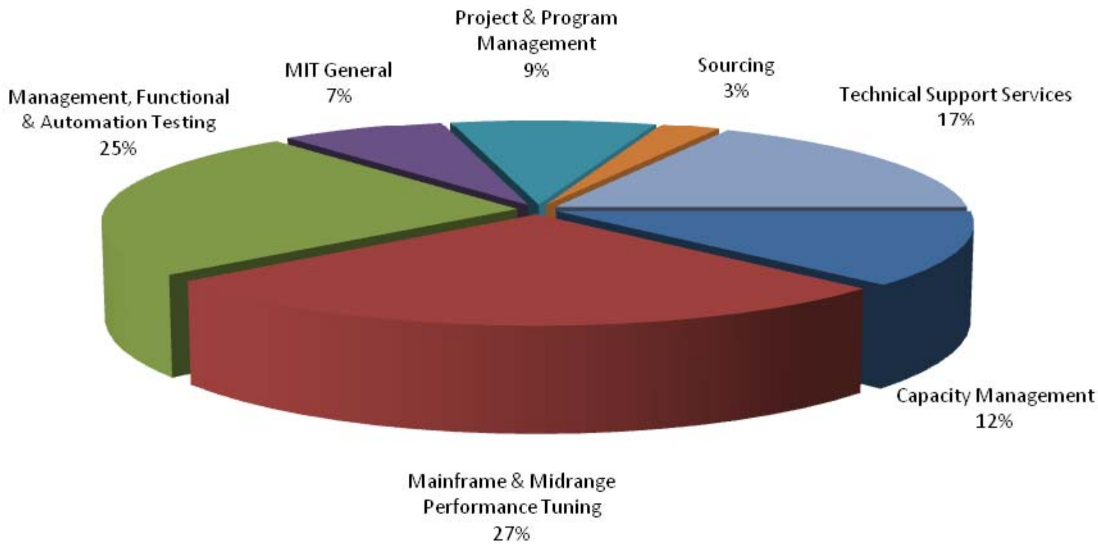


This shift has also led to a change in the revenue earned from CPT’s various lines of business, where the provision of Project and Program Management Services and Technical Support Services reduced by 8% and 4% year on year, with a resultant increase in Performance Tuning and Capacity Management Services of 5% and 4%.

This is testament to the flexibility of the CPT resource base which is able to scale up and down as required to suit changing client requirements.

Managing Director's Review continued

Revenue by Line of Business (Worldwide)



Key Highlights

The following key highlights were achieved in 2010/11:

1) The establishment of a number of key strategic accounts in the financial services sector of the Australian marketplace
2) The growth of the Australian based Capacity Planning and Performance Tuning Centre of Excellence to drive the remote provision of services to overseas locations on a scalable basis.
3) The growth of the International opportunity pipeline to approximately $48m
4) The expansion of the North American business to Canada and the hire of CPT's first Canadian business developer
5) The return to profitability in a year when international revenues were negatively impacted by approximately $0.9m due to the strengthening of the Australian dollar
6) The commencement of two large phase 2 success fee engagements which will lead to a significant revenue increase in 2011/12.
7) The successful transition of CPT's cost minimisation methodologies from the mainframe to the mid range environment.

Managing Director's Review continued

Our People

In 2010/2011 CPT increased its capability of responding to the growing global opportunities. In Europe and the USA we employed more local resources to expand local service delivery capabilities and establish a resource pool to facilitate a flexible workforce which grows to the size of CPT's project requirements. In Australia we enhanced CPT's capability to simultaneously deliver services to various geographies through dedicated training programs focused on enhancing the Capacity Planning and Performance Tuning Centre of Excellence. In addition, CPT's available resource pool grew through the re engagement of previously used contractors and associates.

This coupled with the continued investment in skills enhancement programs has led to our enhanced ability to deliver a better service more efficiently on a global scale.

Outlook

The Australian business is expected to grow steadily in the near term in each of the regions. We have confidence that the enhancement of new strategic relationships and service offerings will lead to increased demand for our services and as such business development teams will be increased by approximately 25% in 2011/12 to drive this activity.

The International business is expected to grow at a faster rate over the next few years based on CPT's proven value proposition and very strong opportunity pipeline. Margins will remain strong due to (1) the increased number of phase 2 engagements to be taken on as the success fee remuneration is CPT's most rewarding remuneration and (2) increased resource scalability as the level of services provided off shore by the Australian Centre of Excellence increases.

A key driver to the success over the next financial year will be the timing of engagement commencements. Any delays in project starts will hold up growth to a later time in the year, whilst many starts at the same time may create challenges to gear up for each engagement. 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.

G J Tuddenham

Gerry Tuddenham
Managing Director

Contents

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) "Principles of Good Corporate Governance and Best Practice 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. Where a recommendation has not been followed, that fact must be 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. However when considering the casting vote of the independent chairman, the majority of the Board is independent. 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 2011. 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

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	9 years
Alan Baxter	1 year
Gerry Tuddenham	13 years
Peter Wright	10 years

Performance Evaluation

An annual performance evaluation of the Board and all Board members was conducted by the full Board for the financial year ended 30 June 2011. 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.

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
- Ian MacDonald

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

Corporate Governance Statement

For details of remuneration of all directors and highest paid 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.

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. 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, 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
- Ian MacDonald

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

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 group believes that it is crucial for all Board members to be a part of this 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.

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 2011.

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 also a non-executive director of Select Harvests Limited and Troy Resources NL.

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 39 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)

Appointed 1st January 2011

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 non-executive chairman of Fujitsu Australia, a role from which he retired in 2006. He was a non-executive director of Mincom and is currently a non-executive director of Integrated Research.

Ian MacDonald

(Non-executive Director)

Resigned 31st December 2010

Ian is a member of CPT's Finance and Audit Committee, and also chairs the Board Remuneration Committee. He has over 35 years experience in the Financial Services industry, with a focus on banking, wealth management and technology. He has extensive experience at both the Operational and Strategic level of Retail Banking, Corporate Banking, Marketing, International Trade, International Markets, Credit, Risk Management, Governance and Technology. Ian is also a director of Arab Bank Australia Limited, Elders Ltd, Rural Bank Limited, Elders Trustees Ltd, Elders Insurance Ltd, Elders Insurance Agencies Pty Ltd, and Elders Financial Services Group Pty Ltd. Ian has broad experience in corporate governance, regulatory compliance, risk management and audit.

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.

Directors' Report

COMPANY SECRETARY

Elliot Opolion

Appointed 25th October 2010

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 Practicing Accountants.

Stephan Scheffer

Resigned 10th September 2010

Stephan was appointed as Chief Financial Officer and Company Secretary in July 2007. Stephan is a Chartered Accountant and brings more than 20 years broad commercial experience, both local and international, to CPT Global. He has spent the last 16 years in the ICT industry. Stephan is a member of both the Australian Institute of Company Directors and the Institute of Charted Accountants in Australia.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, the interests of the directors in the shares and options of CPT Global Limited were:

	Ordinary Shares	Options over Ordinary Shares
Alan Baxter	-	-
Fred S Grimwade	718,200	-
Ian MacDonald	330,000	-
Gerry Tuddenham	12,827,938	100,000
Peter Wright	164,500	100,000

EARNINGS PER SHARE

	Cents
Basic earnings per share	2.87
Diluted earnings per share	2.85

DIVIDENDS

	Cents	$
Final dividends recommended:		
Fully franked final ordinary dividend recommended by the Directors.	1.0	367
		367
Dividends paid in the year:		
Interim for the year		
Fully franked interim ordinary dividend	1.5	551
		551
Final for 2010 shown as recommended in the 2010 report		
Fully franked final ordinary dividend	0.0	-
		-

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 196 employees as at 30 June 2011 (2010: 203 employees).

OPERATING AND FINANCIAL REVIEW

The consolidated profit of the economic entity after providing for income tax amounted to $1,052,000. Closing net assets of the economic entity were $13,276,000 an increase of $208,000 on the prior year as a result of the operating performance of the group and no impairment of goodwill.

For a detailed discussion of the financial results for the year ended 30 June 2011 please refer to the Chairman's Statement and Managing Director's Review on pages 1 and 3.

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 22nd August 2011 CPT Global Limited announced its intention to extend the on-market share buy back for a further twelve months until 27th August 2012. 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 in the operations of the economic entity and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the economic entity.

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 $31,837.

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.

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 as well as short and long-term goals.

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 an increase in profit for the current year which is matched by the 2.50 cent dividend. The reasons for this have been attributed to a measured reduction in the company's discretionary cost base, the improved efficiency in service delivery processes resulting in higher margins being achieved and the strengthening of the revenue base by the emergence of key strategic accounts. The board is of the opinion that the remuneration policy is effective and can be linked to current years result.

	2007	**2008**	**2009**	**2010**	**2011**
Net profit/(loss)	$3.007m	$1.648m	$2.171m	($3.133m)	$1.052m
Share price at year end	$1.18	$0.75	$0.51	$0.56	$0.64
Dividends paid	7.75c	5.00c	5.50c	0.00c	2.50c

During the year, no shares were purchased as part of the share buyback. The share price during the year ranged from a low of $0.41 to a high of $0.67.

Details of remuneration for the year ended 30 June 2011

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:

	Short-Term Benefits		**Post Employment Benefits**	**Other Long-Term Benefits**	**Total**	**Performance related**
Directors	Salary, Fees and Commissions	Cash bonus	Super	Long Service Leave		
	$	$	$	$	$	%
Alan Baxter[3]						
▪ **2011**	**25,000**	**-**	**2,385**	-	**27,385**	**-**
▪ 2010	-	-	-	-	-	-
Fred Grimwade						
▪ **2011**	**77,982**	**-**	**7,018**	**-**	**85,000**	**-**
▪ 2010	69,842	-	6,286	-	76,128	-
Gerry Tuddenham						
▪ **2011**	**355,170**	**-**	**48,450**	**6,900**	**410,520**	**-**
▪ 2010	353,670	50,000	50,000	8,340	462,010	-
Ian MacDonald[2]						
▪ **2011**	**25,288**	**-**	**2,276**	-	**27,564**	**-**
▪ 2010	25,288	-	29,840	-	55,128	-
Peter Wright						
▪ **2011**	**370,138**	**-**	**49,863**	**6,900**	**426,901**	**-**
▪ 2010	424,791	50,000	50,000	8,340	533,131	-
Total Remuneration						
▪ **2011**	**853,578**	**-**	**109,992**	**13,800**	**977,370**	**-**
▪ 2010	873,591	100,000	136,126	16,680	1,126,397	-

Cash bonuses awarded to executive directors during 2010 were measured against the 2009 financial performance of the consolidated group as well as achievements of key performance indicators (KPI's) set by the board of directors.

Directors' Report

Executive officers[1]	Short-Term Benefits Salary, Fees and Commissions	Cash bonus	Post Employment Benefits Super	Other Long-Term Benefits Long Service Leave	Total	Performance related
	$	$	$	$	$	%
Alan Mackenzie						
▪ **2011**	**308,089**	**-**	**21,794**	**-**	**329,883**	**-**
▪ 2010	280,347	-	20,270	-	300,617	-
Elliot Opolion[4]						
▪ **2011**	**141,552**	**-**	**29,167**	**2,346**	**173,065**	**-**
▪ 2010	-	-	-	-	-	-
Kevin Akom						
▪ **2011**	**275,229**	**-**	**32,523**	**3,276**	**311,028**	**-**
▪ 2010	277,293	-	50,000	3,277	330,570	-
Stephan Scheffer[5]						
▪ **2011**	**66,771**	**-**	**3,507**	**(3,517)**	**66,761**	**-**
▪ 2010	197,374	-	14,461	3,517	215,352	-
Total Remuneration						
▪ **2011**	**791,641**	**-**	**86,991**	**2,105**	**880,737**	**-**
▪ 2010	755,014	-	84,731	6,794	846,539	-

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.

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

2 The transactions detailed in the above table for 2011 cover the period 1 July 2010 until 31 December 2010.

3 The transactions detailed in the above table for 2011 cover the period 1 January 2011 until 30 June 2011.

4 The transactions detailed in the above table for 2011 cover the period 25 October 2010 until 30 June 2011.

5 The transactions detailed in the above table for 2011 cover the period 1 July 2010 until 10 September 2010.

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.

Directors' Report

Options granted as remuneration

	Balance at beginning of period 1 July 2010	Granted as Remune-ration	Options Exercised	Options Lapsed	Balance at end of period 30 June 2011	Vested at end of period 30 June 2011	Excer-cisable at end of period 30 June 2011	Vested and un-exercised at end of period 30 June 2011
Gerry Tuddenham	150,000	-	-	50,000	100,000	-	-	-
Peter Wright	150,000	-	-	50,000	100,000	-	-	-
Total	**300,000**	**-**	**-**	**100,000**	**200,000**	**-**	**-**	**-**

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 not for a fixed term, but contain one month 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 28.

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	6	6	1	1	1	1
Fred S Grimwade	11	11	2	2	2	2
Gerry Tuddenham	11	11	2	2	-	-
Ian MacDonald	5	5	1	1	1	1
Peter Wright	11	10	-	-	-	-

Directors' Report

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	Ian MacDonald (C)
Gerry Tuddenham	Fred Grimwade
Ian MacDonald	

Notes

(C) Designates the chairman of the committee.

OPTIONS

At the date of this report, the unissued ordinary shares of CPT Global Limited under option are as follows:

Grant date	Expiry date	Exercise price	Number of options
28/11/08	29/11/11	$2 in total	200,000
			200,000

During the year ended 30 June 2011, no options to acquire ordinary shares were granted (2010: nil) and nil (2010: 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.

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 the external auditors during the year ended 30 June 2011:

- Taxation compliance services $3,000
- Other services $53,000

Other services relate to accounting and taxation advice.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 21 of the directors' report.

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.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of CPT Global Limited support and have adhered to the principles of corporate governance. The company's corporate governance statement is contained in the earlier section of this annual report.

Signed in accordance with a resolution of the directors.

G J Tuddenham

Gerry Tuddenham
Managing Director
Melbourne, 16 September 2011

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

Level 10, 530 Collins Street
Melbourne VIC 3000

T +61 (0)3 8635 1800
F +61 (0)3 8102 3400

www.moorestephens.com.au

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 2011 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

S David Pitt
Partner

Melbourne, 16 September 2011

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Consolidated Statement of Comprehensive Income

YEAR ENDED 30 JUNE 2011	Notes	Economic Entity 2011 $'000	Economic Entity 2010 $'000
Revenue	3	**38,086**	37,738
Other income		**22**	141
Salaries and employee benefits expense		**(3,000)**	(3,117)
Consultants benefits expense		**(28,818)**	(30,709)
Depreciation and amortisation expenses	4	**(129)**	(175)
Impairment losses on Goodwill		**-**	(2,400)
Insurance expense		**(240)**	(212)
Finance costs	4	**(110)**	(182)
Lease expenses		**(432)**	(409)
Other expenses		**(3,929)**	(3,777)
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE		**1,450**	(3,102)
INCOME TAX EXPENSE	5	**(398)**	(31)
PROFIT/(LOSS) AFTER INCOME TAX		**1,052**	(3,133)
Other Comprehensive Loss:			
Exchange differences on translating foreign controlled entities		**(313)**	(814)
Total Other Comprehensive Loss for the year, net of tax		**(313)**	(814)
TOTAL COMPREHENSIVE INCOME/(LOSS)		**739**	(3,947)
PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF CPT GLOBAL LIMITED		**1,052**	(3,133)
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO MEMBERS OF CPT GLOBAL LIMITED		**739**	(3,947)
Basic earnings per share (cents per share)	26	**2.87**	(8.53)
Diluted earnings per share (cents per share)	26	**2.85**	(8.41)

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 2011	Notes	Economic Entity 2011 $'000	Economic Entity 2010 $'000
CURRENT ASSETS			
Cash and cash equivalents	7	**884**	1,050
Trade and other receivables	8	**6,852**	8,249
Unbilled revenue	9	**3,199**	1,869
Other financial assets	11	**-**	10
Current tax asset	17	**116**	112
Other current assets	10	**385**	454
TOTAL CURRENT ASSETS		**11,436**	11,744
NON-CURRENT ASSETS			
Deferred tax assets	17	**425**	366
Property, plant and equipment	13	**246**	293
Intangible assets	14	**7,321**	7,350
TOTAL NON-CURRENT ASSETS		**7,992**	8,009
TOTAL ASSETS		**19,428**	19,753
CURRENT LIABILITIES			
Trade and other payables	15	**5,645**	5,927
Borrowings	16	**-**	527
Current tax liabilities	17	**174**	-
TOTAL CURRENT LIABILITIES		**5,819**	6,454
NON-CURRENT LIABILITIES			
Trade and other payables	15	**28**	-
Deferred tax liabilities	17	**-**	53
Other long term provisions	18	**305**	178
TOTAL NON-CURRENT LIABILITIES		**333**	231
TOTAL LIABILITIES		**6,152**	6,685
NET ASSETS		**13,276**	13,068
EQUITY			
Issued capital	19	**12,075**	12,075
Reserves	20	**321**	614
Retained earnings		**880**	379
TOTAL EQUITY		**13,276**	13,068

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 2011

	Notes	$'000 Issued capital Ordinary	$'000 Retained Earnings	$'000 Equity Reserve	$'000 Foreign Currency Translation Reserve	$'000 Total
Balance at 1 July 2009		12,075	4,602	1,426	(230)	17,873
Comprehensive income						
Loss for the year		-	(3,133)	-	-	(3,133)
Other comprehensive loss					(814)	(814)
Total comprehensive loss for the year		-	(3,133)	-	(814)	(3,947)
Transactions with owners, in their capacity as owners						
Share based payments		-	-	244	-	244
Dividends paid or provided for	6	-	(1,102)	-	-	(1,102)
Total transactions with owners, in their capacity as owners		-	(1,102)	244	-	(858)
Other						
Transfers to and from exchange reserve			12	-	(12)	-
Total other		**-**	**12**	**-**	**(12)**	**-**
Balance as at 30 June 2010		12,075	379	1,670	(1,056)	13,068

	Notes	$'000 Issued capital Ordinary	$'000 Retained Earnings	$'000 Equity Reserve	$'000 Foreign Currency Translation Reserve	$'000 Total
Balance at 1 July 2010		12,075	379	1,670	(1,056)	13,068
Comprehensive income						
Profit for the year		-	1,052	-	-	1,052
Other comprehensive loss					(313)	(313)
Total comprehensive income/(loss) for the year		-	1,052	-	(313)	739
Transactions with owners, in their capacity as owners						
Share based payments		-	-	20	-	20
Dividends paid or provided for	6	-	(551)	-	-	(551)
Total transactions with owners, in their capacity as owners		-	(551)	20	-	(531)
Other						
Transfers to and from exchange reserve			-	-	-	-
Total other		-	-	-	-	-
Balance as at 30 June 2011		**12,075**	**880**	**1,690**	**(1,369)**	**13,276**

Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2011	Notes	Economic Entity	
		2011	2010
		$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**40,713**	39,473
Payments to suppliers and employees		**(39,192)**	(37,864)
Interest received		**1**	-
Finance costs paid		**(110)**	(182)
Income tax paid		**(248)**	(869)
NET CASH FLOWS FROM OPERATING ACTIVITIES	21	**1,164**	558
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment and software		**-**	4
Purchase of property, plant and equipment, software		**(55)**	(49)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(55)**	(45)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		**(46)**	(32)
Payment of dividends on ordinary shares		**(551)**	(1,102)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(597)**	(1,134)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**512**	(621)
Add opening cash & cash equivalents brought forward		**523**	1,245
Effects of exchange rate changes on cash and cash equivalents		**(151)**	(101)
CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD	7	**884**	523

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 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements comprises 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.

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.

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 12 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 consolidated 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 consolidated 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 2011

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 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

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 including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the consolidated 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	20%
Fixtures Fittings and Equipment	22.5% 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 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 2011

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

Finance 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 2011

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 recorded in the statement of comprehensive income, 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. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income.

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

Impairment

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 an impairment has arisen. 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 2011

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.

Receivables from related parties are recognised and carried at the principle amount due. Interest, when charged is recognised as income on an accrual basis.

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 statement of comprehensive income 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 statement of comprehensive income.

(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 2011

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 diminishing value basis over their useful life. The amortisation rate used for software costs is 37.5%.

(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 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 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 statement of comprehensive income in the period in which the operation is disposed.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

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 using the projected unit credit method. 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 23.

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. 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 2011

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 2011

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 2011

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.

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 $11,000. The group has determined that the recoverability of this debt from the customer is uncertain hence a provision for impairment has been made.

(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.

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

(x) New Accounting Standards for Application in Future Period

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

AASB 9: Financial Instruments [December 2010] (applicable for annual reporting periods commencing on or after 1 January 2013).

- This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Group has not yet determined the potential impact of adopting this Standard on the financial statements.
- The key changes made to the accounting requirements for financial instruments by this Standard include:
- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives within financial assets carried at amortised cost;

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- permitting an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Standard also clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard.

Adoption of this revised version of AASB 124 is not expected to impact the Group.

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013)

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements (RDR).

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (i.e. full Australian Accounting Standards):

- for-profit private sector entities that have public accountability; and
- the Australian Government and State, Territory and Local Governments.

AASB 2010-2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific RDR disclosures.

The Group is a for-profit private sector entity that has public accountability and therefore does not qualify for the reduced disclosure requirements for Tier 2 entities. Accordingly, this Standard is not expected to impact the Group.

AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

This Standard makes a number of amendments that are editorial in nature to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8: Operating Segments to require entities to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.

This Standard is not expected to impact the Group.

AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14: AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit plan.

This Standard is not expected to impact the Group.

AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard makes numerous non-urgent but necessary changes to Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors prior to an entity's first Australian Accounting Standard financial statements;
- AASB 7: Financial Instruments: Disclosures is amended to add an explicit statement that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- AASB 101: Presentation of Financial Statements is amended to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- AASB 134: Interim Financial Reporting is amended by adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- sundry editorial amendments to various Standards and interpretations.

This Standard is not expected to impact the Group.

AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements. Accordingly, this Standard is not expected to impact the Group.

AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

This Standard amends the current disclosure requirements and introduces a number of new disclosure requirements in relation to transfers of financial assets, particularly in relation to the nature of the financial assets involved and the risks associated with them. This Standard also makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards to facilitate the adoption of the amendments to AASB 7 by first-time adopters of Australian Accounting Standards.

This Standard is not expected to impact the Group.

AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

The Group has not yet determined the potential impact of adopting AASB 9 on the financial statements.

AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

The amendments contained in this Standard amend AASB 112: Income Taxes to introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

This Standard is not expected to impact the Group.

AASB 2010-9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

The amendments to AASB 1 brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the Group.

AASB 2010-10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7] (applies to periods beginning on or after 1 January 2013).

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1 and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010-7].

This Standard is not expected to impact the Group.

AASB 1054: Australian Additional Disclosures (applicable for annual reporting periods commencing on or after 1 July 2011).

This Standard arises from the joint Trans-Tasman Convergence Project undertaken by the AASB and the New Zealand Financial Reporting Standards Board (FRSB). It sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. It contains disclosure requirements that are additional to IFRSs requirements in relation to:

- compliance with Australian Accounting Standards;
- the statutory basis or reporting framework for the financial statements;
- whether the financial statements are general purpose or special purpose;
- audit fees;
- imputation (franking) credits; and
- the reconciliation of net operating cash flow to profit or loss.

Some of these disclosure requirements were previously located in other Australian Accounting Standards.

This Standard is not expected to significantly impact the Group.

AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project (applicable for annual reporting periods commencing on or after 1 July 2011).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards.

For instance, AASB 2011-1 introduces the 'true and fair override' into AASB 101 (as currently available under paragraphs 19-22 of IAS 1: Presentation of Financial Statements). However, the application of 'true and fair override' in the Australian context is limited by an additional 'Aus' paragraph (Aus19.1 of the amended AASB 101), which specifically prohibits entities required to prepare financial reports under Part 2M.3 of the Corporations Act 2001, private and public sector not-for-profit reporting entities (including governments) and entities applying Reduced Disclosure Requirements from applying the requirements in paragraph 19 of the revised AASB 101.

This Standard is not expected to significantly impact the Group.

AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements (applicable for annual reporting periods commencing on or after 1 July 2013).

This Standard amends the reduced disclosure requirements impacted by the amendments in AASB 1054 and AASB 2011-1.

The Group does not qualify for the reduced disclosure requirements for Tier 2 entities. Accordingly, this Standard is not expected to impact the Group.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 2011-3: Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments (applicable for annual reporting periods commencing on or after 1 July 2012).

This Standard makes amendments to AASB 1049: Whole of Government and General Government Sector Financial Reporting, including clarifying the definition of the Australian Bureau of Statistics' Government Finance Statistics (GFS) Manual, facilitating the orderly adoption of changes to the GFS Manual and related disclosures.

This Standard is not expected to impact the Group.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

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.

STATEMENT OF FINANCIAL POSITION	Note	2011 $'000	2010 $'000
ASSETS			
Current Assets		**11,744**	9,543
Total Assets		**19,471**	18,999
LIABILITIES			
Current Liabilities		**6,271**	5,773
Total Liabilities		**6,724**	6,093
EQUITY			
Issued Capital		**12,075**	12,075
Reserves		**1,608**	1,588
Retained earnings/(accumulated losses)		**(936)**	(757)
Total Equity		**12,747**	12,906

STATEMENT OF COMPREHENSIVE INCOME	2011 $'000	2010 $'000
Total profit/(loss)	**374**	(2,661)
Total comprehensive income/(loss)	**374**	(2,661)

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 16 for details of guarantees provided by the parent entity in relation to the Groups bank loan. Refer to Note 24(a) for details of bank guarantees in relation to leased offices.

3. REVENUE

	Economic Entity	
	2011 $'000	2010 $'000
REVENUE		
Services Revenue	**38,086**	37,738
Total Revenue	**38,086**	37,738
OTHER INCOME		
Rent Income	**21**	22
Interest Income	**1**	-
Other Income	**-**	119
Total Other Income	**22**	141

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

4. PROFIT/(LOSS) FOR THE YEAR

	Note	Economic Entity 2011 $'000	Economic Entity 2010 $'000
Profit or loss for the year also includes the following specific expense items.			
Finance costs:			
Interest expense on borrowings		**110**	182
Total finance costs		**110**	182
Impairment of goodwill		**-**	2,400
Foreign currency translation losses (gains)		**398**	45
Bad and doubtful debts		**11**	13
Rental expense on operating leases		**432**	409
Depreciation and amortisation of non-current assets		**129**	175
Defined contribution plan expense – Superannuation		**417**	310
Defined contribution plan expense – KMP		**183**	221

5. INCOME TAX EXPENSE

	Note	Economic Entity 2011 $'000	Economic Entity 2010 $'000
Tax expense comprises:			
Current tax		**496**	77
Deferred tax	17	**(112)**	(33)
Under/(over) provision of previous year		**14**	(13)
		398	31
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% (2010: 30%)		**435**	(931)
Tax effect of			
▪ Tax on overseas income at a different rate		**4**	(110)
▪ Write-downs to recoverable amounts		**-**	720
▪ Share-based payments expense		**6**	73
▪ Other non-allowable items		**25**	64
▪ Foreign exchange differences arising on net investment in foreign entities	1(j)	**(69)**	(174)
▪ Current year tax losses not brought to account		**21**	402
▪ Utilisation of prior year tax losses		**(39)**	-
Under/(over) provision of previous year		**15**	(13)
Income tax expense attributable to the entity		**398**	31
The applicable weighted average effective tax rates are as follows:		**27%**	-1%

The increase in the weighted average effective tax rate for the current period tax charge is a result of no impairment of goodwill. Write downs of this nature are not an allowable deduction for income tax purposes.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

6. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

	Economic Entity 2011 $'000	Economic Entity 2010 $'000
(a) Dividends paid during the year		
Current year interim		
Franked dividends (1.5c per share) (2010: 0.0c per share)	**551**	-
Previous year final		
Franked dividends (0.0c per share) (2009: 3.0c per share)	**-**	1,102
	551	1,102

	2011 $'000	2010 $'000
(b) Dividends proposed and not recognised as a liability		
• Franked dividends (1.0c per share) (2010: 0.0c per share)	**367**	-

	2011 $'000	2010 $'000
(c) Franking credit balance		
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	**1,947**	1,909
Subsequent to year end, the franking account would be reduced by the proposed dividend reflected in Note 6(b) as follows:	**(157)**	-
	1,790	1,909

7. CASH AND CASH EQUIVALENTS

	Economic Entity 2011 $'000	Economic Entity 2010 $'000
Cash at bank and in hand	**884**	1,050

Reconciliation of cash

	2011 $'000	2010 $'000
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	**884**	1,050
Bank overdrafts	**-**	(527)
	884	523

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

8. TRADE AND OTHER RECEIVABLES

	Notes	Economic Entity 2011 $'000	Economic Entity 2010 $'000
CURRENT			
Trade receivables	8(a)	**6,835**	8,061
Provision for impairment of receivables	8(b)	**(11)**	-
		6,824	8,061
Other receivables	8(b)	**29**	188
		6,852	8,249

(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 66 days (2010: 78 days). Management has no objective evidence that any receivable amounts arising from the past sale of goods and rendering of services are impaired and therefore no 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, $861,677 (2010: $1,125,513) and $854,281 (2010: $426,441) are due from two leading banking institutions in Australia and $888,622 (2010: $119,165) from a major banking group in France, totalling 38% (2010: 20.4%) of the trade receivables balance. There is also $448,281 (2010: $1,270,684) due from a large Australian telecommunications company and $658,040 (2010: $1,865,295) from a leading global investment bank in Germany.

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 $4,311,000 (64%) relates to Australia and $2,163,000 (32%) relates to Europe. The remaining amounts are not significant.

Trade receivables that are past due but not impaired

Included in the trade receivable balance are debtors with a carrying amount of $1,071,000 (2010: $2,399,000) 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, $1,071,000 (2010: $2,141,000) relates to clients with whom the Group and parent 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. Neither the Group nor parent holds any collateral over these balances. The ageing analysis of these trade receivables is:

	Economic Entity 2011 $'000	Economic Entity 2010 $'000
1-3 months	**982**	1,803
3-6 months	**19**	526
Over 6 months	**80**	70
Within initial trade terms	**5,754**	5,662
	6,835	8,061

Neither the Group nor parent entity holds any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

8. TRADE AND OTHER RECEIVABLES (continued)

(b) Provision for impairment of current trade receivables

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. 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:

	Economic Entity	
	2011	2010
	$'000	$'000
Balance at beginning of year	-	-
Charge for the year	-	13
Amounts written off as uncollectible	(11)	(13)
Balance at end of year	(11)	-

Fair values

	Economic Entity	
	2011	2010
	$'000	$'000
Trade receivables	6,824	8,061
Other receivables	29	188

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. 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 2011

9. UNBILLED REVENUE (CURRENT)

	Economic Entity	
	2011	2010
	$'000	$'000
Unbilled revenue	**3,199**	1,869
Total	**3,199**	1,869

Work in progress includes 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 $130,589 (2010: $145,000) 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.

Of the work in progress balance at the year end, $1,354,000 related to a single customer, one of America's leading financial institutions and is listed on the Global Fortune 500. Management has assessed the creditworthiness of the American financial institution as high.

10. OTHER CURRENT ASSETS

	Economic Entity	
	2011	2010
	$'000	$'000
Prepayments	**37**	144
Other current assets	**348**	310
	385	454

11. OTHER FINANCIAL ASSETS

	Notes	Economic Entity	
		2011	2010
		$'000	$'000
CURRENT			
Derivative Financial Instruments			
Forward exchange contracts	31	-	10

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

12. INTERESTS IN SUBSIDIARIES

Name	Country of incorporation	Percentage of equity interest held by the economic entity*	
		2011	**2010**
		%	**%**
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**	0
CPT Global France	France	**100**	0
Deakin Consulting Pty Ltd	Australia	**100**	100
CPT Global Consulting Pty Ltd	Australia	**100**	100

* The percentage of voting power is proportional to ownership.

13. PROPERTY, PLANT AND EQUIPMENT

	Notes	Economic Entity	
		2011	**2010**
		$'000	**$'000**
Motor vehicles			
At cost		**49**	58
Accumulated depreciation		**(46)**	(49)
	13(a)	**3**	9
Office equipment			
At cost		**971**	923
Accumulated depreciation		**(859)**	(805)
	13(a)	**112**	118
Furniture, fixtures and fittings			
At cost		**237**	234
Accumulated depreciation		**(177)**	(168)
	13(a)	**60**	66
Improvements			
At cost		**167**	167
Accumulated depreciation		**(128)**	(118)
	13(a)	**39**	49
Leased plant and equipment			
At cost		**205**	205
Accumulated depreciation		**(173)**	(154)
	13(a)	**32**	51
Total property, plant and equipment		**246**	293
Total property, plant and equipment			
Cost		**1,626**	1,587
Accumulated depreciation		**(1,380)**	(1,294)
Total written down amount		**246**	293

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Economic Entity	
	2011	**2010**
(a) Reconciliations	**$'000**	**$'000**
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.		
Motor vehicles		
Carrying amount at beginning	**9**	15
Additions	**-**	-
Depreciation expense	**(6)**	(6)
	3	9
Office equipment		
Carrying amount at beginning	**118**	155
Additions	**48**	29
Disposals	**-**	(1)
Depreciation expense	**(54)**	(65)
	112	118
Furniture, fixtures and fittings		
Carrying amount at beginning	**66**	73
Additions	**3**	3
Depreciation expense	**(9)**	(10)
	60	66
Improvements		
Carrying amount at beginning	**49**	62
Additions	**-**	-
Depreciation expense	**(10)**	(13)
	39	49
Leased plant and equipment		
Carrying amount at beginning	**51**	80
Additions	**-**	-
Depreciation expense	**(19)**	(29)
	32	51

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

14. INTANGIBLE ASSETS

	Economic Entity 2011 $'000	Economic Entity 2010 $'000
Goodwill at cost	**9,659**	9,659
Accumulated impairment losses	**(2,473)**	(2,473)
Total goodwill	**7,186**	7,186
Intellectual Property at cost	**75**	75
Software at cost	**437**	432
Accumulated amortisation and impairment	**(377)**	(343)
Total software	**60**	89
Total intangible assets	**7,321**	7,350

Year ended 30 June 2010	Goodwill $'000	Intellectual Property $'000	Software $'000
Balance at the beginning of the year	9,586	75	124
Additions	-	-	17
Disposals	-	-	-
Impairment loss	(2,400)	-	-
Amortisation charge	-	-	(52)
	7,186	75	89

Year ended 30 June 2011	Goodwill $'000	Intellectual Property $'000	Software $'000
Balance at the beginning of the year	7,186	75	89
Additions	-	-	5
Disposals	-	-	-
Impairment loss	-	-	-
Amortisation charge	-	-	(34)
	7,186	75	60

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

14. 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.

	2011 $'000	2010 $'000
Australian Segment	**6,557**	6,557
Europe Segment	**629**	629
	7,186	7,186

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 3%.

Key Assumptions

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

	Discount rate 2011	Gross Margin 2011	Sales Growth 2011
Australian Segment	16.5%	28.5%	5%

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; and
- Sales growth rates

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 efficiency improvements around the risk/reward consulting model which has demonstrated to return higher margins than other consulting models used by the Group.

Sales growth rates – reflects management's expectations of strong expansion in the change of revenue mix resulting in high growth rates for the risk/ reward consulting model worldwide.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

14. 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 $1.65 million as at 30 June 2011.

15. TRADE AND OTHER PAYABLES

	Economic Entity	
	2011	**2010**
	$'000	**$'000**
CURRENT		
Trade payables	**3,426**	3,440
Sundry payables and accrued expenses	**1,173**	1,563
Lease Liability	**36**	98
Other current liabilities	**1,010**	826
	5,645	5,927
NON - CURRENT		
Sundry payables and accrued expenses	**13**	-
Lease Liability	**15**	
	28	-

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.

16. BORROWINGS

	Economic Entity	
Secured liabilities	**2011**	**2010**
	$'000	**$'000**
Bank overdrafts	**-**	527
	-	527
Unutilised financing facilities		
Credit facility	**2,997**	2,997
Amount utilised	**-**	(527)
	2,997	2,470

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

16. BORROWINGS (Continued)

The financing facilities above are secured by a first registered company charge (mortgage debenture) over the carrying value of the total assets of the parent entity, which totalled $19,472,000 at the end of the reporting period. Interest is charged at 1.0% above the ANZ reference rate.

17. TAX

	Economic Entity	
	2011	**2010**
(a) Liabilities	**$'000**	**$'000**
CURRENT		
Income tax	**174**	-
NON CURRENT		
(b) Liabilities		
Deferred tax liabilities comprise:		
Accrued Income	**-**	53
Reconciliation of deferred tax liabilities		
Accrued Income		
Opening balance	**53**	53
Reversals during year	**(53)**	-
Closing balance	**-**	53
(c) Assets		
CURRENT		
Income tax	**116**	112
NON CURRENT		
Deferred tax assets comprise:		
Provisions, accrued employee entitlements and benefits and accruals	**425**	366
Reconciliation of deferred tax assets		
Opening balance	**366**	333
Credited to the statement of comprehensive income	**59**	33
Other	**-**	-
Closing balance	**425**	366

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 $282,000 (2010: $211,000).

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

18. PROVISIONS (NON-CURRENT)

	Economic Entity 2011	Economic Entity 2010
Long-term employee benefits	**$'000**	**$'000**
Balance at 1 July 2010	**178**	107
Additional provisions	**127**	71
Balance at 30 June 2011	**305**	178

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.

19. ISSUED CAPITAL

(a) Issued and paid up capital

	Economic Entity 2011	Economic Entity 2010
	$'000	**$'000**
36,716,364 (2010: 36,746,364) fully paid ordinary shares	**12,075**	12,075
	12,075	12,075

(b) Movements in shares on issue

	2011 Number of shares	2011 $'000'	2010 Number of shares	2010 $'000
Beginning of the financial year	**36,746,364**	**12,075**	36,786,364	12,075
Shares issued under ESOP	**-**		-	
Performance shares issued to executive directors	**-**		-	
Shares cancelled during the period	**(30,000)**		(40,000)	
End of the financial year	**36,716,364**	**12,075**	36,746,364	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 30th June 2011 no ordinary shares were bought back under the on market buyback (2010: Nil). Ordinary shares have no par value.

(ii) The on market buyback commenced on the 27th 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 2011.

(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 2011

19. 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 externally imposed capital requirements 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 2011 and 30 June 2010 are as follows:

	Economic Entity	
	2011	**2010**
	$'000	**$'000**
Total borrowings	**-**	527
Less cash and cash equivalents	**(884)**	(1,050)
Net debt	**-**	-
Total equity	**13,276**	13,068
Total capital employed	**13,276**	13,068
Gearing ratio	**0%**	0%

20. 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.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

21. CASH FLOW INFORMATION

	Economic Entity	
	2011	**2010**
	$'000	**$'000**
(a) Reconciliation of the net profit after tax to the net cash flows from operations		
Net profit/(loss)	**1,052**	(3,133)
Non-Cash Items		
Depreciation and amortisation of non-current assets	**129**	174
Share based payments	**20**	244
Net (profit)/loss on disposal of property, plant and equipment	**-**	(2)
Impairment losses	**-**	2,400
Changes in assets and liabilities		
Decrease in trade and term receivables	**1,149**	76
(Increase)/decrease in prepayments	**107**	(1)
(Increase)/decrease in inventories	**(1,329)**	1,870
Deferred tax assets (increase)	**(59)**	(33)
(Decrease) in trade payables and accruals	**(291)**	(342)
(Decrease)/increase in income taxes payable	**261**	(804)
(Decrease) in deferred tax liabilities	**(53)**	-
Increase in employee entitlements	**178**	109
Net cash flow from operating activities	**1,164**	558

There were no acquisitions or disposals of subsidiaries in the 2011 financial year.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

22. EXPENDITURE COMMITMENTS

(a) Lease expenditure commitments	**Economic Entity 2011**	**Economic Entity 2010**
(i) Finance leases	**$'000**	**$'000**
Minimum lease payments		
- not later than one year	**39**	54
- later than one year and not later than five years	**17**	55
- later than five years	**-**	-
Minimum lease payments	**56**	109
Less future finance charges	**(4)**	(11)
Present value of minimum lease payments	**52**	98
(ii) Operating leases (non-cancellable):		
Minimum lease payments		
- not later than one year	**462**	421
- later than one year and not later than five years	**299**	659
- later than five years	**-**	-
	761	1,080

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 2011

23. SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2011:

		Issue date	Expiry date	Exercise Price	As at 1 July 2010	Issued	Forfeited/ Exercised/ transferred / expired	As at 30 June 2011
Directors	(a)	29/11/07	29/11/10	$1 in total	100,000	-	100,000	-
Performance Shares	(b)	28/11/08	29/11/11	$2 in total	200,000	-	-	200,000
ESOP	(c)	04/09/07	04/09/10	nil	767,500	-	767,500	-

(a) On 29 November 2007, at the Company's Annual General Meeting, 100,000 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 $105,000. 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	$1.34
Expected share price volatility	36%
Risk free interest rate	6.5%
Dividend yield	6%

The issue of these performance shares in one tranche is contingent upon the Company's share price exceeding certain levels for specified periods between 30 November 2009 and 29 November 2010, as follows:

No. of shares to be issued	Conditions which must be satisfied
100,000	The highest quoted (buy) price of CPT Global shares reaching or exceeding $2.40 for 5 consecutive business days during the period 30 November 2009 to 29 November 2010 (both dates inclusive)

As at reporting date, the share price criteria for the issuance of these performance shares had not been met. These share options had been fully expensed as at 30 June 2010 therefore; nil (2010: $37,000) was expensed for the year ended 30 June 2011.

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 2011

23. SHARE-BASED PAYMENTS (Continued)

(b) 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 is 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)

As at reporting date, the share price criteria for the issuance of these performance shares had not been met. For the year ended 30 June 2011, a total of $20,230 (2010: $20,000) 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.

(c) On 4 September 2007, 1,090,000 share entitlements were granted to certain employees under the CPT Share and Option Incentive Plan to take up ordinary shares at an exercise price of nil. The fair value of these entitlements at the date of grant was $815,000. 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	$1.34
Expected share price volatility	36%
Risk free interest rate	6.5%
Dividend yield	6%

The shares are to be held in escrow and are transferable to the relevant employees in three tranches on 4 September 2008, 2009 and 2010. The shares hold voting and dividend rights but are not transferable whilst held in escrow. On the 20 October 2008, 50,000 of these share entitlements were transferred out of escrow. The weighted average share price on that date was $0.52. On the 4 September 2009, 272,500 of these share entitlements were transferred out of escrow. The weighted average share price on that date was $0.80. On the 4 September 2010, 767,500 of these share entitlements were transferred out of escrow. The weighted average share price on that date was $0.57. For the year ended 30 June 2011, nil (2010: $187,000) has been expensed in relation to these shares.

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 2011

23. SHARE-BASED PAYMENTS (continued)

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

	Economic Entity			
	2011		2010	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Outstanding at the beginning of the year	**300,000**	**0.00**	500,000	0.00
Granted	**-**	**-**	-	-
Forfeited	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Expired	**(100,000)**	**-**	(200,000)	-
Outstanding at year end	**200,000**	**0.00**	300,000	0.00

At 30 June 2011 none of the outstanding options have vested or are exercisable.

The weighted average remaining contractual life of share options outstanding at the end of the period was 0.41 years (2010: 1.08 years). The exercise price of outstanding share options at the reporting date was $0.52. 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.

For the year ended 30 June 2011 $20,230 (2010:$244,000) has been expensed in relation to share-based payments.

24. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

Guarantees

CPT Global Limited has provided guarantees of $184,576 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 period one to two years.

25. EVENTS AFTER THE REPORTING PERIOD

(a) On 22nd August 2011 CPT Global Limited announced its intention to extend the on-market share buy back for a further twelve months until 27th August 2012. 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.

(b) The financial report was authorised for issue on 16 September 2011 by the Board of Directors.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

26. EARNINGS PER SHARE

	2011	2010
(a) The following reflects the income and share data used in the calculations of basic and diluted earnings per share:	**$'000**	**$'000**
Net profit	**1,052**	(3,133)
Adjustments:	**-**	-
Earnings used in calculating basic and diluted earnings per share	**1,052**	(3,133)
	Number of shares	**Number of shares**
Weighted average number of ordinary shares used in calculating basic earnings per share	**36,716,364**	36,746,364
Weighted average number of options outstanding	**199,996**	299,996
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**36,916,360**	37,046,360

27. AUDITORS' REMUNERATION

	Economic Entity	
	2011	**2010**
Amounts received or due and receivable by Moore Stephens for:	**$'000**	**$'000**
• an audit or review of the financial report of the parent and any other entity in the Group	**130**	177
• other services in relation to the entity and any other entity in the Group		
- tax compliance	**3**	3
- other services	**53**	11

Other services relate to accounting and taxation services.

28. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Names and positions held of economic and parent 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 – Appointed 1st January , 2011
Gerry Tuddenham	Managing Director
Ian MacDonald	Non-executive Director – Resigned 31st December, 2010
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 – Appointed 25th October, 2010
Stephan Scheffer	Company Secretary and Chief Financial Officer – Resigned 10th September 2010

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

28. KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

(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 2011.

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

	2011	2010
Short-term employee benefits	**$1,645,219**	$1,728,605
Post-employment benefits	**$196,983**	$220,857
Other long-term benefits	**$15,905**	$23,474
Termination benefits	**-**	-
Share-based payments	**-**	-
	$1,858,107	$1,972,936

(c) Compensation Options

Options Granted As Compensation

	Balance at beginning of period 1 July 2010	Granted as Remune-ration	Options Exercised	Options Lapsed	Balance at end of period 30 June 2011	Vested at end of period 30 June 2011	Excer-cisable at end of period 30 June 2011	Vested and un-exercised at end of period 30 June 2011
Gerry Tuddenham	150,000	-	-	50,000	100,000	-	-	-
Peter Wright	150,000	-	-	50,000	100,000	-	-	-
Total	**300,000**	**-**	**-**	**100,000**	**200,000**	**-**	**-**	**-**

	Balance at beginning of period 1 July 2009	Granted as Remune-ration	Options Exercised	Options Lapsed	Balance at end of period 30 June 2010	Vested at end of period 30 June 2010	Excer-cisable at end of period 30 June 2010	Vested and un-exercised at end of period 30 June 2010
Gerry Tuddenham	250,000	-	-	100,000	150,000	-	-	-
Peter Wright	250,000	-	-	100,000	150,000	-	-	-
Total	**500,000**	**-**	**-**	**200,000**	**300,000**	**-**	**-**	**-**

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

28. KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

(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 2010	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 June 2011
	Ord	Ord	Ord	Ord	Ord
Fred S Grimwade	718,200	-	-	-	718,200
Ian MacDonald	402,511	-	-	(72,511)	330,000
Gerry Tuddenham	13,006,249	-	-	(178,311)	12,827,938
Peter Wright	164,500	-	-	-	164,500
Specified Executives					
Kevin Akom	565,013	-	-	-	565,013
Alan Mackenzie	346,623	-	-	-	346,623
Stephan Scheffer	40,000	-	-	(40,000)	-
Total	15,243,096	-	-	(290,822)	14,952,274

Shares held in CPT Global Limited	Balance 1 July 2009	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 June 2010
	Ord	Ord	Ord	Ord	Ord
Fred S Grimwade	718,200	-	-	-	718,200
Ian MacDonald	402,511	-	-	-	402,511
Gerry Tuddenham	12,940,828	-	-	65,421	13,006,249
Peter Wright	164,500	-	-	-	164,500
Specified Executives					
Kevin Akom	565,013	-	-		565,013
Alan Mackenzie	346,623	-	-	-	346,623
Stephan Scheffer	40,000	-	-	-	40,000
Total	15,177,675	-	-	65,421	15,243,096

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

29. RELATED PARTY DISCLOSURES

(a) Controlling Relationships

Interests in subsidiaries are set out in note 12. 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 28. 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.

30. 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

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.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

30. OPERATING SEGMENTS (Continued)

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 consolidated group on an arm's length basis. These transfers are eliminated on consolidation.

Segment Assets

Segment assets reported are based on the internal reports reviewed by the Board of Directors. These include trade debtors and unbilled revenue balances.

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	
	Jun-11 $'000	Jun-10 $'000	Jun-11 $'000	Jun-10 $'000	Jun-11 $'000	Jun-10 $'000	Jun-11 $'000	Jun-10 $'000
REVENUE								
External Sales	**26,740**	27,992	**5,730**	6,002	**5,616**	3,744	**38,086**	37,738
Reconciliation of segment revenue to group revenue								
- Miscellaneous Revenue							**22**	141
Total Group Revenue							**38,108**	37,879
Segment Gross Profit before tax	**8,290**	7,866	**3,048**	1,938	**2,690**	1,312	**14,050**	11,258
Reconciliation of segment result to group profit/loss before tax								
Unallocated Items								
- Overheads							**(12,600)**	(14,360)
Profit/ (Loss) before tax							**1,450**	(3,102)

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

30. OPERATING SEGMENTS (Continued)

Segment Assets

	Australia		Europe		North America		Consolidated	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Segment Assets	**4,549**	5,862	**3,081**	2,370	**2,623**	1,832	**10,253**	10,064
Segment asset increases for the period:								
- Capital Expenditure	**55**	44	**-**	-	**-**	-	**55**	44
	4,604	5,906	**3,081**	2,370	**2,623**	1,832	**10,308**	10,108
Reconciliation of segment assets to group assets								
Unallocated assets:								
- Goodwill	**6,632**	6,632	**629**	629			**7,261**	7,261
- Property, plant & equipment							**306**	381
- Other Assets							**1,527**	2,003
Total Group Assets							**19,402**	19,753

Major Customers

CPT Global Limited has a number of customers which it provides services to. CPT Global Limited supplies two external customers in the Australian segment one being a large financial institution which accounts for 14% or $5,194,00 (2010: 11% or $3,950,000) of external revenue and the other a major Telecommunications supplier which accounts for 11% or $4,144,00 (2010: 25% or $9,025,000) of external revenue.

31. FINANCIAL INSTRUMENTS

Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, and loans to and from subsidiaries.

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 consolidated 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:

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

31. FINANCIAL INSTRUMENTS (Continued)

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	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 %	2010 %
(i) Financial assets										
Cash and cash equivalents	**884**	1,050	**-**	-	**-**	-	**884**	1,050	**0.15**	0.05
Trade receivables	**-**	-	**-**	-	**6,852**	8,249	**6,852**	8,249		
Total financial assets	**884**	1,050	**-**	-	**6,852**	8,249	**7,736**	9,299		
(ii) Financial liabilities at amortised cost										
Bank overdrafts	**-**	527	**-**	-	**-**	-	**-**	527	**-**	11.80
Trade and sundry payables	**-**	-	**-**	-	**4,610**	5,003	**4,610**	5,003		
Lease Liability	**-**	-	**52**	98	**-**	-	**52**	98	**9.51**	9.20
Total financial liabilities	**-**	527	**52**	98	**4,610**	5,003	**4,662**	5,628		

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 overdraft balances 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 $10,000 and decrease by $10,000 (2010: increase by $17,000 and decrease by $17,000).

Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and 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:

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

31. FINANCIAL INSTRUMENTS (Continued)

Economic Entity	Liabilities		Assets	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Australian dollars	**3,988**	2,789	**9**	9
US dollars	**126**	139	**1,722**	1,568
Sterling	**387**	383	**632**	2
Euro	**2,185**	2,074	**353**	2,794
Other	**-**	-	**-**	11

The amounts disclosed above in relation to Australian dollars relate to intercompany payables in the US subsidiary 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	
	2011	2010	2011	2010	2011	2010
	$'000	$'000	$'000	$'000	$'000	$'000
Profit or loss	**(396)**	(371)	**(131)**	(12)	**(53)**	(67)
Other equity	**-**	-	**-**	-	**-**	-

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

Forward foreign exchange contracts

Forward exchange contracts are used to hedge cash flow risk associated with future transactions. Gains and losses arising from changes in the fair value of forward contracts are recognised directly in the statement of comprehensive income. Outstanding forward contracts at 30 June 2011 were nil (2010: EUR250,000, USD50,000 and USD200,000), gains and losses pertaining to these forward contracts have been recognised in the statement of comprehensive income.

	Economic Entity	
	2011	2010
	$'000	$'000
Forward exchange contracts	**-**	10

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2011

31. 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 16 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk. The bank overdraft and unused finance lease facilities may be drawn at any time and may be terminated by the bank without notice. All facilities are subject to annual review.

The table below analyses the Group's financial liabilities:

	Economic Entity	
	2011	**2010**
	$'000	**$'000**
Bank overdrafts	**-**	527
Lease liability	**52**	98
Trade payables	**3,426**	3,440
Sundry payables and accrued expenses	**1,173**	1,563
	4,651	5,628

For details of expenditure commitments and maturity profile of the lease liability, refer to Note 22. 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 2011

31. FINANCIAL INSTRUMENTS (Continued)

Recognised financial instruments

Cash and cash equivalents, trade receivables and trade payables & short-term borrowings: The carrying amount approximates fair value because of their short-term to maturity/ realisation.

Non-current investments/securities: For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset or offer price for a liability, adjusted for transaction costs necessary to realise the asset or settle the liability. For investments where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows or the underlying net asset base of the investment/security. The net fair value of the unlisted options is determined to be the difference between the market price and the exercise price of the underlying shares.

Forward exchange contracts: The fair values of forward exchange contracts is determined as the recognised gain or loss at reporting date calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Financial instruments measured at fair value: The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- Quoted prices in active market for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

A forward exchange contract of nil (2010: $10,000) is included in level 2 of the fair value hierarchy.

Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 22 to 70, 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 2011 and of the performance for the year ended on that date of the company and consolidated group.
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.

G J Tuddenham

Gerry Tuddenham

Managing Director

Melbourne, 16 September 2011

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

Level 10, 530 Collins Street
Melbourne VIC 3000

T +61 (0)3 8635 1800
F +61 (0)3 8102 3400

www.moorestephens.com.au

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 2011, 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 company and 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*.

Moore Stephens ABN 39 533 589 331. Liability limited by a scheme approved under Professional Standards Legislation. An independent member of Moore Stephens International Limited – members in principal cities throughout the world. The Melbourne Moore Stephens firm is not a partner or agent of any other Moore Stephens firm. And is a separate partnership in Victoria.

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

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 company and consolidated entity's financial position as at 30 June 2011 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 14 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 economic uncertainty, 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 whether the economic entity will realise the value of the goodwill at the amount disclosed in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 18 of the directors' report for the year ended 30 June 2011. 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 2011 complies with section 300A of the *Corporations Act 2001*.

Moore Stephens

Moore Stephens
Chartered Accountants

S David Pitt
Partner

Melbourne, 16 September 2011

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

2011 Annual General Meeting

The Annual General Meeting of CPT Global Limited members will be held on Tuesday 22nd November 2011 at 10.00am at a venue to be advised of.

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

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 12th September 2011.

(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	**72**	**57,945**	-	-
1,001 - 5,000	**420**	**1,207,188**	-	-
5,001 - 10,000	**215**	**1,715,162**	-	-
10,001 - 100,000	**294**	**9,158,069**	-	-
100,001 and over	**43**	**24,578,000**	-	-
	1,044	**36,716,364**	-	-
The number of shareholders holding less than a marketable parcel of shares are:	**23**	**10,807**	-	-

(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	8,611,546	23.5%
2	GNP NOMINEES PTY LTD	5,423,064	14.8%
3	HSBC CUSTODY NOMINEES	2,704,993	7.4%
4	MR BEN TUDDENHAM	732,026	2.0%
5	FRED GRIMWADE	500,000	1.4%
6	MR MICHAEL LAZORIK	500,000	1.4%
7	MR LUKE TUDDENHAM	489,211	1.3%
8	BRETT DAVID NORRIS	424,246	1.2%
9	MR PHILIP ADAM	409,345	1.1%
10	FIVE TALENTS LIMITED	377,000	1.0%
11	MRS ALISON BOLGER	362,550	1.0%
12	MR IAN GRAHAM MACDONALD	330,000	0.9%
13	MR ALAN MACKENZIE	327,812	0.9%
14	MR JOHN CAREY	326,000	0.9%
15	MR KEVIN AKOM	300,727	0.8%
16	K & D CONSULTING PTY LTD	264,286	0.7%
17	MR NEVILLE WINSTON HASKETT	249,108	0.7%
18	FORSYTH BARR CUSTODIANS LTD	242,200	0.7%
19	MRS SELINA DALLY	212,320	0.6%
20	BETTINA SCHELLENBERG-HARLEY	204,000	0.6%
		22,990,434	62.9%

ASX Additional Information

(c) Shares held in escrow

As at 12th September 2011, 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	5,423,064
MR GERARD (GERRY) TUDDENHAM AND HIS ASSOCIATES (EXCLUDING HIS BENEFICIAL INTEREST IN THE CPT TRUST)	8,615,546
SONDA FONDO DE INVERSION PRIVADO	2,412,363

(e) Voting rights

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