

CPT Global Limited
Appendix 4D - Half-Year Report December 2013

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information				Half-year Ended 31 December 2013 A \$000's	Half-year Ended 31 December 2012 A \$000's
Revenues from ordinary activities	up	18%	to	\$19,754	\$16,713
Net Profit (Loss) before tax attributable to members	up	304%	to	\$2,278	(\$1,116)
Net Profit (Loss) after tax attributable to members	up	253%	to	\$1,576	(\$1,028)

DIVIDENDS PAID AND PROPOSED

	Amount per Security	Franked Amount per Security at 30% of Tax
2013 Final - declared 26 September 2013	0.0 cents	0.0 cents
2014 Interim - declared 24 February 2014	3.0 cents	3.0 cents

Record date for determining entitlements to the interim dividend:

Ordinary shares	31st March, 2014
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DIVIDEND DETAILS

Ordinary share capital:	Half-year Ended 31 December 2013 A \$000's	Half-year Ended 31 December 2012 A \$000's
Final dividend paid	\$0	\$0
Interim dividend payable	\$1,101	\$0

An interim fully franked ordinary dividend of 3.0 cents per share was declared on 24 February, 2014. The dividend is payable on 16th April, 2014.

EARNINGS PER SHARE (EPS)

	Half-year Ended 31 December 2013	Half-year Ended 31 December 2012
Basic EPS	4.3 cents	-2.8 cents
Diluted EPS	4.2 cents	-2.8 cents

NTA BACKING

Net tangible asset backing per ordinary security	\$0.19	\$0.12
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CPT Global Limited

ABN 16 083 090 895

Half-Year Financial Report

for the Half-Year ended 31 December 2013

Corporate Information

ABN 16 083 090 895

Directors

Fred S Grimwade (Non-Executive Chairman)
Gerry Tuddenham (Managing Director)
Peter Wright (Executive Director)
Alan Baxter (Non-Executive Director)

Company Secretary

Elliot Opolion

Registered Office

Level 1, 4 Riverside Quay
Southbank
Melbourne, Victoria 3006
+61 3 9684 7900

Solicitors

Gadens Lawyers

Bankers

ANZ Banking Group Limited

Share Register

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford Vic 3067
Telephone: 1300 850 505
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Auditors

Moore Stephens

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Directors' Report

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2013.

DIRECTORS

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

- Fred S Grimwade (Non Executive Chairman)
- Gerry Tuddenham (Managing Director)
- Peter Wright (Executive Director)
- Alan Baxter (Non Executive Director)

REVIEW AND RESULTS OF OPERATIONS

FINANCIAL REVIEW

CPT's revenue for the half year ended 31 December 2013 was \$19.8m, an 18% increase on the prior corresponding half year's revenue of \$16.7m. International revenue increased 216% to \$10.6m (2012: \$3.3m) while Australian revenue decreased 31% to \$9.2m (2012: \$13.4m). EBITDA for the half year was \$2.4m (2012: \$0.9m loss).

CPT posted a net profit after tax of \$1.6m for the half year ended 31 December 2013 (2012: \$1.0m loss).

Earnings per share was 4.3 cents (2012: -2.8 cents) and diluted earnings per share was 4.2 cents per share (2012:-2.8 cents).

CPT Global Limited will pay an interim dividend of 3.0 cents a share fully franked from the first half year of operations.

CPT's cash position of \$3.0m (2012: 0.7m) was strengthened by the company's financial performance and the collection of work in progress on large international contracts. The Company's current ratio remains healthy at 1.78: 1.

REVIEW OF OPERATIONS

International

Momentum in our international operations continued to build on the strong foundations established over the past 5 years. Seven new clients have been added to the International business, three in each of the North American and European markets and one in the Asian market. In addition, CPT began leveraging a global services agreement to provide cost reduction services to a number of locations across the globe for a global client. This increased activity coupled with the falling Australian dollar has led to the International business contributing 54% of the company's global revenue for the half, and with the higher margins achieved on its international engagements, 69% of the company's global half year profit.

In North America, three new 'blue chip' accounts have been added to a growing client base, each of them committing to projects of significance, two of which have recently commenced. In addition, CPT's involvement in its four largest existing clients has increased considerably, increasing revenues from those accounts by an average of almost \$0.5m per client on the prior half year levels. The region's top five clients now provide combined annualized revenue of over \$12m. The local teams are being strengthened by the addition of business development and service delivery professionals to capitalise on the increased activity.

Three 'blue chip' clients have also been added to the European client base since March, resulting in steady revenue growth for the region. Whilst not yet as advanced as the North American business, the European revenue base has grown from \$1.3m and \$2.7m in the prior two half year periods, to \$3.7m in the current half. Although one major client project has recently concluded, opportunities exist to provide additional services to this client in the second half of the year. A number of business development opportunities still await project commencements, which are expected in the latter part of the second half of the year.

In Asia, CPT recently successfully delivered its first cost reduction services contract in China for a large regional bank. It is likely that additional project opportunities will flow from this contract and other business development opportunities exist in a number of financial institutions in China, Hong Kong and Singapore. Careful management of our investment in the Asian market means we will assess each opportunity on a case by case basis.

Australia

Australian market conditions in the IT sector remain tight. Many large corporations and government departments have held off on their IT investments in the past 12 months awaiting improved economic conditions and a change of government. This coupled with some major corporates 'off shoring' their IT service requirements have led to a contraction in IT investment. Growing the client base and increasing activities within existing clients in this environment was a significant challenge. As a result, the Australian operating results were poor relative to the success of the International business.

Reduced local revenue caused a review of the local cost base and operating model in the reporting period. Business development and other expenses were reduced where short term returns were not expected. Local resources were allocated to off shore revenue earning activities where practical. Notwithstanding this significant reduction in revenue, the retention of strong margins and the abovementioned structural changes resulted in the Australian operation operating profitably before shared costs, albeit at less than desirable levels.

The market continues to be monitored closely, so that business development activities can be increased once IT investments are strengthened.

OUTLOOK

In overall terms, the operational performance of the business is expected to remain solid, as the International business consolidates its growth trajectory and the Australian business stabilises.

The strength of the International business will be underpinned by the North American operation where new client projects will be significant and CPT continues to serve the growing needs of the existing client base. A business management / service delivery executive has recently been hired to support the growth of the region. A new business development executive is currently being sought to capitalise on the closing of business in the strong opportunity pipeline.

The European and Asian regions should consolidate their position notwithstanding the European business will encounter a hiatus in activity in the next few months due to the completion of a major contract. The resultant reduction in revenue should be replaced to a large degree by projects undertaken as part of CPT's global supplier agreement.

The Australian operational performance is expected to remain steady with the potential to show marginal improvement as some existing clients receive approval for new projects. In addition, CPT as an expert IT services provider expects to regain business which it previously provided but was off shored in recent times.

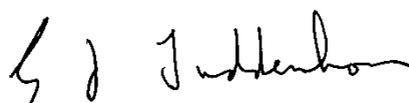
ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

AUDITORS DECLARATION

The lead auditors independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 of the half-year report ended 31 December 2013.

Signed in accordance with a resolution of the directors.



Gerry Tuddenham
Managing Director
Melbourne, 24 February 2014

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013 there have been:

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



MOORE STEPHENS
Chartered Accountants



Hayley Underwood
Partner

Melbourne, 24 February 2014

Consolidated Statement of Comprehensive Income

HALF-YEAR ENDED 31 DECEMBER 2013

	31 Dec 13	31 Dec 12
	\$'000	\$'000
Revenue	19,754	16,713
Other income	21	13
Salaries and employee benefits expense	(1,413)	(1,392)
Consultants benefits expense	(13,476)	(14,022)
Depreciation and amortisation expenses	(72)	(70)
Insurance expense	(123)	(109)
Finance costs	(103)	(101)
Lease expenses	(264)	(274)
Other expenses	(2,046)	(1,874)
PROFIT / (LOSS) BEFORE INCOME TAX	2,278	(1,116)
INCOME TAX (EXPENSE) / REVENUE	(702)	88
PROFIT / (LOSS) AFTER INCOME TAX	1,576	(1,028)
Other comprehensive income / (loss):		
Items that will not be subsequently reclassified to comprehensive income:		
Share based payment expenses	3	0
Items that may be subsequently reclassified to comprehensive income:		
Exchange differences on translating foreign controlled entities	(71)	(26)
Other Comprehensive Income / (Loss) for the period, net of tax	(68)	(26)
TOTAL COMPREHENSIVE INCOME / (LOSS)	1,508	(1,054)
PROFIT / (LOSS) ATTRIBUTABLE TO MEMBERS OF CPT GLOBAL LIMITED	1,576	(1,028)
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO MEMBERS OF CPT GLOBAL LIMITED	1,508	(1,054)
Basic earnings per share (cents per share)	4.3	(2.8)
Diluted earnings per share (cents per share)	4.2	(2.8)

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

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2013

	Notes	AS AT 31 DECEMBER 2013 \$'000	AS AT 30 JUNE 2013 (Restated) \$'000
CURRENT ASSETS			
Cash and cash equivalents		3,016	1,197
Trade and other receivables		6,412	6,043
Unbilled revenue		3,407	3,758
Current tax asset		13	98
Other current assets		404	399
TOTAL CURRENT ASSETS		<u>13,252</u>	<u>11,495</u>
NON-CURRENT ASSETS			
Deferred tax assets		1,380	1,225
Property, plant and equipment		79	76
Intangible assets	3	7,561	7,600
TOTAL NON-CURRENT ASSETS		<u>9,020</u>	<u>8,901</u>
TOTAL ASSETS		<u>22,272</u>	<u>20,396</u>
CURRENT LIABILITIES			
Trade and other payables		6,817	6,813
Current tax liabilities		623	141
TOTAL CURRENT LIABILITIES		<u>7,440</u>	<u>6,954</u>
NON-CURRENT LIABILITIES			
Deferred tax liability		190	150
Long term provisions		98	256
TOTAL NON-CURRENT LIABILITIES		<u>288</u>	<u>406</u>
TOTAL LIABILITIES		<u>7,728</u>	<u>7,360</u>
NET ASSETS		<u>14,544</u>	<u>13,036</u>
EQUITY			
Issued capital		12,075	12,075
Reserves		0	68
Retained earnings		2,469	893
TOTAL EQUITY		<u>14,544</u>	<u>13,036</u>

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

	\$000	\$000	\$000	\$000	\$000
	Issued Capital	Retained Earnings	Equity Reserve	Foreign Currency Translation Reserve	Total
Balance at 1 July 2012	12,075	571	1,690	(1,434)	12,902
Comprehensive income					
Loss for the period	-	(1,028)	-	-	(1,028)
Other comprehensive income / (loss) for the period	-	-	-	(26)	(26)
Total comprehensive income / (loss) for the period	-	(1,028)	-	(26)	(1,054)
Transactions with owners, in their capacity as owners					
Dividends paid or provided for	-	-	-	-	-
Total transactions with owners, in their capacity as owners	-	-	-	-	-
Balance at 31 December 2012	12,075	(457)	1,690	(1,460)	11,848
Balance at 1 July 2013	12,075	893	1,690	(1,622)	13,036
Comprehensive income					
Profit for the period	-	1,576	-	-	1,576
Other comprehensive income / (loss) for the period	-	-	3	(71)	(68)
Total comprehensive income / (loss) for the period	-	1,576	3	(71)	1,508
Transactions with owners, in their capacity as owners					
Dividends paid or provided for	-	-	-	-	-
Total transactions with owners, in their capacity as owners	-	-	-	-	-
Balance at 31 December 2013	12,075	2,469	1,693	(1,693)	14,544

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

HALF-YEAR ENDED 31 DECEMBER 2013

	31 Dec 13	31 Dec 12
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	20,187	18,635
Payments to suppliers and employees	(17,832)	(18,469)
Finance costs paid	(103)	(101)
Income tax paid	(251)	(196)
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	<u>2,001</u>	<u>(131)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, software	(36)	(290)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(36)</u>	<u>(290)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	86
Repayment of borrowings	-	(6)
Payment of dividends on ordinary shares	-	-
NET CASH FLOWS USED IN FINANCIAL ACTIVITIES	<u>-</u>	<u>80</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD	1,965	(341)
Add opening cash and cash equivalents brought forward	1,197	1,114
Effects of exchange rate changes on cash and cash equivalents	(146)	(55)
CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u><u>3,016</u></u>	<u><u>718</u></u>

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

Notes to the Financial Statements

HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The interim financial report is intended to provide users with an update on the latest annual financial statements of CPT Global Limited and its controlled entities (referred to as "the Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the following half-year.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the June 2013 annual report.

Retrospective restatement of long service leave classification

During the reporting period ended 31 December 2013, CPT Global identified a prior period error in respect of the classification of long service leave provisions. In the 30 June 2013 financial report, CPT Global recorded the non-deferrable portion of long service as a non-current liability, and the portion of the provision which is expected to be settled beyond 12 months from the reporting date was classified as a current liability. The comparative column for the 31 December 2013 financial report has been adjusted to re-classify the current portion of the long service leave provision as a current liability and the non-current portion of the provision as a non-current liability. This correction has been made retrospectively in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors. The effect of this correction is an increase to current liabilities and a decrease to non-current liabilities by \$269,155. This correction however, has no impact on either total liabilities or net assets for the Group as at 30 June 2013.

Consolidated

31 Dec 13	31 Dec 12
\$'000	\$'000

NOTE 2: DIVIDENDS

Distributions paid

-

Aggregate dividends declared post period end

Declared interim fully franked ordinary dividend of 3.0 cents per share (2012: 0.0 cents per share franked at the tax rate of 30%).

1,101

-

CPT Global Limited & Controlled Entities - Half-Year Report

Consolidated

31 Dec 13 **30 June 13**
\$'000 **\$'000**

NOTE 3: INTANGIBLE ASSETS

Goodwill at cost	9,659	9,659
Accumulated impairment losses	(2,473)	(2,473)
Total goodwill	7,186	7,186
Intellectual Property at cost	75	75
Software at cost	435	435
Accumulated amortisation and impairment	(135)	(96)
Total software	300	339
Total intangible assets	7,561	7,600

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

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

	2013	2012
	\$'000	\$'000
Australian Segment	6,557	6,557
Europe Segment	629	629
	7,186	7,186

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

Key Assumptions

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

	Discount rate		Gross Margin		Sales Growth		Transfer Pricing	
	2013	2012	2013	2012	2013	2012	2013	2012
Australian Segment	16.5%	16.5%	27.0%	27.0%	5.6%	5.6%	50%	32%

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

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

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

Gross profit margins – values assigned reflect past experience and future expectations..

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

Transfer Pricing – represents expected costs incurred by CPT Global Australia in respect to supporting the operations of foreign subsidiaries and recovery of these costs from the subsidiaries. The increased transfer pricing recovery is due to the growth of the International business and its contribution to global revenue.

The directors still believe the estimated future cash flow required to support the value of goodwill will be achieved within the financial year.

NOTE 3: INTANGIBLE ASSETS (continued)

Sensitivity to changes in assumptions

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

- Growth rate – 2% decrease in gross margins achieved
- Discount rate – 2% increase in discount rate

The maximum possible effect of these changes would not result in impairment in the value of goodwill as at 31 December 2013.

NOTE 4: CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no material change of any contingent liabilities or contingent assets

NOTE 5: BORROWINGS

The economic entity has a financing facility to the value of 75% of its Australian accounts receivable balances. This facility is used periodically. At the end of the reporting period an amount of \$Nil was drawn on the facility.

NOTE 6: OPERATING SEGMENTS

Segment Performance

	Australia		Europe		North America		Consolidated	
	Dec-13 \$'000	Dec-12 \$'000	Dec-13 \$'000	Dec-12 \$'000	Dec-13 \$'000	Dec-12 \$'000	Dec-13 \$'000	Dec-12 \$'000
REVENUE								
External Sales	9,189	13,371	3,693	1,346	6,872	1,997	19,754	16,714
<i>Reconciliation of segment revenue to group revenue</i>								
- Miscellaneous Revenue							21	13
Total Group Revenue							19,775	16,727
Segment Gross Profit before tax	2,410	3,830	1,928	(72)	3,524	720	7,883	4,478
<i>Reconciliation of segment result to group profit/loss before tax</i>								
Unallocated Items								
- Overheads							5,605	5,594
Profit/ (Loss) before tax							2,278	(1,116)

NOTE 6: OPERATING SEGMENTS (continued)

Segment Assets

	Australia		Europe		North America		Consolidated	
	Dec-13 \$'000	Dec-12 \$'000	Dec-13 \$'000	Dec-12 \$'000	Dec-13 \$'000	Dec-12 \$'000	Dec-13 \$'000	Dec-12 \$'000
Segment Assets	2,927	3,974	2,812	2,183	4,334	2,670	10,073	8,827
Segment asset increases for the period:								
- Capital Expenditure	-	-	-	-	-	-	-	-
	2,927	3,974	2,812	2,183	4,334	2,670	10,073	8,827
<i>Reconciliation of segment assets to group assets</i>								
Unallocated assets:								
- Goodwill							7,261	7,261
- Property, plant & equipment							379	469
- Other Assets							4,559	2,320
Total Group Assets							22,272	18,877

	Australia		Europe		North America		Consolidated	
	Dec-13 \$'000	Dec-12 \$'000	Dec-13 \$'000	Dec-12 \$'000	Dec-13 \$'000	Dec-12 \$'000	Dec-13 \$'000	Dec-12 \$'000
Segment Liabilities	3,700	5,043	1,125	662	1,715	576	6,540	6,281
Segment liability increases for the period:								
-	-	-	-	-	-	-	-	-
	3,700	5,043	1,125	662	1,715	576	6,540	6,281
<i>Reconciliation of segment liabilities to group assets</i>								
Unallocated liabilities:								
- Provisions							1,188	748
- Other Liabilities							-	-
Total Group Liabilities							7,728	7,029

NOTE 7: SHARE-BASED PAYMENTS

On 18 November 2013, 400,000 performance shares were granted to directors to take up ordinary shares at an exercise price of \$0.50 each. The options which are exercisable on or before 18 November 2016, vest over a two year period in two equal tranches and are contingent upon the Company's revenue levels and share price reaching targets in each of the 2014 and 2015 financial years as follows:

NOTE 7: SHARE-BASED PAYMENTS (continued)

No of Shares to be Issued	Conditions to be Met
125,000	The highest quoted (buy) price for CPT Global shares reaching or exceeding \$0.75 for 5 consecutive business days during the period 18 November 2013 and 30 June 2014 (both dates inclusive)
50,000	The Company's international revenue (as reported in the Company's 2014 annual report) reaching or exceeding \$18m for the 2014 fiscal year
25,000	The Company's Australian revenue (as reported in the Company's 2014 annual report) reaching or exceeding \$22m for the 2014 fiscal year
125,000	The highest quoted (buy) price for CPT Global shares reaching or exceeding \$1.00 for 5 consecutive business days during the period 1 July 2014 and 30 June 2015 (both dates inclusive)
50,000	The Company's international revenue (as reported in the Company's 2015 annual report) reaching or exceeding \$22m for the 2015 fiscal year
25,000	The Company's Australian revenue (as reported in the Company's 2015 annual report) reaching or exceeding \$25m for the 2015 fiscal year

The options 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 shares options remain employed by CPT.

The fair value of these entitlements at the date of grant has been calculated at \$12,453 using the Monte Carlo simulation methodology. An amount of \$3,113 pertaining to these entitlements has been included in the statement of comprehensive income for the period.

NOTE 8: SUBSEQUENT EVENTS

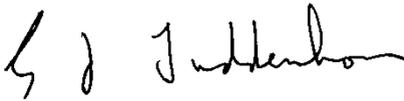
There have been no events subsequent to reporting date.

Directors' Declaration

In accordance with a resolution of the directors of CPT Global Limited, the directors of the company declare that:

- (1) The financial statements and notes, as set out on pages 6 to 14, are in accordance with the Corporations Act 2001 including:
 - (i) complying with Accounting Standard AASB: 134: Interim Financial Reporting; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date.
- (2) 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.

On behalf of the Board



Gerry Tuddenham
Managing Director

Melbourne, 24 February 2014

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CPT Global Limited and controlled entities (the "consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and explanatory information and the directors' declaration. The consolidated entity comprises both CPT Global Limited ("the company") and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of CPT Global Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CPT Global Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (ii) complying with *AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

Significant Uncertainty Regarding Accounting Estimate

Without qualification to the opinion expressed above, we draw your attention to Note 3 in the financial report. The impairment analysis performed on the goodwill is based on cash flow projections that use a range of assumptions and accounting estimates whose outcome depends on future events. Given the current uncertainty in achieving the cash flows, it is extremely difficult to confirm forecast future cash flows with the degree of confidence required to be able to state that goodwill is fully recoverable at the amount disclosed in the financial report. The recoverable amount of the goodwill is sensitive to reasonable possible changes in these key assumptions.

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

Matters Relating to the Electronic Publication of the Financial Report

This auditor's review report relates to the financial report of CPT Global Limited and controlled entities for the period ended 31 December 2013 included on CPT Global Limited's website. The company's directors are responsible for the integrity of CPT Global Limited's website. We have not been engaged to report on the integrity of the CPT Global Limited's website. The auditor's review report refers only to the subject matter described above. It does not conclude on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



MOORE STEPHENS
Chartered Accountants



Hayley Underwood
Partner

Melbourne 24 February 2014