



CPT Global Limited

ABN 16 083 090 895

Annual Report

For the year ended 30 June 2019

Chairman's Statement

Dear Fellow CPT Global Shareholder,

The benefits of CPT's geographically diverse portfolio of business operations was fully apparent in the 2019 financial year as the strong performance in North America offset weakness in Australia particularly in our Southern region. However, while overall revenue was lower CPT Global was able to build on last year's profit through improved margins especially from our North America business which recorded strong growth in revenue.

The Australian business had a disappointing year and experienced a fall in both revenue and profitability despite the continuing strong growth of our Federal Government work. Unfortunately this growth was more than offset by the weak performance of our Southern region which has traditionally been the backbone of CPT's business and continues to provide many of the skilled IT experts required to resource our international business. This region has a long history of servicing major banking clients who have been disrupted over the past year by an adverse regulatory and operating environment. CPT has had some early success in developing new customer relationships outside this sector but the benefits will take time to flow through to our financial results. In 2019 five of our ten largest clients were based in Australia.

CPT's international business built on last year's significant turnaround with further strong growth in North America while Europe returned another break-even outcome. As a result, the International operations delivered a strong profit contribution to CPT that more than offset the weaker Australian result.

The North American operations had an outstanding year by almost doubling revenue and substantially increasing operating profit over the prior year. Good margins were maintained and the business pipeline remains strong, forming a sound platform for 2020. For the first time CPT's largest client was in the US and half of our top ten clients in 2019 were based in North America.

In Europe the focus remains on selective marketing campaigns to pursue our most prospective opportunities. As such the operations delivered another break-even result and continued to provide resources to our North American operations. However, a number of large prospects are being cultivated in Europe which could provide CPT with some attractive client engagements in the year ahead.

CPT operates in an exciting and dynamic industry sector and has a strong reputation for delivering outcomes for clients. Our depth of experience positions us well to deliver future growth and improved returns for shareholders. While our immediate focus remains on strengthening our core business, growing revenues and managing our cost base, CPT will continue to develop attractive new digitally oriented service offerings for our clients.

In 2019 our revenue fell by 8% to \$28.4m with increases in North America more than offset by the falls in Australia. However, CPT was able to deliver an increased net profit after tax of \$1.0m compared to \$0.8m in 2018. As a result, CPT will pay a final fully franked dividend of 0.5 cents per share reflecting our improved performance and outlook for the year ahead. This is in addition to our interim dividend of 0.25 cents paid in May 2019. CPT ended the financial year with an improved cash position of \$1.7m.

Over the past year CPT has built on our recent improved performance despite adverse conditions in some of our markets. Our focus and efforts in 2020 will be to maintain the strong growth in our international business while increasing activity in Australia and further developing our business pipeline. Consistent with past practice CPT will look to pay a high proportion of our earnings as dividends to shareholders. In conclusion I would like to thank all of CPT's staff and my fellow directors including our Managing Director, Gerry Tuddenham, for their ongoing efforts in building CPT's client relationships and improving our financial performance.

A handwritten signature in black ink, appearing to read 'F. Grimwade'.

Fred S. Grimwade
Chairman

Managing Director's Review

Dear Fellow Shareholders,

The 2019 financial year has left many of us at CPT Global with mixed emotions. We are proud that we have been able to continue delivering profit growth, resumed paying interim dividends after paying a final dividend in FY2018 and will pay a final dividend for FY2019. We celebrate the success in our North American business with a second successive year of revenue growth in excess of 44%. The federal government sector continues to exceed expectations with a second successive year of significant revenue growth and we have 12 months of contracted work at our largest Australian client with expanded services and head count. Our project margins in Australia and Canada improved on FY2018 against industry trends for maintaining or lower margins. This is tempered by disappointment in the performance of the banking & finance sector in Australia which saw significant declines in revenue.

We have taken action to turn the Australian region around and we are optimistic that FY2020 will be a year of profitable growth.

Operating and Financial Review

CPT made a profit before tax of \$1.7 million for the financial year, a 39% improvement on FY2019. The after-tax profit of \$1.0 million was a 27% improvement on FY2018 period.

Revenue was 8% lower than FY2018 as the banking & finance sector in Australia declined by 57% on FY2018. Despite the lower revenue, the FY2019 profit exceeded FY2018 as the business has benefited from focussing on our core strengths, investing in our sales capacity in North America, driving efficiency in our operations and back office and strong cost controls. The benefits will continue to deliver results in the coming financial years.

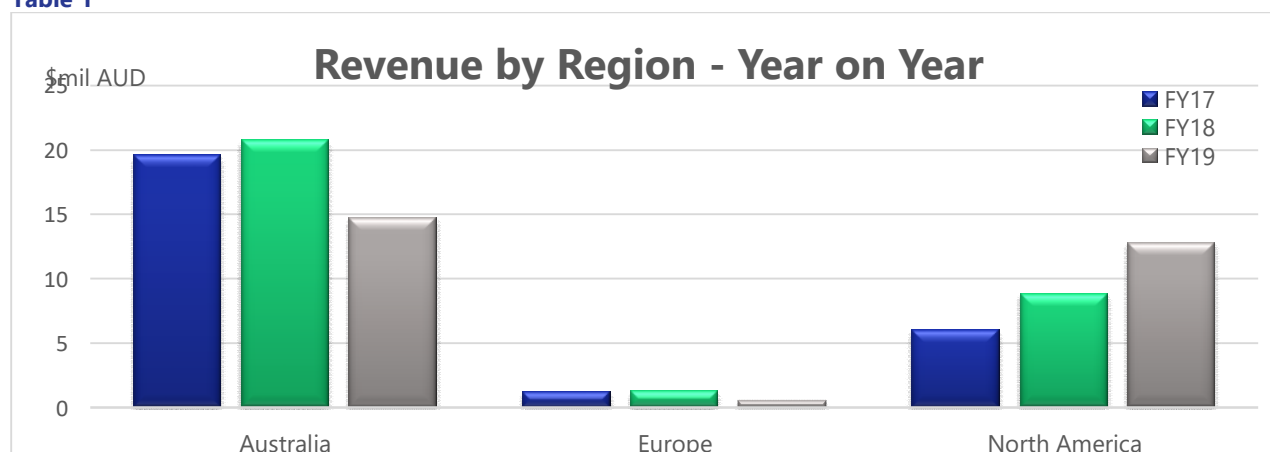
The investment in sales resources in North America contributed to revenue in the region growing 46% compared to FY2018. In FY2020 we are continuing to invest in North America and will expand our sales capacity in Australia.

Margins across the Group were higher than FY2018 as higher margin regions, North America and Federal, contributed a greater proportion of margin to the Group as they grew, and the business focussed on the efficient delivery of services to clients without compromising quality.

The revenue growth in North America and federal has come from our core services. The focus on what CPT does best and the lessons we have learnt in these regions are being applied across the Group.

We have invested in building our Australian sales capability and refocussing on our core services. This will continue in FY2020 and we started to see the benefit in the 4th quarter of FY2019.

Table 1



Managing Director's Review

In May 2019 a settlement was reached with a former contractor relating to a claim of unpaid invoices and a counter claim by CPT Global of overcharging. It was agreed that no payments would be made between the parties and each party would be responsible for their own legal fees. A liability to the former contractor of \$0.1 million relating to the unpaid invoices was written off and is included in the results for FY2019.

North America

After having its best year since FY2014 in FY2018, North America grew revenue 46% on FY2018 and segment gross profit before tax grew 33%.

The banking & finance sector is the fastest growing and largest sector contributing 67% (FY2018: 47%) of revenue. This growth has been delivered through our traditional mainframe business as well as expanding our services into real time payments and testing and growing within clients with multi-project time and materials contracts.

Five of our top 10 clients are based in North America (2018: 4) and delivered 87% (2018: 86%) of the revenue in the region.

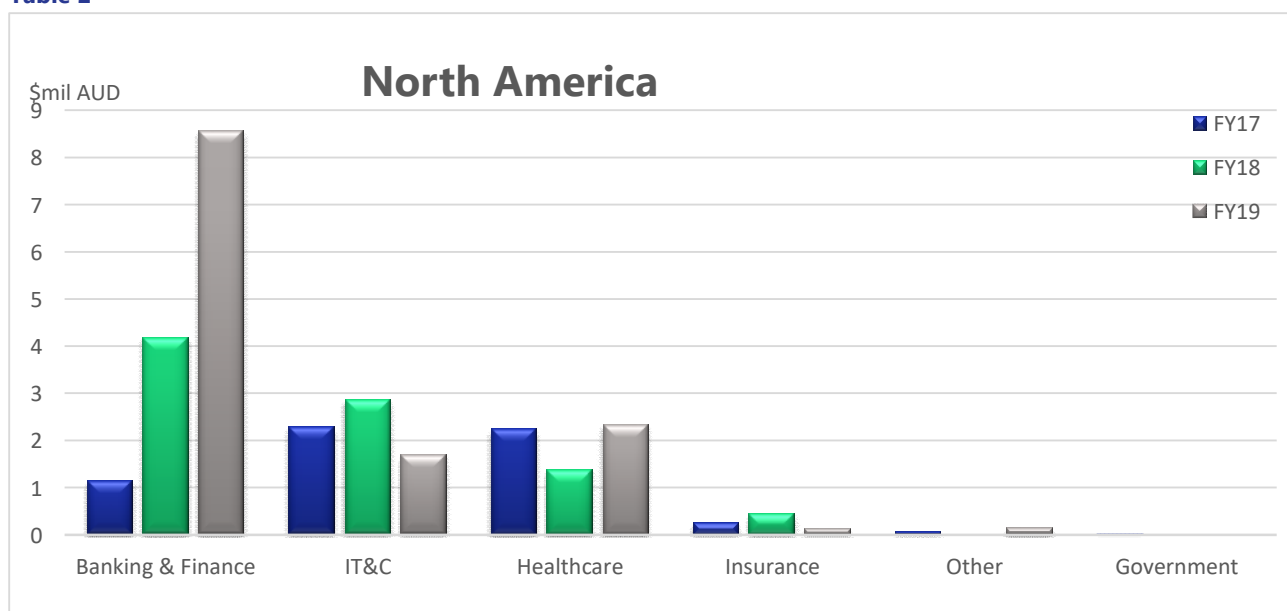
Margins on time & materials contracts in North America were maintained or, where expert services were in demand, increased. This offset the drop in the risk/reward margins as 1 project progresses through the latter phases of a risk/reward engagement and a 2nd project passes through the client review, implementation and measurement of our recommended changes.

The turnaround in North America over the last 2 years has exceeded our expectations. We are optimistic that the region will continue to grow in FY2020 with a strong finish to FY2019 and a solid pipeline of work.

Our major challenges in North America will be renewing 3 client contracts that finish on 31 December 2019 and managing the fluctuating demands for payments experts in Canada as the industry deals with the challenges of building a new payments platform.

Table 2 shows the extent of the growth in the banking & finance sector over the last 2 years. Demand for our core cost reduction and optimisation mainframe services and real-time payments expertise has driven this growth.

Table 2



Managing Director's Review

Australia

The government, insurance and superannuation sectors grew during FY2019 and will continue to be strong performers for the business in FY2020.

Revenue from Federal Government clients grew 22% in 2019 (2018: 27%) as our projects and resources on our largest government contract were extended to 30 June 2019. A 12 month extension to this contract, our largest client in Australia and second biggest globally, takes our contracted work through to June 2020 with a further increase in the scope of services and number of consultants engaged.

Revenue in the banking & finance sector declined 57% in FY2019 after 5 years of consistent growth. The decline in revenue was driven by several factors, with the most important being freezes on head count at a tier 1 bank as they transform their internal IT operations and the rationalisation of an IT supplier panel at another tier 1 bank. We expected to see growth return to the sector in the 4th quarter of FY2019 but this is now more likely to occur in the 2nd quarter of FY2020. However, we were successful in winning work at a third tier 1 bank and a large tier 2 bank in June 2019 and are working to convert these engagements into recurring revenue streams.

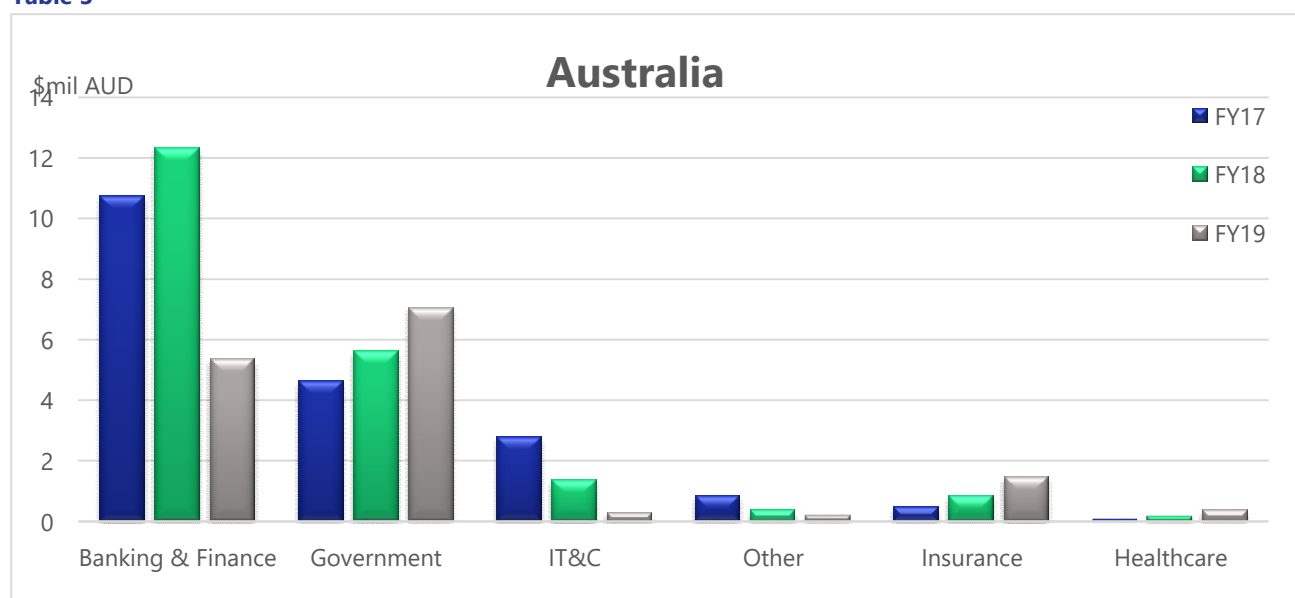
The IT&C sector continued to decline as a national telecommunications client reduced its requirements.

While Australian revenue declined 29%, we were able to partially offset the impact with cost controls.

The performance of the Australian business is disappointing as it coincides with a growing North American business and a government sector outperforming expectation. We have addressed the performance of the region by investing in additional sales resources and restructuring how we manage and operate the region. We expect these changes to deliver growth in revenue and profit in FY2020.

Our major challenges in Australia are securing forecast growth in the banking & finance, superannuation and education sectors, converting opportunities with partners to revenue and delivering major contracted projects.

Table 3



Managing Director's Review

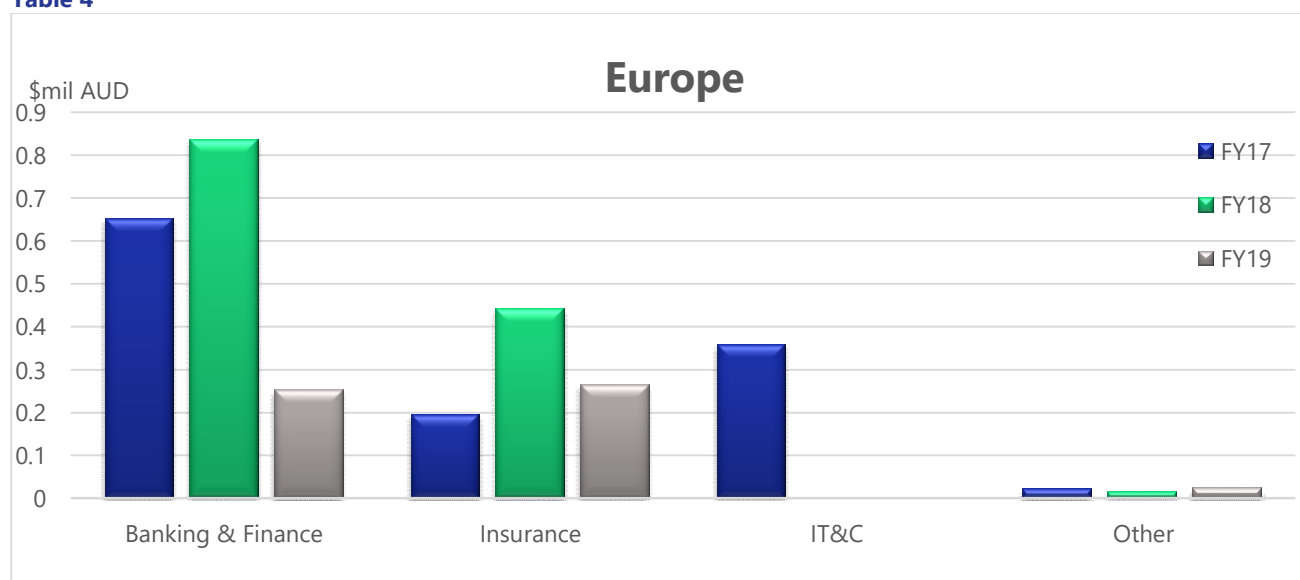
Europe

Our strategy in Europe has been to focus on a small number of key accounts and be agile in responding to opportunities. Execution of the strategy has been successful as Europe has been able to breakeven over the past 2 years even as revenue has declined.

Whilst revenue is historically low in Europe, we have been able to deploy consultants on projects in North America. This has enabled us to retain key European consultants and deliver in North America during a period of high growth.

Table 4 shows the reliance Europe has on banking and insurance and the challenges experienced in FY17, FY18 and FY19.

Table 4



Financial Results

Financial Performance

CPT Global's revenue for the year ended 30 June 2019 was \$28.4 million, an 8% decrease on FY2018's revenue of \$31.0 million. CPT Global's net profit after tax for the year ended 30 June 2019 was \$1.0 million, an improvement of \$0.2 million on the 30 June 2018 result. The net profit after tax includes tax expense of \$0.7 million, an effective tax rate of 43%. This is higher than the marginal tax rate due to tax losses in Europe that we have not recognised on the balance sheet as deferred tax assets, interest expense that is not deductible in Canada for tax purposes and changes to the carrying value of deferred tax assets and liabilities in the USA and Australia due to the lower tax rates applicable in FY2019.

The improvement in performance is a result of:

- profitable growth in North America and the federal government sector in Australia;
- margins across various sectors improved on prior years as demand for expert skills pushed rates up. Lower margin, high volume contracts contributed less revenue in total and proportionally in FY2019;
- a focus on efficiency across all operations and client delivery; and
- cost control across the Group.

Basic earnings per share amounted to 2.62 cents per share (diluted earnings 2.60 cents per share).

Managing Director's Review

Financial Position

CPT Global's balance sheet reflected net tangible assets of \$2.1 million as at 30 June 2019 (2018: \$1.1 million). Net assets are \$6.4 million (2018: \$5.4 million)

- Unbilled revenue (WIP) has decreased by \$0.7 million. The decrease in 2019 is due to the WIP on a risk/reward contract in progress in North America being invoiced up to the 2019 calendar year contract value by June 2019. At 30 June 2018, there was WIP relating to this contract yet to be billed. The balance of the movement is due to a movement in the milestone contracts in Australia outstanding at year end.
- Trade and other receivables decreased \$0.8 million as milestone contracts were billed at month end and risk/reward revenue was invoiced from WIP. At 30 June 2019, 4.5% of debtors are in 60 days or greater, all of which have been collected subsequent to year end;
- Trade and other payables decreased by \$2.0 million as consultant numbers in Australia decreased with the reduction in revenue and we continued to pay down historic Canadian tax liabilities from free cash flow; and
- Borrowings at year end relate to the debtor funding facility provided by Scottish Pacific in Australia. The Efic loan facility outstanding in FY2018 of \$0.5 million was repaid during FY2019.

Dividend

On 27 August 2019, a fully franked interim dividend of 0.50 cents per share was declared by the directors. The total value of the dividend is \$189,123 and will be paid on 18 November 2019.

The financial effect of the dividend will be recognised in the 2020 financial year as it was declared after 30 June 2019.

Cash Flow

CPT had \$1.7 million in cash at 30 June 2019 (\$1.4 million 30 June 2018) and a net cash inflow of under \$0.1 million for the financial year. We also had access to \$0.8 million in additional funding in our debtor facility.

Our strong cash management processes, Australian debtor funding facility, early payment programs with clients in North America and the increase in revenue in North America all contributed to CPT being able to manage the cash flow challenges in 2019.

The cash at 30 June 2019 did not increase in line with profit due to the payment of our tax obligations in Canada under a payment plan agreed with the Canadian Revenue Authority.

Capital Management

A fully franked final dividend of 0.5 cents per share will be paid for FY2019. This is on top of the 2019 interim dividend of 0.25 cents per share paid on 20 May 2019.

Our debtor funding facility has a limit of \$5.0 million of which there was \$0.4 million outstanding at 30 June 2019 and \$0.8 million was available to draw on. During the financial year, our facility with Efic was repaid in full out of the profits of the risk/reward engagements it was established to finance.

During 2020 our focus will be on continuing to grow operating profit and cash flows to reduce our reliance on debtor facilities and the associated costs and repay other debts so that we can rebuild our cash position. We intend to pay dividends consistently and increase the payout ratio as our financial performance allows.

Managing Director's Review

Strategy

CPT is delivering on our core vision of sustainable, profitable growth and we are focussing on our 6 strategic pillars:

- **Capitalise on existing growth opportunities:** North America and Canberra are our high growth regions and the opportunities and growth have continued into FY2020. Enhancing the sales capacity in Australia and leveraging our expertise in payments modernisation to take advantage of the global move towards near time payments are also areas of growth. We are structuring the business and investing to take advantage of these opportunities.
- **Build on new opportunities in Sydney:** recent changes in the Banking & Finance sector provide us with a significant opportunity to win new clients headquartered in Sydney. We won a major new client in the Banking & Finance sector in FY2019 which we expect to develop into a top 10 client.
- **Global practice capability:** as North America grows, we are developing our practice model to better support the business, our consultants and our clients in all our regions and across many time zones. We continually review and adapt our services to meet client demands.
- **Engagement & communication with our workforce:** CPT is a people business and our people are our greatest strength.
- **Enhance the CPT brand in the marketplace:** we will significantly expand our presence across social media channels to target our key audience and grow our brand awareness.
- **Drive business efficiency:** we are looking business wide at how we operate to improve efficiencies and reduce costs.

The Outlook

We expect to see revenue and profit growth in Australia and North America in the 2020 financial year as demand for our core services grows, particularly real time payments, testing and mainframe.

Demand in real time payments in the short to medium term is being driven by the need for expertise in Canada which has started down the path of developing a new payments platform. CPT has the experience and expertise that is in demand in Canada from our involvement in the roll out of the New Payments Platform (NPP) in Australia. We have 5 consultants working in 2 Canadian banks on their real time payments solutions and we expect to grow our presence as the industry progresses the development of the new platform. The USA and European Union are also planning to develop new real time payment platforms and we will leverage our expertise, experience and extensive client relationships in the banking sector to expand our payments services in the medium term. NPP is a focus for us

Services focussed on the mainframe continue to be the main source of revenue in the Northern Hemisphere. We expect to continue to grow these services, however, the pace of growth will return to rates in line with industry forecasts. Mainframe services in Australia has been a small component of revenue over the last 5 years but we are starting to see businesses allocate budget to optimising the mainframe environment as digital technology contribute to the growth in transactions that touch the mainframe. We started 2 projects in June 2019 at 2 Australian banks focussed on optimising the mainframe environment. We have 2 active risk/reward engagements in the USA that are contracted to 31 December 2019 and we are in discussion with both clients to extend the contracts for a further 12 months. Over the past 2 years we have seen an increase in mainframe services being delivered as time and materials engagements rather than risk/reward. The growth in revenue in North America in the 2019 financial year was largely from these engagements. This is providing more consistent revenue, margin and cashflow in the North American business. We expect this trend to continue which will provide a strong base of recurring, profitable revenue in North America upon which risk/reward contracts can deliver profit in excess of expectations.

Robotic Process Automation (RPA) is an area of increasing demand and our partnerships with 2 of the worlds largest providers of RPA tools generated revenue and margin in FY2019 from sales of software and services. RPA has been rolled out and adopted within our own business with the toolsets used within Finance, HR and Sales to automate manual processes and boost efficiency. RPA will continue to be a growth area in FY2020.

Managing Director's Review

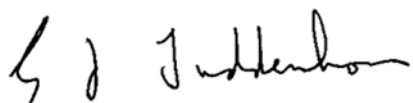
The Australian business will continue to expand in the government sector on the back of a new 12 month contract at our largest Australian client. Our expectation is that the banking & finance sector will start to grow again in the 2nd quarter although this is contingent on market conditions and other factors outside our control. We are optimistic that the Australian business will return to growth in FY2020 as a result of the actions we took in FY2019. Maintaining the margins on our core services is a focus of the Group.

Subject to economic and market conditions, North America will grow profitably as Canada continues down the path of introducing a real time payments platform and demand for our core services continues. We expect margins on time and materials work to start to return to long-term averages as the payments platform projects progress and more general and commoditised skillsets are required.

We are providing strategic consulting services to two banks in Canada and have generated just under \$0.5m in fees from real time payments in Canada. Our focus in North America is to continue to grow within our existing clients, convert risk/reward clients to long term recurrent revenue and grow our other services at existing and new clients.

In Asia we will continue to use our partner model in the medium term to identify and convert opportunities. The pipeline in Asia is encouraging and projects will continue to be undertaken on an opportunistic basis in the short term.

Europe will continue to be managed as part of the greater Northern Hemisphere region with a scaled back presence and fixed cost base. This will allow us to adjust our strategy quickly as the need arises. Early signs indicate that the demand for our mainframe expertise is increasing in the European Union and the pipeline of opportunities is the strongest it has been for at least 3 years. However, we will remain opportunistic in our approach in the short term.

A handwritten signature in black ink, appearing to read 'Gerry Tuddenham'. The signature is fluid and cursive, with a large initial 'G' and a long, sweeping underline.

Gerry Tuddenham
Managing Director
September 30, 2019

Content

Corporate Governance Statement	11
Directors' Report	19
Auditors Independence Declaration	31
Consolidated Statement of Profit or Loss and Other Comprehensive Income	32
Consolidated Statement of Financial Position	33
Consolidated Statement of Changes in Equity	34
Consolidated Statement of Cash Flows	35
Notes to the Financial Statements	36
Directors' Declaration	73
Independent Audit Report	74
Corporate Information	78
ASX Additional Information	79

Corporate Governance Statement

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

The format of the Corporate Governance Statement is based on the Australian Stock Exchange Corporate Governance Council's (the Council's) "Corporate Governance Principals and Recommendations" (the Recommendations). In accordance with the Council's recommendations, the Corporate Governance Statement must contain certain specific information and must disclose the extent to which the company has followed the guidelines during the period. Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure.

CPT Global's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations.

A summary of CPT Global's corporate governance policies and practices can be found at www.cptglobal.com/investor-centre/.

Principle 1: Lay solid foundations for management and oversight

Functions reserved for the Board

The Board is responsible for governing the Company, providing leadership and monitoring CPT Global on behalf of its shareholders. In addition, the Board is responsible, along with management, for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The Board has adopted a Charter that sets out, among other things, its specific powers and responsibilities and the matters delegated to the CEO and management and those reserved to the Board. Information regarding the Charter can be found at www.cptglobal.com/wp-content/uploads/2017/07/Board-Charter.pdf.

The senior executives of CPT Global are responsible for matters which are not specifically reserved for the Board. Senior executives manage the Company in accordance with the direction and strategy adopted by the Board.

Appointment and election of directors

Prior to the appointment of a new Director, CPT Global undertakes appropriate checks and internal investigations on the suitability of nominated directors.

CPT Global's Constitution requires that an election of directors takes place each year. In addition, directors appointed during the year to fill a casual vacancy or as an addition to the existing directors during the year, must retire from office at the next annual general meeting following their appointment but are eligible for re-election by shareholders at that time.

The Notice of Meeting for an Annual General Meeting sets out the background, experience and skills of each director seeking election or re-election to the Board along with a recommendation of the Board in relation to the election or re-election. Security holders are provided with all material information in CPT Global's possession relevant to a decision on whether or not to elect or re-elect a director.

Director agreements

CPT Global has written agreements with each director and senior executive setting out the terms of their appointment, including commencement and end date, terms of appointment, remuneration and obligations.

Company Secretary

The Company Secretary is charged with facilitating CPT Global's corporate governance processes and so holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary is accountable to the Board, through the Chairman, on all governance matters and reports directly to the Chairman as the representative of the Board. The Company Secretary is appointed and dismissed by the Board and all Directors have a right of access to the Company Secretary.

Corporate Governance Statement

Diversity policy

CPT Global has a diversity policy which provides equal opportunity to all appropriately skilled individuals with respect to their recruitment, remuneration, promotion, training and other employment practices. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. CPT Global is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent.

The diversity policy is currently under review by the Board. During the 2019 financial year the Board did not set measurable objectives to progress our diversity goals, however, gender balance is reported to the Board on a monthly basis.

Our progress with gender balance can be measured below:

	2019		2018	
	No.	%	No.	%
Women on the Board	0	0	0	0
Women in senior management roles	3	30	3	30
Women employees in the company	19	15	26	17

On 30 May 2019, CPT Global lodged its annual public report with the Workplace Gender Equality Agency pursuant to the requirements of the Workplace Gender Equality Act 2012 (the Act). The Act is designed to put a focus on promoting and improving gender equality and outcomes for both women and men in the workplace. All non-public sector employers with more than 100 employees are required to report annually under the Act.

The Act requires companies to provide access to the report to employees and shareholders via the usual means of communication with them.

A copy of the report is available on the Company's website at www.cptglobal.com/investor-centre. Note that this report reflects the employee numbers at a particular reporting date.

Evaluating the performance of the Board, its Committees, its directors and Senior Executives

The Board's Charter states that the Board will conduct annual reviews of both individual Board members, performance of the Board as a whole and the performance of Board Committees.

An annual performance evaluation of the Board and all Board members is conducted at the completion of each financial year.

The Board developed a questionnaire for all Board members to provide feedback on the role, composition, procedures and practices of the Board and its Committees. The results from the questionnaire are collated by the Company Secretary and discussed by the Board.

The initial results of the evaluation of the performance of the Board are due to be presented to the Board at the October 2019 meeting.

CPT Global undertakes an annual performance evaluation of its senior executives. This encompasses a review of each senior executives' achievement of their performance objectives and the establishment of future objectives. The determination of appropriate remuneration for each executive follows the performance evaluation.

The Remuneration Report includes more details on CPT Global's remuneration practices. An annual performance evaluation of the senior executive team was conducted following the completion of the financial year.

Corporate Governance Statement

Principle 2: Structure the Board to add value

Remuneration & 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:

- Nigel Sandiford (Chairman)
- Fred Grimwade

The Board policy is that the Committee will only comprise independent non-executive directors. Due to the number of independent directors on the Board, CPT Global has not complied with corporate governance best practice, which recommends the Remuneration and Nomination Committee to have a minimum of three members.

For details of directors' attendance at meetings of the Remuneration & Nomination Committee, refer to page 29 of the Directors' Report.

A summary of the Committee's role and responsibilities can be found as an appendix to the Board Charter at www.cptglobal.com/wp-content/uploads/2017/07/Board-Charter.pdf.

Board Skills Matrix

The Remuneration & Nomination Committee maintain, on behalf of the Board, a capabilities matrix. The Board composition is reviewed at least annually against the matrix and the effect of a proposed new director on Board composition and balance is also assessed against the matrix. Succession planning in order for the Board to maintain appropriate experience, expertise and diversity is an important responsibility of the Remuneration & Nomination Committee. While important, the capabilities matrix is only part of the process for assessing proposed directors.

The Board has adopted the capabilities matrix, set out below, which sets out the mix of skills and diversity that the Board is looking to achieve in its membership. The skills matrix highlights the key skills and experience of the Board and the extent to which those skills are currently represented on the Board.

Skills/Experience

Total Number of Directors	3
Public Company Governance	
Experience with listed and other organisations subject to robust governance frameworks with an ability to assess the effectiveness of relevant governance processes	1
Executive Experience	
Experience in senior positions at executive levels	3
Strategy & Planning	
Ability to develop and implement successful strategy and deliver agreed strategic planning goals	3
Accounting, Finance & Capital & Debt Management	
Senior executive experience in financial accounting and reporting, capital management, taxation, internal controls and corporate financing arrangements	1
Risk Management	
Experience in the oversight and management of material business risk including membership of risk committees	1
IT Industry Experience	
Senior executive experience in the IT sector	2

Corporate Governance Statement

Consulting & Technology Services Experience

Senior executive experience in consulting services, particularly in the IT sector 1

Mergers and acquisitions

Senior executive experience in successfully undertaking mergers & acquisitions 3

Marketing & Sales

Senior executive experience in selling IT consulting services and marketing 2

International market experience

Senior executive experience in managing operations and subsidiaries in multiple countries 3

Occupational Health & Safety

Experience in relation to workplace health and safety 1

Environment and Sustainability

Experience in relation to environmental and social responsibility and community 1

Legal & Regulatory

Experience in legal and regulatory matters 1

Human Resources

Experience in relation to remuneration and incentive practices, succession planning and director appointment processes 1

Board skills and experience

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 19.

Director independence

A majority of the Board are independent. The following directors of CPT Global are considered independent:

Name	Position
Fred Grimwade	Non-executive Chairman
Nigel Sandiford	Non-executive Director

An independent director is a director who is not a member of management (a non-executive director) and who:

- holds less than five percent of the voting shares of CPT Global and is not an officer of, or otherwise associated, directly or indirectly, with a shareholder of more than five percent of the voting shares of CPT Global;
- within the past three years has not been employed in an executive capacity by CPT Global or another group member, or been a director after ceasing to hold any such employment;
- within the past three years has not been a principal or employee of a material professional adviser or a material consultant to CPT Global or another group member;
- is not a material supplier or customer of CPT Global or another group member, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer;
- has no material contractual relationship with CPT Global or another group member other than as a director of CPT Global;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of CPT Global; and
- has not had their independence compromised by the length of their tenure preventing them from being able to bring an independent judgement to bear on issues before the Board and to act in the best interests of CPT Global and its security holders.

Corporate Governance Statement

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.

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	17 years
Nigel Sandiford	1 year
Gerry Tuddenham	21 years

The Board considers Fred Grimwade to be independent even though his tenure on the Board exceeds 10 years as the Board expects the Chairman to have a deep understanding of CPT Global and its business and with an interest in 2% of the shares of CPT Global, Mr Grimwade's interests are aligned with the interests of CPTs shareholders.

Director induction and professional development

CPT Global has a program for inducing new directors and provides appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. For more information on Director induction and education, see the Board Charter at www.cptglobal.com/wp-content/uploads/2017/07/Board-Charter.pdf.

Principle 3: Act ethically and responsibly

Code of conduct

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

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

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

CPT Global'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.

Information relating to the Code of Conduct and Trading Policy can be found at www.cptglobal.com/investor-centre.

Corporate Governance Statement

Principle 4: Safeguard integrity in corporate reporting

Finance and Audit Committee

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

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

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

- Fred Grimwade (Chairman)
- Nigel Sandiford
- Gerry Tuddenham

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

For details of directors' experience and qualifications refer to page 19 of the Directors' Report. For details of attendance at meetings of the Finance and Audit Committee, refer to page 29 of the Directors' Report.

A copy of the Committee's Charter is included as an appendix to the Board Charter and can be found at www.cptglobal.com/investor-centre.

CEO & CFO declarations

For the annual and half-year results, the CEO and CFO have provided a written declaration to the Board stating that, in all material respects, the Company's financial report gives a true and fair view of CPT Global's financial position and operational results and are in accordance with relevant accounting standards and the financial records have been properly maintained in accordance with the Corporations Act 2001.

The declaration by the CEO and CFO states that it is founded on a sound system of risk management and internal compliance and control system and that the risk management and internal compliance and control systems to, the extent they relate to financial reporting, are operating effectively and efficiently in all material respects.

Auditors attendance at the AGM

The external auditor attends the Annual General Meeting to answer any questions concerning the conduct of the audit, the preparation and content of the Auditor's report, accounting policies adopted by the group and the independence of the auditor in relation to the conduct of the audit.

Principle 5: Make timely and balanced disclosure

Continuous disclosure policy

CPT Global is subject to continuous disclosure obligations under the ASX Listing Rules and the Corporations Act 2001. Subject to limited exceptions, CPT Global must immediately notify the market, through the ASX, of any information that a reasonable person would expect to have a material effect on the price or value of CPT Global's securities. CPT Global has a Continuous Disclosure Policy, a summary of which can be found at www.cptglobal.com/investor-centre.

Corporate Governance Statement

Principle 6: Respect the rights of security holders

Online information for security holders

CPT Global's corporate website has a dedicated Investors section which provides information on the Company, corporate governance and financial reports as well as providing access for security holders to contact the Company and Company Secretary by email.

The Corporate Governance tab sets out CPT Global's charters, policies, codes and ethical standards.

Promoting effective communication with security holders

The Board is committed to giving security holders and potential investors balanced and understandable information about the Company and corporate proposals. The Company communicates with security holders via the financial media for significant corporate events and meetings with security holders and potential investors are held on request. The Company responds to questions and enquiries made by security holders in a timely and transparent manner.

CPT Global has a Shareholder Communications Policy which can be found at www.cptglobal.com/investor-centre. The policy explains how information will be communicated to security holders and lists the following channels:

1. releases to the market via the ASX;
2. through the Company's web site;
3. directly to shareholders; and
4. at general meetings of the Company.

CPT Global's Shareholder Communications Policy works in tandem with Continuous Disclosure Policy

Security holders are entitled to vote on significant matters impacting on the business. The Board actively encourages security holders to attend and participate in the Annual General Meeting of CPT Global, to lodge inquiries and to be responded by the Board and or the CEO and can appoint proxies. The date of the AGM is published well in advance in the financial report and in the Notice of Meeting sent to security holders.

At the AGM, the Chairman encourages security holders to ask questions on each item of business and, after the formal business of the meeting, encourages security holders to ask general questions.

Communicating with security holders

Shareholders have the option to receive communications from and send communications to the Company and its security registry electronically.

Furthermore, the Company website has a "Contact" section which allows investors and others to communicate with and ask questions of the Company.

Principle 7: Recognise and manage risk

Policy for oversight and management of business risk

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

Design and implementation of risk management and internal control systems

CPT Global takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and 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.

Corporate Governance Statement

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

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

The Finance and Audit Committee is responsible for establishing and maintain a framework of internal control. The Board and the Audit Committee have 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.

Due to the size of the company, CPT Global does not have an internal audit function.

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

The Board undertook a review of CPT Global's risk management framework during the reporting period and undertakes such reviews on an annual basis.

CPT Global does not have any material exposure to environmental and social sustainability risks.

Principle 8: Remunerate fairly and responsibly

The Remuneration Report (on pages 22 to 28 of this report) sets out details of CPT Global's policy and practices for remunerating directors and executives.

Information on the Remuneration & Nomination Committee is included under Principle 2 of this Corporate Governance Statement.

CPT Global does not have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the performance rights scheme.

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

Information relating to the Remuneration & Nomination Committee and CPT Global's policy on share trading in relation to shares or equity-based products can be found at www.cptglobal.com/investor-centre.

Directors' Report

Your directors submit their report for the year ended 30 June 2019.

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 a director of specialist corporate advisory and investment firm Fawcner Capital and is also a non-executive director of ASX listed companies Select Harvests Limited, and Australian United Investment Company Limited and chairs XRF Scientific Limited.

Fred was a commercial lawyer 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. 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 a Fellow of the Australian Institute of Company Directors and Chartered Secretaries Australia.

Gerry Tuddenham

(Managing Director)



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

Nigel Sandiford

**Appointed 1 October
2018**

(Non-executive Director)



Nigel is a member of CPT's Finance and Audit Committee and chairs the Remuneration Committee.

Nigel had a successful career in the music and video gaming industries and worked in the UK, South Africa, New Zealand and Australia. His senior executive positions included COO of News Music International (a subsidiary of News Corporation), Vice President Global Marketing Polygram Records and President Asia-Pacific for the NASDAQ listed Electronic Arts.

After taking early retirement, Nigel has been advising and investing in companies covering various forms of digital development, distribution and disruption and has mentored male and female executives globally, both in corporate and individual businesses, including Google, Facebook, Electronic Arts, Amazon, Apple and Microsoft. Nigel is a member of the Australian Institute of Company Directors and has an MBA from the Graduate School of Business at Auckland University.

Alan Baxter

**Retired 28 November
2018**

Alan retired as a non-executive director of CPT at the 2018 Annual General Meeting.

David Lynch

**Resigned 17 August
2018**

David resigned as a director and CEO Australia & Asia of CPT on 17 August 2018.

Directors' Report

COMPANY SECRETARY Grant Sincock

Grant was appointed as Chief Financial Officer and Company Secretary in June 2015. Grant brings over 20 years of experience as a finance professional to CPT Global Limited, having been a partner at ShineWing Australia (formerly Moore Stephens Melbourne) where he held many senior executive positions, including: member of the Executive Board, Head of Corporate Finance and Head of Audit and Assurance. He is a member of Chartered Accountants Australia and New Zealand.

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 performance rights of CPT Global Limited were:

	Ordinary Shares	Performance Rights
Nigel Sandiford	229,836	75,000
Fred S Grimwade	718,200	75,000
Gerry Tuddenham	12,609,404	300,000

EARNINGS PER SHARE

	Cents
Basic earnings per share	2.62
Diluted earnings per share	2.60

DIVIDENDS

On 28 August 2019, a fully franked dividend of 0.50 cents per share was declared by the directors for the 2019 financial year. The total value of the dividend is \$189,123 and will be paid on 18 November 2019.

The financial effect of the dividend will be recognised in the 2019 financial year as it was declared after the end of the 2019 financial year.

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.

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

Employees

The consolidated entity employed 124 employees and contractors as at 30 June 2019 (2018: 150 employees and contractors).

OPERATING AND FINANCIAL REVIEW

CPT made a profit before tax of \$1.7 million for the financial year, a 39% improvement on FY2019. The after-tax profit of \$1.0 million was a 27% improvement on the FY2018 period.

Revenue was 8% lower than FY2018 as the banking & finance sector in Australia declined by 57% on FY2018. Despite the lower revenue, the FY2019 profit exceeded FY2018 as the business has benefited from focussing on our core strengths, investing in our sales capacity in North America, driving efficiency in our operations and back office and strong cost controls. The benefits will continue to deliver results in the coming financial years.

The investment in sales resources in North America contributed to revenue in the region growing 46% compared to FY2018. In FY2020 we are continuing to invest in North America and will expand our sales capacity in Australia.

Directors' Report

Financial Performance

CPT Global's revenue for the year ended 30 June 2019 was \$28.4 million, an 8% decrease on FY2018's revenue of \$31.0 million. CPT Global's net profit after tax for the year ended 30 June 2019 was \$1.0 million, an improvement of \$0.2 million on the 30 June 2018 result. The net profit after tax includes tax expense of \$0.7 million, an effective tax rate of 43%. This is higher than the marginal tax rate due to tax losses in Europe that we have not recognised on the balance sheet as deferred tax assets, interest expense that is not deductible in Canada for tax purposes and changes to the carrying value of deferred tax assets and liabilities in the USA and Australia due to the lower tax rates applicable in FY2019.

The improvement in performance is a result of:

- profitable growth in North America and the federal government sector in Australia;
- margins across various sectors improved on prior years as demand for expert skills pushed rates up. Lower margin, high volume contracts contributed less revenue in total and proportionally in FY2019;
- a focus on efficiency across all operations and client delivery; and
- cost control across the Group.

Basic earnings per share amounted to 2.62 cents per share (diluted earnings 2.60 cents per share).

Financial Position

CPT Global's balance sheet reflected net tangible assets of \$2.1 million as at 30 June 2019 (2018: \$1.1 million). Net assets are \$6.4 million (2018: \$5.4 million):

- Unbilled revenue (WIP) has decreased by \$0.7 million. The decrease in 2019 is due to the WIP on a risk/reward contract in progress in North America being invoiced up to the 2019 calendar year contract value by June 2019;
- Trade and other receivables decreased \$0.8 million as milestone contracts were billed at month end and risk/reward revenue was invoiced from WIP;
- Trade and other payables decreased by \$2.0 million as consultant numbers in Australia decreased with the reduction in revenue and we continued to pay down historic Canadian tax liabilities from free cash flow; and
- Borrowings at year end relate to the debtor funding facility provided by Scottish Pacific in Australia. The Efic loan facility outstanding in FY2018 of \$0.5 million was repaid during FY2019.

Cash Flow

CPT had \$1.7 million in cash at 30 June 2019 (\$1.4 million 30 June 2018) and a net cash inflow of under \$0.1 million for the financial year. We also had access to \$0.8 million in additional funding in our debtor facility.

The cash at 30 June 2019 did not increase in line with profit due to the payment of our tax obligations in Canada under a payment plan agreed with the Canadian Revenue Authority.

Capital Management

A fully franked final dividend of 0.5 cents per share will be paid for FY2019. This is on top of the 2019 interim dividend of 0.25 cents per share paid on 20 May 2019.

Our debtor funding facility has a limit of \$5.0 million of which there was \$0.4 million outstanding at 30 June 2019 and \$0.8 million was available to draw on. During the financial year, our facility with Efic was repaid in full out of the profits of the risk/reward engagements it was established to finance.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

Directors' Report

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 27th August 2019 CPT Global Limited announced its intention to extend the on-market share buy back for a further twelve months until 28th August 2020. A maximum of 3,000,000 shares may be bought back during the buy-back period.

On 28th August 2019, a fully franked final dividend of 0.50 cents per share was declared for the 2019 financial year.

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments, future prospects and business strategies of the operations of the consolidated entity are detailed in the Chairman's Statement and Managing Director's Review on pages 2 and 3 respectively.

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 \$49,830.

REMUNERATION REPORT

The Remuneration Report for the year ended 30 June 2019 outlines the Director and executive remuneration arrangements of CPT Global in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this Report, key management personnel (KMP) of CPT Global are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of CPT Global, directly or indirectly, including any Director of the parent company.

Persons to who the report applies

The remuneration disclosures in this Report cover the following persons:

Key Management Person	Position
Fred S Grimwade	Non-executive Chairman
Alan Baxter	Non-executive Director (retired 28 November 2018)
Nigel Sandiford	Non-executive Director
Gerry Tuddenham	Managing Director
David Lynch	Chief Executive Officer Australia and Asia (resigned 17 August 2018)
Grant Sincock	Company Secretary and Chief Financial Officer
Luke Tuddenham	President North America

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 remuneration 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. The payment of bonuses, stock options and other incentive payments are reviewed by

Directors' Report

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 27 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' remuneration to the company's financial and operational performance and shareholders' value. The committee acknowledges that the creation of shareholder value has recently been inhibited by the tightening market conditions experienced within the IT industry.

Performance-based remuneration

Executives have short-term 'at risk' cash bonuses, the payment of which depends on the executive meeting their KPIs. Additional bonuses for exceptional performance in relation to the pre-agreed KPIs may be paid up to a maximum of 3 times the target bonus. The KPIs are set annually after consultation with the directors and executives. The measures are specifically tailored to the areas where each executive has a level of control. The KPIs target areas the Board believes hold the greatest potential for expansion and profit, covering financial and non-financial goals, for both the short and long-term. They can include financial, people, client, strategy and risk measures.

The directors are issued performance rights with vesting conditions tied to the share price of the company and the revenue growth of the international business.

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. During the five financial years to FY2019, there were no increases in annual salary during annual reviews for executives other than for a promotion to a higher role with greater responsibility. Executive remuneration was not increased as the results of CPT did not meet the expectations of the Board and shareholders had experienced negative returns. During this period, no performance rights vested as key performance indicators and performance hurdles were not met.

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 the losses made in the 2015, 2016 and 2017 financial years and is matched by a reduced share price and no dividends being paid. This performance has been attributed to the difficult trading conditions in Europe and the continued investment in overseas opportunities in which delays have been encountered in reaching contract finalisation and tightening margins across the business. There were no increases in the compensation arrangements for directors and key management personnel during the 2015, 2016 and 2017 financial years and performance bonuses reflect the results of the Company. Since CPT returned to profit in 2018, one executive was promoted and received an increase in remuneration commensurate with the role and responsibilities. The board believes the remuneration policy is effective and can be linked to current years result.

	2015	2016	2017	2018	2019
Net profit/(loss)	(\$5.1m)	(\$3.9m)	(\$1.5m)	\$0.8m	\$1.0m
Share price at year end	\$0.52	\$0.26	\$0.16	\$0.12	\$0.20
Dividends paid and declared	0.0c	0.0c	0.0c	0.25c	0.75c

During the year, no shares were purchased as part of the share buyback. The share price during the year ranged from a low of \$0.099 to a high of \$0.22.

Directors' Report

Remuneration of Non-executive Directors

Non-executive Directors are entitled to a fixed fee per annum for acting as a Director of CPT Global. No additional fees are paid for membership of an active committee.

Under CPT Global's Constitution, Non-executive Director's fees cannot exceed the aggregate cap approved by shareholders by an ordinary resolution. The current cap is \$300,000 and was adopted at the 2018 AGM. The aggregate fees paid to Non-Executive directors in the 2019 financial year do not exceed the cap.

There has been no change to the fees paid to individual Non-executive Directors during or after the 2019 financial year.

Remuneration of Senior Executives

The executive directors and the executives specified in this remuneration report, have their employment conditions formalised in contracts of employment and are permanent employees of CPT Global Limited.

The employment contracts are generally for a fixed term of 1 year and contain the following common features:

- an annual review of the Base Salary which is dependent upon CPT Global's performance, the individual's performance and market changes. Any increase has to be approved by the Managing Director and the Remuneration and Nomination Committee;
- short term performance incentive payments quarterly, dependent upon CPT Global achieving its objectives and the individual achieving their KPIs;
- at CPT Global's discretion, allowances and adjustments to Base Salary may be paid when an Executive is required to travel on CPT Global business. Any adjustments must be agreed in advance, documented in writing and signed by the Executive and the Company;
- post-employment restraints covering non-solicitation of employees, contractors and clients and non-competition;
- CPT Global may at its discretion elect to make payment in lieu of notice when the contract is terminated by the employee or the Company;
- a contract can be terminated immediately without notice by CPT Global for serious misconduct; and
- any options not vested as at the date of termination will lapse.

Specific details of each Senior Executive's contract of employment which applied at the end of the financial year ending 30 June 2019 are summarised in the tables on the following pages.

Directors' Report

Summary of Contracts of Employment Applicable at 30 June 2019

Position	Gerry Tuddenham Managing Director	Grant Sincock Chief Financial Officer & Company Secretary
Fixed Remuneration		
Base Salary	\$395,000	\$265,000
Superannuation	\$25,000	\$25,000
Non-monetary benefits	Mobile telephone, car park, road tolls, petrol and salary sacrifice arrangements for motor vehicle and superannuation.	Mobile telephone, road tolls and salary sacrifice arrangements for motor vehicle and superannuation.
Performance Based Remuneration		
Annual target bonus	Nil	\$30,000
Other benefits	Nil	Nil
Post-employment benefits	Nil	Nil
Post-employment restraint	6 months	6 months
Termination	4 weeks notice	4 weeks notice
Termination benefits	Nil	Nil
Position	Luke Tuddenham President North America	
Fixed Remuneration		
Base Salary	US\$215,000	
Superannuation	US\$18,050	
Non-monetary benefits	Mobile telephone, car park, road tolls and salary sacrifice arrangements for motor vehicle and superannuation. Mr Tuddenham is also entitled to additional expatriate benefits for himself and his family.	
Performance Based Remuneration		
Annual target bonus	US\$125,000	
Other benefits	Nil	
Post-employment benefits	Nil	
Post-employment restraint	6 months	
Termination	4 weeks notice	
Termination benefits	Nil	

Directors' Report

Details of remuneration for the year ended 30 June 2019

Details of the nature and amount of each element of the remuneration of each director of the company and executive officers of the company and the group receiving the highest remuneration for the financial year are as follows:

	Short-Term Benefits			Post Emp't Benefits	Other Long-Term Benefits		Total	Performance related
	Salary	Short- term Bonus	Other Benefits	Super	Long Service Leave	Share Based Payments		
	\$	\$	\$	\$	\$	\$	\$	\$
Directors								
Alan Baxter								
2019	20,819	-	-	1,937	-	-	22,756	0.0%
2018	50,465	-	-	4,668	-	2,480	57,613	4.3%
Fred Grimwade								
2019	77,982	-	-	7,408	-	860	86,250	1.0%
2018	77,982	-	-	7,408	-	2,480	87,870	2.8%
Nigel Sandiford								
2019	37,671	-	-	3,579	-	860	42,110	2.0%
Gerry Tuddenham								
2019	369,645	-	10,725	25,000	6,857	13,286	425,513	3.1%
2018	378,781	-	8,919	20,531	-	7,926	416,157	1.9%
David Lynch								
2019	91,061	-	1,336	9,890	-	-	102,287	0.0%
2018	412,000	50,000	7,882	25,000	6,008	19,814	520,704	9.6%
Total Remuneration								
2019	597,178	-	12,061	47,814	6,857	15,006	678,916	2.2%
2018	919,228	50,000	16,801	57,607	6,008	32,699	1,082,343	7.6%
Executive Officers								
Grant Sincock								
2019	250,058	30,000	1,385	25,000	5,063	-	311,506	9.63%
2018	265,000	25,000	8,025	25,000	5,542	-	328,567	7.61%
Luke Tuddenham								
2018	315,971	410,743	263,112	31,171	5,063	-	1,026,060	40.03%
2018	315,113	180,000	301,629	27,220	6,663	-	830,625	21.67%
Total Remuneration								
2019	566,029	440,743	264,497	56,171	10,126	-	1,337,566	32.95%
2018	580,113	205,000	309,654	52,220	12,205	-	1,159,192	17.68%

Notes

- The elements of remuneration have been determined on the basis of the cost to the group.
- Other Benefits for Mr Luke Tuddenham include expatriate costs

Directors' Report

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.

Performance Rights granted as remuneration

Terms and Conditions for Each Grant

	Vested No.	Granted No.	Grant Date	Value per Share at Grant Date \$	Exercise Price \$	Last Exercise Date
Gerry Tuddenham	-	300,000	28/11/18	\$0.145	\$0.00	27/11/22
Nigel Sandiford	-	75,000	28/11/18	\$0.145	\$0.00	27/11/22
Fred Grimwade	-	75,000	28/11/18	\$0.145	\$0.00	27/11/22
Total	-	450,000				

Further details on the service and performance criteria attached to these rights can be found in note 22.

	Balance at beginning of Period	Granted as Remuner ation	Rights Exercised	Rights Lapsed /Cancelled	Balance at End of Period	Exercisable at End of Period	Vested and Unexercised at End of Period
Gerry Tuddenham	200,000	300,000	-	200,000	300,000	-	-
Alan Baxter	50,000	-	-	50,000	-	-	-
Fred Grimwade	50,000	75,000	-	50,000	75,000	-	-
Nigel Sandiford	-	75,000	-	-	75,000	-	-
David Lynch	500,000	-	-	500,000	-	-	-
Total	800,000	450,000	-	800,000	450,000	-	-

Directors' Report

Shareholdings of Key Management Personnel

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

Shares held in CPT Global Limited	Balance 1 July 2018 Ord	Granted as Remuneration Ord	On Exercise of Options Ord	Net Change Other Ord	Balance 30 June 2019 Ord
Fred S Grimwade	718,200	-	-	-	718,200
Alan Baxter	-	-	-	-	-
Gerry Tuddenham	11,388,970	-	-	351,462	11,740,432
David Lynch	417,458	-	-	-	417,458
Specified Executives					
Grant Sincock	185,671	-	-	5,731	191,402
Luke Tuddenham	842,955	-	-	26,017	868,972
Total	13,503,254	-	-	383,210	13,936,464

Shares held in CPT Global Limited	Balance 1 July 2017 Ord	Granted as Remuneration Ord	On Exercise of Options Ord	Net Change Other Ord	Balance 30 June 2018 Ord
Fred S Grimwade	718,200	-	-	-	718,200
Alan Baxter	-	-	-	-	-
Gerry Tuddenham	11,338,970	-	-	-	11,388,970
David Lynch	417,458	-	-	-	417,458
Specified Executives					
Grant Sincock	185,671	-	-	-	185,671
Luke Tuddenham	842,955	-	-	-	842,955
Total	13,503,254	-	-	-	13,503,254

Directors' Report

DIRECTORS' MEETINGS

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

	Directors' Meetings		Finance and Audit Committee Meetings		Remuneration and Nomination Committee Meetings ¹	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Alan Baxter	5	4	1	1	-	-
Fred S Grimwade	11	11	2	2	-	-
Nigel Sandiford	8	8	1	1	-	-
Gerry Tuddenham	11	11	2	2	-	-
David Lynch	2	2	-	-	-	-

Note 1: The Remuneration Committee meeting for FY2019 was held in June 2018 therefore has not been included in this table. Remuneration matters were subsequently dealt with by the Board as the Chairmanship of the Remuneration Committee transitioned from Mr. Baxter to Mr. Sandiford.

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

Fred Grimwade (Chair)
Nigel Sandiford
Gerry Tuddenham

Remuneration and Nomination

Nigel Sandiford (Chair)
Fred Grimwade

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 ShineWing Melbourne during the year ended 30 June 2019:

- Taxation compliance services \$16,750

Directors' Report

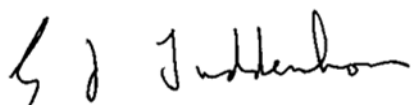
AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 31 of the directors' report.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Gerry Tuddenham'. The signature is fluid and cursive, with a large initial 'G' and a long, sweeping underline.

Gerry Tuddenham
Managing Director
Melbourne, 30 September 2019

**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 2019 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.

ShineWing Australia
Chartered Accountants



Rami Eltchelebi
Partner

Melbourne, 30 September 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2019

	Notes	2019 \$'000	2018 \$'000
Revenue	3	28,395	31,031
Other income	3	23	57
Salaries and employee benefits expense		(2,556)	(3,008)
Consultants benefits expense		(20,003)	(22,549)
Depreciation and amortisation expenses	4	(58)	(62)
Insurance expense		(257)	(277)
Finance costs	4	(209)	(260)
Occupancy Costs		(546)	(821)
Other expenses		(3,058)	(2,825)
Foreign currency losses		-	(42)
PROFIT BEFORE INCOME TAX	4	1,731	1,244
INCOME TAX EXPENSE	5	(739)	(464)
PROFIT AFTER INCOME TAX		992	780
Other Comprehensive Loss:			
Items that may be subsequently reclassified to comprehensive income			
Exchange differences on translating foreign controlled entities		21	41
Total Other Comprehensive Income for the year, net of tax		21	41
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR		1,013	821
PROFIT ATTRIBUTABLE TO MEMBERS OF CPT GLOBAL LIMITED		992	780
TOTAL COMPREHENSIVE PROFIT ATTRIBUTABLE TO MEMBERS OF CPT GLOBAL LIMITED		1,013	821
Basic earnings per share (cents per share)	25	2.62	2.09
Diluted earnings per share (cents per share)	25	2.60	2.06

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Financial Position

AT 30 JUNE 2019

	Notes	2019 \$'000	2018 \$'000
CURRENT ASSETS			
Cash and cash equivalents	7	1,653	1,440
Trade and other receivables	8	4,059	4,843
Contract assets	9	1,583	2,283
Other current assets	10	139	240
TOTAL CURRENT ASSETS		7,434	8,806
NON-CURRENT ASSETS			
Deferred tax assets	16	1,096	1,259
Property, plant and equipment	12	31	17
Intangible assets	13	4,256	4,302
TOTAL NON-CURRENT ASSETS		5,383	5,578
TOTAL ASSETS		12,817	14,384
CURRENT LIABILITIES			
Trade and other payables	14	4,749	6,702
Borrowings	15	415	535
Current tax liabilities	16	400	578
Provisions	17	728	810
TOTAL CURRENT LIABILITIES		6,292	8,625
NON-CURRENT LIABILITIES			
Deferred tax liability	16	126	182
Other long term provisions	17	31	131
TOTAL NON-CURRENT LIABILITIES		157	313
TOTAL LIABILITIES		6,449	8,938
NET ASSETS		6,368	5,446
EQUITY			
Issued capital	18	12,308	12,228
Reserves	19	1,516	1,480
Retained earnings		(7,456)	(8,262)
TOTAL EQUITY		6,368	5,446

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 2019

		\$'000	\$'000	\$'000	\$'000	\$'000
					Foreign Currency Translation Reserve	
Notes	Issued Capital	Retained Earnings	Equity Reserve			Total
Balance at 1 July 2017	12,228	(9,042)	1,691		(252)	4,625
Comprehensive Income						
Profit for the year	-	780	-		-	780
Other comprehensive income	19	-	-		41	41
Total comprehensive income/(loss) for the year		780	-		41	821
Transactions with owners, in their capacity as owners						
Share based payments		-	-		-	-
Dividends paid or provided for		-	-		-	-
Issue of Shares		-	-		-	-
Total transactions with owners, in their capacity as owners		-	-		-	-
Balance at 30 June 2018	12,228	(8,262)	1,691		(211)	5,446
Balance at 1 July 2018	12,228	(8,262)	1,691		(211)	5,446
Comprehensive Income						
Profit for the year		992				992
Other comprehensive Income	19				21	21
Total comprehensive income for the year		992			21	1,013
Transactions with owners, in their capacity as owners						
Share based payments			15			15
Dividends paid or provided for		(186)				(186)
Issue of Shares		80				80
Total transactions with owners, in their capacity as owners		80	(186)	15		(91)
Balance at 30 June 2019	12,308	(7,456)	1,706		(190)	6,368

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements

Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2019

	Notes	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		33,107	35,979
Payments to suppliers and employees		(31,815)	(34,660)
Interest received		5	3
Finance costs		(107)	(104)
Income tax paid		(810)	(131)
NET CASH FLOWS FROM OPERATING ACTIVITIES	20	380	1,087
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of property, plant and equipment, software		(26)	10
NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES		(26)	10
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		80	-
Repayments of borrowings	20	(765)	(1,297)
Proceeds from borrowings		645	-
Payment of dividends on ordinary shares		(186)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		(226)	(1,297)
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD		128	(200)
Add opening cash & cash equivalents brought forward		1,440	1,656
Effects of exchange rate changes on cash and cash equivalents		85	(16)
CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD	7	1,653	1,440

The Consolidated 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 2019

1. Summary of Significant Accounting Policies

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

The principal activities of the group during the financial year were the provision of specialist IT consultancy services. The registered address and principal place of business is level 3, 818 Bourke Street, Docklands, Victoria.

The financial report was authorised for issue on 30 September 2019 by the Board of Directors.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting 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, except for the cash flow information, 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.

Accounting Policies

(a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (CPT Global Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 11.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

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 2019

1. Summary of Significant Accounting Policies (continued)

(b) Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income for the current period. Current tax liabilities/ (assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or subsequently enacted by the end of the reporting period.

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) Contract Assets

Contract assets are revenue that has not been invoiced at period end and is measured and recognised in accordance with the policies set out in note 1(p).

Notes to the Financial Statements

Year Ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(d) Property, Plant & Equipment

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

Property, Plant and equipment

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

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

Depreciation

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

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Leasehold improvements	2 – 5 years
Fixtures Fittings and Equipment	33% to 50%
Motor Vehicles	12% to 20%

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

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

(e) Operating Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the lease term.

(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.

Notes to the Financial Statements

Year Ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

Classification of financial assets

Financial assets recognised by the Group are subsequently measured at either amortised cost or fair value subject to their classification. Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- (i) *measured at amortised cost*
- (ii) *fair value through profit or loss; and*
- (iii) *fair value through other comprehensive income.*

The classification of financial assets is based on both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

CPT does not have any financial assets categorised as fair value through other comprehensive income.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the the group for the acquisition of a business and financial liabilities designated at fair value through profit or loss are subsequently measured at fair value.

All other financial liabilities recognised by the Group are subsequently measured at amortised cost.

Impairment of Financial Assets

At the end of each reporting period, the Group tests financial assets for impairment by applying the expected credit loss impairment model.

The Group has adopted the simplified approach under AASB 9 to measure the allowance for credit losses for receivables from contracts with customers and contract assets. The allowance for credit losses is determined based on the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the credit losses that are expected to result from default events over the life of the financial asset. The Group has no other financial assets subject to impairment testing under AASB 9.

In applying the simplified approach under AASB 9, the Group uses a provision matrix based on historical experience at the client and segment level, adjusted for factors that are specific to the financial asset, as well as current and future expected economic conditions relevant to the financial asset. The time value of money is incorporated into the measurement of expected credit losses if it is material. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

Contractual payments more than 180 days past due are considered default events for the purpose of measuring expected credit losses based on the historical experience of the Group.

The measurement of expected credit losses reflects the Group's expected rate of loss and is measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the Group's exposure at default, discounted at the financial asset's effective interest rate, where appropriate.

Financial assets are considered credit impaired when one or more events has occurred that provides objective evidence that there has been a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is credit impaired include observable data that: the debtor has significant financial difficulties; the debtor is likely to enter bankruptcy or financial reorganisation; breaches of contract have occurred; and the debtor has defaulted or there is delinquency in payments. Financial assets which are not collectible are written off by reducing the carrying amount directly when CPT has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by CPT. Any financial assets that have been written off but subsequently recovered in whole or in part are recognised in profit or loss.

Notes to the Financial Statements

Year Ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

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 15: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 15.

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.

Initial Adoption of AASB 9 Financial Instruments

The adoption of AASB 9 has not had a material impact on the financial position or financial performance of the Group as:

- there is no change in the recognition, classification and measurement of financial instruments held by the Group as a result of adopting the new standard; and
- the credit quality of CPT's clients and the history of collecting debtors resulted in the impairment assessment under the expected credit loss model consistent with the model applied in prior periods.

(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 impairment allowance. Trade receivables are generally due for settlement within 30 days.

(h) Impairment of non-financial 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 other 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 2019

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. The intellectual property has an indefinite useful life as it has contributed to net cash inflows for 18 years and there is no limit to the period in which it could continue to contribute to net cash inflow.

Computer Software

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

(j) Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

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

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

Group companies

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

- assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Notes to the Financial Statements

Year Ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

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

(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. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

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

(ii) *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate 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 directors and employees via the CPT Employee Equity Plan. Information relating to this scheme is set out in note 22.

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

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the right, 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 right.

Notes to the Financial Statements

Year Ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

The fair value of the rights 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 rights that are expected to become exercisable. At the end of each reporting period, the entity revises its estimate of the number of rights 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.

(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

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

The Group enters contracts with clients to provide IT consulting services on a time and materials, fixed price, milestone based and risk/reward basis, or variations thereof. The performance obligations in each contract are identified and the total transaction price for each contract is allocated against the various performance obligations based on their stand-alone selling prices. The transaction price excludes any amounts collected on behalf of third parties.

The Group determines the stand-alone selling price by direct reference to contracts and pricing schedules for the services being delivered.

Revenue is recognised either at a point in time or over time as performance obligations are satisfied by transferring the goods or services to the client. Revenue is recognised over time if:

- the client simultaneously receives and consumes the benefits as the Group performs;
- the client controls the asset as the Group creates or enhances it; or
- the Group's performance does not create an asset for which the client has an alternative use and there is a right to payment for performance to date.

If the criteria above are not met, revenue is recognised at a point in time.

Notes to the Financial Statements

Year Ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

When revenue is recognised over time the progress towards complete satisfaction of the performance obligations as the services are delivered is measured using the stage of completion method, except for risk/reward contracts as discussed below. Stage of completion is measured by reference to the labour hours incurred to date as a percentage of total estimated hours for each performance obligation. Clients are invoiced monthly in arrears unless the contract specifies otherwise. Payment terms are generally 30 days. Any amounts that remain unbilled at the end of a reporting period are presented in the statement of financial position as unbilled revenue. Only the passage of time is required before these amounts are invoiced and collected.

Risk/reward revenue is recognised by measuring the progress towards complete satisfaction of the performance obligations. The method of measuring progress is determined using an output method as the Group has determined that an output method best reflects the pattern of transfer of value to the customer. The output is measured in either MIPS or MSUs saved for the customer and the progress is measured by reference to the MIPS or MSUs saved to date as a percentage of total estimated MIPS or MSUs for each performance obligation. The MIPS or MSUs saved to date is determined by identifying all opportunities identified at a point in time and weighting the likelihood of the client realising the savings based on fixed and measurable stages in a risk/reward project. The weighting at each stage is based on the Group's experience completing risk/reward projects. Clients are invoiced in accordance with the contract terms which generally stipulate that invoices can be submitted when the savings have been measured and confirmed by the client and the Group. Payment terms are generally 30 days. Any amounts that remain unbilled at the end of a reporting period are presented in the statement of financial position as unbilled revenue.

Clients may be invoiced in advance for the provision of services and this is recognised as a liability until the Group provides, and the client consumes, the benefits of the service.

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

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

On adopting AASB 15 Revenue, there was no material impact on revenue.

(q) Borrowing Costs

All 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.

Notes to the Financial Statements

Year Ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(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. The GST and VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows included in receipts from customers or payments to suppliers.

(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 restated 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 Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 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.

(w) Critical Accounting Estimates & Judgements

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

Key estimates

(i) Impairment of Goodwill

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

Refer to Note 13 for details of the assumptions used in this calculation and the potential impact of changes to the assumptions.

Notes to the Financial Statements

Year Ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

Key judgements

(i) Impairment losses of receivables

An impairment loss is recognised based on an expected credit loss model. The Group assesses the expected credit loss based on individual debto level expectations relative to credit terms.

(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 judgments from key management personnel as to the reasonable expectations of future events and completion of projects in progress. See Note 9 for further details.

(iii) Deferred taxes

In assessing whether future taxable amounts will be available to utilise temporary differences and losses, management review the past performance of the relevant company, the budgets for the forthcoming financial year, forecasts and sales pipelines.

(x) New Accounting Standards for Application in Future Period

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are detailed below:

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

The new lease standard requires the recognition of a 'right of use' asset and a related lease liability, being the present value of future lease payments. Adoption of this standard will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and depreciation replacing operating lease expense.

On initial adoption of AASB 16, CPT have elected to use the 'cumulative catch-up' approach. Under this approach the lease liability is initially recognised at the present value of future lease payments and the group has elected to value the right of use asset at an amount equal in value to the lease liability.

CPT Global has assessed the standard's likely impact on first-time adoption as follows:

- The estimated increase in lease assets and lease liabilities in the statement of financial position is \$1,039k
- Operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will be included in financial activities rather than operating activities.

At the date of this report, CPT Global has not early adopted this standard.

Notes to the Financial Statements

Year Ended 30 June 2019

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.

	2019 \$'000	2018 \$'000
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	519	381
Non-Current Assets	4,836	4,915
Total Assets	5,355	5,296
LIABILITIES		
Current Liabilities	764	2,392
Non-Current Liabilities	124	214
Total Liabilities	888	2,606
EQUITY		
Issued Capital	12,308	12,227
Reserves	1,608	1,608
Accumulated losses	(9,449)	(11,145)
Total Equity	4,467	2,690

	2019 \$'000	2018 \$'000
STATEMENT OF COMPREHENSIVE INCOME/(LOSS)		
Total profit/(loss)	1,868	(2,663)
Total comprehensive profit/(loss)	1,868	(2,663)

Guarantees

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

3. REVENUE

	2019 \$'000	2018 \$'000
REVENUE		
Services Revenue – recognised over time	28,395	31,031
Total Revenue	28,395	31,031
OTHER INCOME		
Rent Income	-	45
Interest Income	5	2
Foreign currency translation gains	18	10
Total Other Income	23	57

Notes to the Financial Statements

Year Ended 30 June 2019

4. PROFIT OR LOSS FOR THE YEAR

	2019 \$'000	2018 \$'000
Profit or loss for the year also includes the following specific expense items:		
Finance costs:		
Interest expense on borrowings	209	260
Total finance costs	209	260
Foreign currency translation losses	-	42
Occupancy expenses	546	821
Depreciation and amortisation of non-current assets	58	62
Defined superannuation contribution expense – Others	958	1,111
Defined superannuation contribution expense – KMP	125	109

5. INCOME TAX (BENEFIT) / EXPENSE

	2019 \$'000	2018 \$'000
Tax expense comprises:		
Current tax	567	483
Deferred tax	106	(46)
Under/(over) provision of previous year	66	27
	739	464

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

Prima facie tax on losses before income tax at 27.5% (2018: 30%)

	476	373
Tax effect of		
▪ Foreign exchange differences arising on consolidation	-	85
▪ Change in tax rate	60	
▪ Tax on overseas income at a different rate	(1)	46
▪ Other non-allowable items	34	(20)
▪ Current year tax losses not brought to account	39	110
▪ Unrealised foreign currency exchange profit/(loss)	-	(377)
▪ Under provision of previous year	70	27
▪ Non-deductible interest expense	61	220
Income tax expense attributable to the entity	739	464

The applicable weighted average effective tax rates are as follows:

43%	37%
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Notes to the Financial Statements

Year Ended 30 June 2019

6. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

	2019 \$'000	2018 \$'000
(a) Dividends paid during the year		
• <i>Current year interim</i>		
Franked dividends (0.25c per share) (2018: 0.0c per share)	93	-
• <i>Prior year final</i>		
Franked dividends (0.25c per share) (2018: 0.0c per share)	93	-
	<u>186</u>	<u>-</u>
(b) Dividends proposed and not recognised as a liability		
• Franked dividends (0.50c per share) (2018: 0.25c per share)	<u>189</u>	<u>93</u>
(c) Franking credit balance		
Balance of franking account at year end adjusted for:		
• Franking debits arising from payment of proposed dividends	<u>2,421</u>	<u>2,300</u>
	<u>2,421</u>	<u>2,300</u>

7. CASH AND CASH EQUIVALENTS

	2019 \$'000	2018 \$'000
Cash at bank	<u>1,653</u>	<u>1,440</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>1,653</u>	<u>1,440</u>
	<u>1,653</u>	<u>1,440</u>

Notes to the Financial Statements

Year Ended 30 June 2019

8. TRADE AND OTHER RECEIVABLES

	Notes	2019 \$'000	2018 \$'000
CURRENT			
Trade receivables	8(a)	4,035	4,715
Provision for impairment		(71)	(67)
		3,964	4,648
Borrowings	15(a)	-	193
Other receivables		95	2
		4,059	4,843

- (a) Trade receivables are non-interest bearing and generally on 30 day terms. The average credit period on rendering of services is 49 days (2018: 64 days). An impairment of \$71k (2018: \$67k) has been recognised in trade receivables as detailed below. The movement in the provision is due to the strengthening of the US dollar against the Australian dollar.

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, \$272k (2018: \$421k) was due from a leading banking institution in Australia with S&P credit ratings of AA- and \$1,179k (2018: \$1,112k) is due from an Australian federal government agency. \$756k (2018: \$1,108k) was due from a global financial organisation headquartered in New York with an S&P credit rating of A-1 and \$203k (2018: \$142k) from a Canadian financial institution with an S&P credit rating of A+. All these receivables were collected subsequent to year end.

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

Of the trade receivables balance at the end of the reporting period, a concentration of \$2.2m (57%) relates to Australia (2018: \$2.7m (57%)). The remaining amounts are not individually significant.

Trade receivables that are past due and are impaired

Included in the trade receivables balance is a debtor with a carrying amount of \$78k (2018: \$78k) which is past due at the end of the reporting period. A provision for impairment of \$67k, including the movement in foreign exchange, was recorded in the 2018 financial year to recognise management's assessment that this amount is unlikely to be recovered due to a dispute about the measurement of the benefits realised which has been complicated by a change in ownership at the client. The provision has been maintained in the 2019 financial year with the change being the impact of movements in foreign exchange rates.

Trade receivables that are past due but not impaired

Included in the trade receivable balance are debtors with a carrying amount of \$171k (2018: \$247k) 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. The entire balance relates to a client with an S&P credit rating of A- with whom the Group has traded with for more than one year with no history of delinquency. The nature of the client, namely a global professional services company listed on NASDAQ, gives further confidence that these past due balances are not impaired. The receivable was collected subsequent to year end. The Group does not hold any collateral over these balances.

The ageing analysis of trade receivables is:

	2019 \$'000	2018 \$'000
1-3 months	181	325
Within initial trade terms	3,783	4,323
	3,964	4,648

Notes to the Financial Statements

Year Ended 30 June 2019

8. TRADE AND OTHER RECEIVABLES (Cont.)

The carrying value of trade and other receivables approximates its fair value. Trade and other receivables are recoverable within 12 months, hence the effects of discounting is immaterial.

9. CONTRACT ASSETS (CURRENT)

	2019 \$'000	2018 \$'000
Unbilled revenue	1,654	2,350
Provision for impairment	71	67
Total	<u>1,583</u>	<u>2,283</u>

Unbilled revenue represents amounts relating to revenue recognised in accordance with the accounting policies detailed in Note 1(c) that had not been invoiced to the customer as at the end of the reporting period. Included in the Group's unbilled revenue balance is \$30k (2018: \$nil) relating to revenue that was recognised more than 12 months prior to the end of the reporting period.

The WIP balance has decreased by \$0.7m due to WIP on a risk/reward contract in progress in North America being invoiced up to the 2019 calendar year contract value by 30 June 2019.

The directors expect all unbilled revenue to be billed in full during the 2020 financial year.

The provision for impairment of unbilled revenue relates to the same client to which the trade receivable impairment described in Note 8 relates. It is management's assessment that this amount is unlikely to be recovered due to a dispute about the measurement of the benefits realised which has been complicated by a change in ownership at the client.

10. OTHER CURRENT ASSETS

	2019 \$'000	2018 \$'000
Prepayments	139	240
	<u>139</u>	<u>240</u>

Prepayments consists of insurance policies, licence fees, subscriptions and other expenses.

11. INTERESTS IN SUBSIDIARIES

Name	Country of incorporation	Percentage of equity & voting interest held by the economic entity	
		2019 %	2018 %
CPT Global Ltd	United Kingdom	100	100
CPT Global GmbH	Germany	100	100
CPT Global Inc	USA	100	100
CPT Global Consulting Corp	Canada	100	100
CPT Global France	France	100	100
CPT Global Australia Pty Ltd	Australia	100	100
CPT Global International Pty Ltd	Australia	100	100
CPT Global Pte Ltd	Singapore	100	100
CPT Global SRL	Italy	100	100
CPT Consultoria Global Em Informatica Ltda	Brazil	100	100

There are no known restrictions on the transfer of cash or assets within the group. No subsidiaries were acquired or sold during the financial year.

Notes to the Financial Statements

Year Ended 30 June 2019

12. PROPERTY, PLANT AND EQUIPMENT

	2019 \$'000	2018 \$'000
<i>Motor vehicles</i>		
At cost	35	108
Disposals	-	(75)
Accumulated depreciation	(35)	(33)
	-	-
<i>Office equipment</i>		
At cost	105	254
Disposals	-	(149)
Purchases	26	-
Accumulated depreciation	(101)	(88)
	30	17
<i>Furniture, fixtures and fittings</i>		
At cost	4	64
Disposals	-	(60)
Purchases	1	-
Accumulated depreciation	(4)	(4)
	1	-
<i>Improvements</i>		
At cost	-	39
Disposals	-	(39)
	-	-
<i>Leased plant and equipment</i>		
At cost	-	18
Disposals	-	(18)
	-	-
Total property, plant and equipment	31	17

Notes to the Financial Statements

Year Ended 30 June 2019

12. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

Motor vehicles

	2019 \$'000	2018 \$'000
Cost at beginning of year	33	108
Purchases	-	-
Disposals	-	75
Movements in exchange rate	2	-
Cost at end of year	35	33

Accumulated depreciation at beginning of year	(33)	(75)
Depreciation and effects of movements in exchange rate	(2)	-
Write back of accumulated amortisation on disposals	-	42
Accumulated depreciation at end of year	(35)	(33)

Carrying amount	-	-
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Office Equipment

Cost at beginning of year	105	254
Purchases	26	-
Disposals	-	(149)
Cost at end of year	131	105

Accumulated depreciation at beginning of year	(88)	(244)
Depreciation and effects of movements in exchange rate	13	7
Write back of accumulated amortisation on disposals	-	149
Accumulated depreciation at end of year	(101)	(88)

Carrying value	30	17
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Furniture, fixtures and fittings

Cost at beginning of year	4	64
Purchases	1	-
Disposals	-	(60)
Cost at end of year	5	4

Accumulated depreciation at beginning of year	(4)	(64)
Write back of accumulated amortisation on disposals	-	60
Depreciation	-	-
Accumulated depreciation at end of year	(4)	(4)

Carrying amount	1	-
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Notes to the Financial Statements

Year Ended 30 June 2019

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	2019 \$'000	2018 \$'000
<i>Improvements</i>		
Cost at beginning of year	-	39
Disposals	-	(39)
Cost at end of year	-	-
Accumulated depreciation at beginning of year	-	(39)
Write back of accumulated amortisation on disposals	-	39
Cost at end of year	-	(39)
Carrying amount	-	-
<i>Leased plant and equipment</i>		
Cost at beginning of year	-	18
Disposals	-	(18)
Cost at end of year	-	18
Accumulated depreciation at beginning of year	-	(18)
Write back of accumulated amortisation on disposals	-	18
Accumulated depreciation at end of year	-	(18)
Carrying amount	-	-

During the 2018 financial year, the lease on our head office in Melbourne expired and a new office was leased. Disposals of office equipment, furniture, fixtures and fittings and leased plant and equipment in the comparatives are the head office assets which were not taken to the new office. All these assets were fully depreciated.

Notes to the Financial Statements

Year Ended 30 June 2019

13. INTANGIBLE ASSETS

	2019 \$'000	2018 \$'000
Goodwill at cost	9,659	9,659
Accumulated impairment losses	(5,502)	(5,502)
Total goodwill	4,157	4,157
Intellectual Property at cost	75	75
Software at cost	750	818
Disposals	-	(68)
Write back of accumulated amortisation on disposals	-	68
Accumulated amortisation	(726)	(680)
Total software	24	70
Total intangible assets	4,256	4,302

	Goodwill \$'000	Intellectual Property \$'000	Software \$'000
Year ended 30 June 2018			
Balance at the beginning of the year	4,157	75	116
Impairment charge	-	-	-
Amortisation charge	-	-	(46)
	4,157	75	70

Year ended 30 June 2019			
Balance at the beginning of the year	4,157	75	70
Impairment charge	-	-	-
Amortisation charge	-	-	(46)
	4,157	75	24

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.

	2019 \$'000	2018 \$'000
Australian Segment	4,157	4,157
	4,157	4,157

Notes to the Financial Statements

Year Ended 30 June 2019

13. INTANGIBLE ASSETS (continued)

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 3.5% (2018: 4.0%).

The carrying value and recoverable amount of the Australian CGU are \$9.7m and \$16.5m respectively.

Key Assumptions

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

	Discount rate		Gross Margin		Compound Annual Revenue Growth		Terminal Growth Rate	
	2019	2018	2019	2018	2019	2018	2019	2018
Australian Segment	19.4%	20.0%	29.0%	25.9%	8.9%	7.7%	3.5%	4.0%

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;
- Revenue growth rates;
- Terminal growth rates; and
- Corporate costs.

Discount rate – the discount rate is a pre-tax rate and reflects the risks associated with the CGU.

Gross profit margins – values assigned reflect past experience, margins on existing contracts and analysis of the market conditions.

Revenue growth rates – reflects management's expectations of revenue growth in the context of the Group's Australian market strategy. Compound annual sales growth represents the annual growth rate over the 5 year forecast period. Revenue growth from FY19 to FY20 is budgeted at 38%.

Terminal growth rates – reflect the managements expectation of revenue and profit growth in the periods beyond the 5 year forecast and are based on expected growth during the forecast period, long term historical growth, industry forecasts, operating leverage and level of fixed and variable costs.

Corporate costs – corporate costs are allocated to the CGU based upon the CGU's proportional contribution to the revenue of the Group.

If revenue of the Australian CGU in FY20 is below budget by \$3.1m (16%), the carrying value of the CGU will equal its recoverable amount if all other assumptions are unchanged.

Notes to the Financial Statements

Year Ended 30 June 2019

14. TRADE AND OTHER PAYABLES

	2019 \$'000	2018 \$'000
CURRENT		
Trade payables	880	3,418
Sundry payables and accrued expenses	2,941	2,170
Annual leave provision	476	588
Unearned revenue	452	526
	4,749	6,702

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 other than the bank guarantee for the head office lease as disclosed in Note 23.

Unearned income is recorded as a current liability and the underlying performance obligations are expected to be completed within 12 months. The balance of unearned revenue at 30 June 2018 was recognised as revenue in FY2019.

15. BORROWINGS

	Note	2019 \$'000	2018 \$'000
CURRENT			
Secured borrowings	15(a)	415	-
Unsecured borrowings	15(b)	-	535
Total borrowings		415	535
Unutilised financing facilities			
Credit facility available		5,000	6,200
Amount secured utilised	15(a)	(415)	-
Amount unsecured utilised	15 (b)	-	(535)
		4,585	5,665

- (a) The parent entity has a debtors financing facility in place. The facility is secured by a first registered company charge (mortgage debenture) over the carrying value of the total assets of the parent entity, which totalled \$5.4m at the end of the reporting period. Interest is charged at a 5.5% margin above the 90 day Bank Bill Swap Rate. The maximum facility is \$5m with the available facility based on the value of the Australian debtor book. At 30 June 2019, the available funding under the facility was \$0.8m.
- (b) The parent entity entered into a \$1.2m export contract loan agreement on 23 February 2018 with Efic. The loan was available to be drawn until 31 October 2018 and \$765k was repaid by 31 January 2019. Interest was charged at BBSY plus a margin of 6% and a commitment fee of 1% is payable on the undrawn facility.

Notes to the Financial Statements

Year Ended 30 June 2019

16. TAX

	2019	2018
	\$'000	\$'000
LIABILITIES		
Current		
Current tax liability	400	578
Non Current		
Deferred tax liabilities comprise:		
Prepayments	7	3
Section 481 tax adjustment	-	6
Unrealised foreign exchange gain	118	173
	125	182
The section 481 tax adjustment arose in the 2015 financial year when we converted from a cash basis to an accruals basis of calculating tax in the USA. The deferred tax liability is realised over 4 years.		
Reconciliation of deferred tax liabilities		
Opening balance	182	233
Credited to the statement of comprehensive income	-	-
Credited to the statement of comprehensive income as current tax	(57)	(51)
Closing balance	125	182
ASSETS		
Non Current		
Deferred tax assets comprise:		
Foreign currency losses	186	346
Borrowing costs	496	361
Employee entitlements	369	459
Accruals	32	79
Property, plant & equipment	3	4
Income losses	-	-
Capital losses	9	10
	1,096	1,259
Reconciliation of deferred tax assets		
Opening balance	1,259	1,067
(Debited)/Credited to the statement of comprehensive income	5 (163)	192
Closing balance	1,096	1,259

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 \$1,093,933 (2018: \$1,054,806). CPT Global's tax losses that have not been brought to account are generally not subject to restrictions. Of the losses not brought to account in FY2019 97% relate to the UK.

Notes to the Financial Statements

Year Ended 30 June 2019

17. PROVISIONS

	2019 \$'000	2018 \$'000
Current		
Employee benefits – Long Service Leave	728	810
Total Current Provisions	728	810
Non-Current		
Employee benefits – Long Service Leave	31	131
Total Non-Current Provisions	31	131
Total Provision	759	941

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. The measurement and recognition criteria relating to employee benefits have been included in Note 1(l) to these financial statements.

Analysis of Total Provisions	Long Service Leave \$'000	Total \$'000
Opening balance at 1 July 2018	941	941
Provided for during the year	49	49
Taken during the year	(231)	(231)
Balance at 30 June 2019	759	759

Notes to the Financial Statements

Year Ended 30 June 2019

18. ISSUED CAPITAL

(a) Issued and paid up capital

	2019 \$'000	2018 \$'000
37,824,667 (2018: 37,318,525) fully paid ordinary shares	12,308	12,228
	12,308	12,228

(b) Movements in shares on issue

	2019		2018	
	Number of shares	\$'000'	Number of shares	\$'000
Beginning of the financial year	37,318,525	12,228	37,318,525	12,228
New shares issued	506,142	80	-	-
End of the financial year	37,824,667	12,308	37,318,525	12,228

- (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 2019 no ordinary shares were bought back under the on market buyback (2018: 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 2019.

(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 22 Share based payments.
- (ii) For information relating to share options issued to key management personnel during the financial year, refer to the Note 22 Share Based Payments.

(d) Capital Management

Management controls the capital of the group in order to maintain an appropriate debt to equity ratio, provide shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The Group does not currently have significant debt capital employed in the business as indicated in the following table. Management effectively manages the group's capital by assessing the group's financial risks and adjusts its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders, share buy-backs and share issues.

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

Notes to the Financial Statements

Year Ended 30 June 2019

18. ISSUED CAPITAL (continued)

The gearing ratios for the year ended 30 June 2019 and 30 June 2018 are as follows:

	2019 \$'000	2018 \$'000
Total borrowings	415	535
Less cash and cash equivalents	(1,653)	(1,440)
Net cash	(1,238)	(905)
Total equity	6,368	5,446
Total capital employed	6,368	5,446
Gearing ratio	0%	0%

A bank guarantee facility provided by the Company's banker is cash backed in the amount of \$191k. The cash is not available for CPT Global to utilise until the bank guarantee is returned to our Banker at the end of the lease. The lease expires in May 2021.

19. RESERVES

(a) Foreign currency translation

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

(b) Equity reserve

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

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

	2019 \$'000	2018 \$'000
Foreign currency translation reserve		
Exchange difference on translating foreign controlled entities	21	41
Movement in foreign currency translation reserve	21	41
Total other comprehensive income for the year	21	41

Notes to the Financial Statements

Year Ended 30 June 2019

20. CASH FLOW INFORMATION

	2019 \$'000	2018 \$'000
(a) Reconciliation of the profit after tax to the net cash flows from operations		
Net profit	992	780
Non-Cash Items		
Depreciation and amortisation of non-current assets	58	62
Share based payment	15	-
Changes in assets and liabilities		
Decrease in trade and term receivables	732	966
Decrease/(Increase) in prepayments	220	(191)
(Increase)/decrease in work in progress	700	(1,492)
(Increase)/decrease in deferred tax asset	163	(191)
Increase/(decrease) in trade payables and accruals	(1,974)	839
Increase/(decrease) in income taxes payable	(178)	576
(Decrease) in deferred tax liabilities	(56)	(51)
(Decrease) in employee entitlements	(294)	(211)
Net cash flow from operating activities	<u>380</u>	<u>1,087</u>

There were no acquisitions or disposals of subsidiaries in the 2019 financial year.

(a) Changes in liabilities arising from financing activities

	1 July 2018 \$000	Cash flows	Non-cash changes Re-classification	30 June 2019 \$000
Short term borrowings	535	(120)	-	415

21. EXPENDITURE COMMITMENTS

(a) Lease expenditure commitments	2019 \$'000	2018 \$'000
<i>(i) Operating leases (non-cancellable):</i>		
Minimum lease payments		
- not later than one year	168	151
- later than one year and not later than five years	160	343
	<u>328</u>	<u>494</u>

Note:

The property lease is non-cancellable with a remaining term of 23 months. Rent is payable monthly in advance and the amounts disclosed do not include GST. An option exists to renew the lease for a further period of 3 years.

Notes to the Financial Statements

Year Ended 30 June 2019

22. SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2019:

Directors Performance Rights	Issue date	Expiry date	Exercise Price	As at 1 July 2018	Granted	Forfeited/ Exercised/ transferred/ expired	As at 30 June 2019
(a)	27/11/17	27/11/20	\$0.00	800,000	-	(800,000)	-
(b)	28/11/18	28/11/22	\$0.00	-	450,000	-	450,000
				800,000	450,000	(800,000)	450,000

(a) On 28 November 2018, at CPT Global's Annual General Meeting, this tranche of performances rights were cancelled.

(b) On 28 November 2018, at the Company's Annual General Meeting, 450,000 performance rights were granted to directors to take up ordinary shares at an exercise price of \$0.00 per share. The fair value of these performance rights at the date of grant was \$28k. The fair value has been calculated using a Black Scholes pricing methodology using the following inputs:

Weighted average exercise price	\$0.00
Maximum life of right	4 years
Underlying share price	\$0.145

As the exercise price is \$0.00, share price volatility, risk free interest rate and dividend yield do not have a material impact on the fair value of the performance rights.

The exercise of these performance rights is contingent upon the following conditions being met:

No of Shares to be Issued	Conditions to be Met
100,000	The highest quoted (buy) price for CPT Global shares reaching or exceeding \$0.37 for 5 consecutive business days during the period 28 November 2018 and 30 June 2019 (both dates inclusive)
50,000	The Company's after tax profit (as reported in the Company's 2019 annual report) reaching or exceeding \$1.02m for the 2019 fiscal year
100,000	The highest quoted (buy) price for CPT Global shares reaching or exceeding \$0.56 for 5 consecutive business days during the period 1 July 2019 and 30 June 2020 (both dates inclusive)
50,000	The Company's after tax profit (as reported in the Company's 2020 annual report) reaching or exceeding \$1.54m for the 2020 fiscal year
100,000	The highest quoted (buy) price for CPT Global shares reaching or exceeding \$0.84 for 5 consecutive business days during the period 1 July 2020 and 30 June 2021 (both dates inclusive)
50,000	The Company's after tax profit (as reported in the Company's 2021 annual report) reaching or exceeding \$2.0m for the 2021 fiscal year

Notes to the Financial Statements

Year Ended 30 June 2019

22. SHARE-BASED PAYMENTS (cont.)

The performance rights hold no voting or dividend rights, are not transferrable and will lapse in the event of the resignation of a director. At the date of this report, all directors in receipt of the performance options remain employed by CPT.

An amount of \$15k pertaining to these entitlements has been included in the statement of comprehensive income for the period.

Information with respect to the number of performance rights granted is as follows:

	2019		2018	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding at the beginning of the year	800,000	0.00	300,000	0.00
Granted	450,000	0.00	800,000	0.00
Forfeited	-	-	-	-
Exercised	-	-	-	-
Cancelled	800,000	0.00	800,000	0.00
Expired	-	0.00	-	0.00
Outstanding at year end	450,000	0.00	800,000	0.00

At 30 June 2019, there were NIL (2018: NIL) performance rights vested but not exercised.

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

23. CONTINGENT LIABILITIES

Guarantees

CPT Global Limited has provided a guarantee \$123k (2018: \$123k) to third parties in relation to its performance and obligations in respect of property lease rentals. The guarantee is secured against a term deposit equal to the value of the guarantee. The guarantee is for the term of the lease. The guarantee for lease covers the next 23 months.

24. EVENTS AFTER THE REPORTING PERIOD

On 27th August 2019 CPT Global Limited announced its intention to extend the on-market share buy back for a further twelve months until 28th August 2020. A maximum of 3,000,000 shares may be bought back during the buyback period.

Notes to the Financial Statements

Year Ended 30 June 2019

25. EARNINGS PER SHARE

	2019	2018
	\$'000	\$'000
(a) The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net profit / (loss)	992	780
Earnings used in calculating basic and diluted earnings per share	992	780
	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	37,824,667	37,318,525
Weighted average number of options outstanding	300,000	591,667
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	38,124,667	37,910,192

26. AUDITORS' REMUNERATION

	2019	2018
	\$'000	\$'000
Amounts received or due and receivable by ShineWing Australia and Mazars London for:		
• an audit or review of the financial report of the parent and any other entity in the Group	164	161
• other services in relation to the entity and any other entity in the Group		
- tax compliance	16	26
- other services	4	-

Other services relate to accounting and taxation services.

27. KEY MANAGEMENT PERSONNEL COMPENSATION

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

Key Management Person	Position
Fred S Grimwade	Non-executive Chairman
Alan Baxter	Non-executive Director (retired 27 th November 2018)
Nigel Sandiford	Non-executive Director (appointed 1 st October 2018)
Gerry Tuddenham	Managing Director
David Lynch	Chief Executive Officer Australia and Asia (resigned 17 th August 2018)
Grant Sincock	Company Secretary and Chief Financial Officer
Luke Tuddenham	President North America

Notes to the Financial Statements

Year Ended 30 June 2019

27. 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 2019.

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

	2019	2018
	\$000	\$000
Short-term employee benefits	1,881	2,081
Post-employment benefits	104	109
Other long-term benefits	17	18
Share based payments	15	33
	2,016	2,242

28. RELATED PARTY DISCLOSURES

(a) Controlling Relationships

Interests in subsidiaries are set out in note 11. The parent entity and the ultimate controlling party of the group is CPT Global Limited. All transactions within the group were done on an arm's length basis.

(b) Key management personnel

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

(c) Transactions with related parties

During the financial year there were no transactions with related parties.

29. OPERATING SEGMENTS

Identification of Reportable Segments

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

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

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

Notes to the Financial Statements

Year Ended 30 June 2019

29. OPERATING SEGMENTS (continued)

Types of Services by Segment

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

Australia

- Digital Consulting
- 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.

Inter-segment transactions

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

Segment Assets and Liabilities

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

Unallocated items

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

Notes to the Financial Statements

Year Ended 30 June 2019

29. OPERATING SEGMENTS (continued)

Segment Performance

	Australia		Europe		North America		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE								
External Sales recognised over time	14,820	20,798	540	1,294	13,035	8,939	28,395	31,031
Total Group Revenue							28,395	31,031
Segment Gross Profit before tax	3,804	5,261	262	351	5,872	4,405	9,943	10,075
<i>Reconciliation of segment result to group profit/loss before tax</i>								
Goodwill impairment								
Unallocated Items								
- Overheads							(8,212)	(8,831)
Profit/ (Loss) before tax							1,731	1,244

Segment Assets

	Australia		Europe		North America		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment Assets	2,648	3,085	167	485	2,732	3,554	5,547	7,124
Segment asset increases for the period:								
- Capital Expenditure	-	-	-	-	-	-	-	-
	2,648	3,085	167	485	2,732	3,554	5,547	7,124
<i>Reconciliation of segment assets to group assets</i>								
Unallocated assets:								
- Goodwill	4,232	4,232	-	-			4,232	4,232
- Property, plant & equipment							55	87
- Other Assets							2,982	2,941
Total Group Assets							12,816	14,384

Notes to the Financial Statements

Year Ended 30 June 2019

29. OPERATING SEGMENTS (Continued)

Segment Liabilities

	Australia		Europe		North America		Consolidated	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Segment Liabilities	3,756	5,396	194	398	1,137	1,434	5,087	7,228
Segment liability increases for the period:								
-	-	-	-	-	-	-	-	-
	3,756	5,396	194	398	1,137	1,434	5,087	7,228
<i>Reconciliation of segment liabilities to group liabilities</i>								
Unallocated liabilities:								
- Provisions	1,242	1,532	-	-	119	178	1,361	1,710
- Other Liabilities	-	-	-	-	-	-	-	-
Total Group Liabilities							6,448	8,936

Major Customers

CPT Global Limited provides services to a range of clients in the financial services and telecommunications industries. CPT's top 10 clients account for 81% of the group's global revenue (2018: 80%), totalling \$22.9m (2018: \$24.9m). Three of CPT's clients contributed more than 10% of the annual revenue (21% - a major American bank, 21% - an Australian government department and 12% - a major Australian Bank).

30. FINANCIAL INSTRUMENTS

Financial Risk Management

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

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

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

The board of directors is responsible for monitoring and managing financial risk exposures of the Group. The board reviews the effectiveness of internal controls relating to interest rate risk and foreign currency risk. The overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance from 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 2019

30. 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	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 %	2018 %
(i) Financial assets										
Cash and cash equivalents	1,653	1,440	-	-	-	-	1,653	1,440	0.3	0.17
Trade receivables	-	-	-	-	4,059	4,843	4,059	4,843		
Total financial assets	1,653	1,440	-	-	4,059	4,843	5,712	6,283		
(ii) Financial liabilities at amortised cost										
Bank overdrafts	-	-	-	-	-	-	-	-	8.4	10.3
Trade and sundry payables	-	-	-	-	3,820	5,588	3,820	5,588		
Borrowings	415	535	-	-	-	-	415	535		
Total financial liabilities	415	535	-	-	3,820	5,588	4,235	6,123		

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

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for cash and cash equivalents as this is the only financial instrument materially exposed to floating interest rates. The analysis is based on actual monthly borrowing amounts throughout the year, as reported to management, with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 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 100 basis points higher or lower and all other variables were held constant, the Group's profit before income tax would increase by \$4k and decrease by \$4k (2018: increase by \$4k and decrease by \$4k).

Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from the sale and purchase of services in currencies other than the group's functional currency, and the translation of foreign subsidiary results on consolidation.

Notes to the Financial Statements

Year Ended 30 June 2019

30. FINANCIAL INSTRUMENTS (Continued)

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

Economic Entity	Liabilities		Assets	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Australian dollars	-	-	-	-
Brazilian real	180	169	273	266
US dollars	-	-	-	-
Sterling	-	-	-	-
Euro	-	68	18	43
Canadian dollars	-	-	-	-
Singapore dollars	-	-	-	-

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

Foreign currency sensitivity analysis

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

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

Economic Entity	USD Impact		Sterling Impact		Euro Impact		CAD Impact	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit or loss	44	41	(6)	(42)	(14)	6	11	21
Other equity	(193)	(225)	(234)	(225)	(101)	(85)	28	16

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

Notes to the Financial Statements

Year Ended 30 June 2019

30. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

Liquidity risk is the risk the group will not be able to meet its financial obligations as they fall due. The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Included in Note 15 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk. The borrowing facilities may be drawn at any time and may be terminated by the financing provider with three months' notice. All facilities are subject to annual review.

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

	2019 \$'000	2018 \$'000
Trade payables	880	3,418
Sundry payables and accrued expenses	2,940	2,170
Borrowings	415	535
	4,235	6,123

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

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and essentially arises from holdings of cash and deposits and trade receivables 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 and trade receivables as disclosed in notes 7 and 8.

Information of the Group's credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group are included in note 8.

The Group minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of clients.

i. Cash deposits

Credit risk for cash deposits is managed by holding all cash deposits with major Australian and global banks.

ii. Trade receivables

Credit risk for trade receivables is managed by setting credit limits and completing credit checks for new customers. Outstanding receivables are regularly monitored for payment in accordance with credit terms.

The ageing analysis of trade and other receivables is provided in note 8. As the Group undertakes transactions with a large number of customers and regularly monitors payments in accordance with credit terms, the financial assets that are neither past due nor impaired, are expected to be received in accordance with the credit terms. The Group assess the expected credit loss based on individual debtor level expectations relative to credit terms.

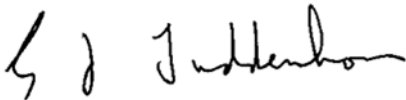
The Group does not have any material credit risk exposure for other receivables or other financial instruments.

Directors' Statement

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 32 to 72, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian 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 2019 and of the performance for the year ended on that date of the company and economic entity.
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in black ink, appearing to read 'Gerry Tuddenham'. The signature is fluid and cursive, with a large initial 'G' and a long, sweeping underline.

Gerry Tuddenham
Managing Director
Melbourne, 30 September 2019

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of CPT Global Ltd (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of the Carrying Value of Goodwill

Area of Focus

Refer to Note 1(i) Accounting Policy; Note 13 Intangible Assets

At 30 June 2019, the Group's Statement of Financial Position includes goodwill amounting to \$4.157m. This goodwill resulted from a business combination in a prior period.

The recoverable amount of the CGU to which goodwill is allocated has been calculated based on the value-in-use model. The recoverable amount use discounted cash flow forecasts in which

How the audit addressed the areas of focus

Our procedures included:

- Assessing the appropriateness of the directors' assessment of the CGU to which goodwill is attributable;
- Evaluating the groups' budgeting procedures upon which the forecasts are based and testing the principles and integrity of the discounted future cash flow models;
- Testing the accuracy of the calculation derived from the forecast model and assessing key inputs to the

Assessment of the Carrying Value of Goodwill

directors make judgements about certain key inputs. For example, but not limited to revenue, growth rates, corporate recharges and inflation are estimated.

Overall, due to the high level of judgement involved, and the significant carrying amount, we have determined that the recoverable amount is a key judgement area that our audit concentrated on.

calculation such as revenue growth, discount rates, and working capital assumptions. This is carried out in reference to the board approved forecasts, data external to the group and using our own assessments;

- Engaging our own valuation specialists when considering the appropriateness of discount rates, terminal values and long-term growth rates; and
- Reviewing the historical accuracy of original forecasts made by comparing them with actual results.

We also reviewed the adequacy of the Group's disclosures in relation to Goodwill.

Revenue Recognition

Area of Focus

Refer to Note 1(p) Accounting Policy; Note 3 Revenue, Note 9 Contract Asset

The Group earned revenue of \$28.395m during the period and recognised contract assets of \$1.583m at reporting date. Revenue is earned from variable (risk/reward) and fixed price contracts and is recognised in accordance with AASB 15 Revenue from contracts with customers.

Recognition of revenue is a key audit matter due to the:

- Significance of revenue and contract assets to the financial statements;
- For certain contracts, revenue is recognised based on estimates of savings identified by the Group. The results of these judgements require significant audit effort to gather sufficient appropriate audit evidence for revenue recognition; and
- Transitional and new disclosure requirements of AASB 15 Revenue from Contracts with Customers.

How the audit addressed the area of focus

Our procedures included:

- Reviewing managements assessments of contractual terms for:
 - Separate performance obligations;
 - Transaction prices and allocation of prices; and
 - Performance obligations
- Documenting and assessing the internal control environment and performing tests of controls;
- Testing a sample of revenue to supporting documentation and assessing whether revenue has been accurately recorded in accordance with contractual terms;
- Performing trend analysis and other analytic techniques on revenue to validate amounts recorded during the year;
- Ensuring estimated savings detailed in project status reports and recognised as revenue have been acknowledged and approved by the Group's customers;
- Ensuring contract assets have been invoiced subsequent to year end; and
- Reviewing accounting policies for compliance with the requirements of AASB 15; and

We also reviewed the adequacy of revenue related disclosures in the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them, all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 27 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of CPT Global Ltd and Controlled Entities for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

ShineWing Australia
Chartered Accountants



Rami Eltchelebi
Partner

Melbourne, 30 September 2019

Corporate Information

ACN 083 090 895

ABN 16 083 090 895

Directors

Fred Grimwade

(Non-executive Chairman)

Gerard (Gerry) Tuddenham

(Managing Director)

Nigel Sandiford

(Non-executive Director)

Company Secretary

Grant Sincok

Principal Registered Office

Level 3, 818 Bourke Street

Docklands VIC 3008

Telephone: +61 (0)3 9684 7900

Internet: www.CPTglobal.com

2019 Annual General Meeting

The Annual General Meeting of CPT Global Limited members will be held on Wednesday 27th November 2019 at 11.30 am at CPT Global's head office at Level 3, 818 Bourke Street, Docklands, Victoria.

Auditors

ShineWing Australia

Level 10, 530 Collins Street

Melbourne VIC 3000

Share Register

Boardroom Pty Ltd

Level 12, 225 George Street

Sydney NSW 2000

Telephone: 1300 737 760

Facsimile: +61(0)292909600

Solicitors

Nicholson Ryan 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 18th of September 2019.

(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	61	38,394	-	-
1,001	- 5,000	296	806,805	-	-
5,001	- 10,000	142	1,099,647	-	-
10,001	- 100,000	234	7,829,557	-	-
100,001	and over	45	28,050,264	-	-
		778	37,824,667	-	-
The number of shareholders holding less than a marketable parcel of shares are:		232	364,446	-	-

(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	8,847,253	23.4%
2	SONDA FONDO DE INVERSION PRIVADO	2,664,993	7.0%
3	CLAPSY PTY LTD	2,562,355	6.8%
4	GNP NOMINEES	2,225,729	5.9%
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,234,426	3.3%
6	MR LUKE TUDDENHAM	868,972	2.3%
7	MR PHILIP ADAM	766,943	2.0%
8	MR PAWEL REJ & MRS MIROSLAWA REJ	758,641	2.0%
9	MR FRED GRIMWADE	718,200	1.9%
10	MR BEN TUDDENHAM	663,388	1.8%
11	BNP PARIBAS NOMINEES PTY LTD	565,858	1.5%
12	MR KEVIN AKOM	565,013	1.5%
13	PETHOL (VIC) PTY LTD	500,000	1.3%
14	FIVE TALENTS LIMITED	482,369	1.3%
15	MR DAVID LYNCH	417,458	1.1%
16	MRS ALISON BOLGER	362,550	1.0%
17	MR NEVILLE HASKETT & MRS VICKI HASKETT	355,000	0.9%
18	MRS JULIE ANN CAREY	326,000	0.9%
19	MR MICHAEL LAZORIK	300,000	0.8%
20	CAPITAL H MANAGEMENT PTY LTD	287,598	0.8%
		25,472,746	67.3%

ASX Additional Information

(c) Shares held in escrow

As at 18th September 2019, there were no shares held in escrow.

(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
MR GERRY TUDDENHAM AND HIS ASSOCIATES (EXCLUDING HIS BENEFICIAL INTEREST IN THE CPT TRUST)	8,851,315
GNP NOMINEES PTY LTD AS TRUSTEE FOR THE CPT TRUST	2,225,729
SONDA FONDO DE INVERSION PRIVADO	2,664,993
CLAPSY PTY LTD	2,515,044

(e) Voting rights

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