CPT Global Limited Annual Report

www.cptglobal.com

FY2024

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Chairman’s Review

Dear Fellow CPT Global Shareholder,

The year ended 30 June 2024 presented ongoing challenges for CPT Global, with a reported net loss before tax of $1.41 million, and revenue declined by 26% compared to the previous year. This result was primarily driven by reduced business activity, influenced by a subdued economic environment, particularly in Australia and APAC.

This revenue shortfall required us to carefully manage expenses, balancing cost control with continued investment in future opportunities. While FY24 was difficult, we are now seeing early signs of recovery as client willingness to invest in IT services improves. Recent wins have positioned us more favourably as we head into FY25:

- The Northern Hemisphere business continues to perform well. We are seeing significant market opportunities in both North America and Europe, where interest in our mainframe and security services is growing.
- In Australia and APAC, we are encouraged by an increasing interest in our services, particularly in Mainframe offerings, the government sector, and ERP services. Additionally, we are expanding our presence back into Sydney and Canberra to capitalise on emerging opportunities in these markets.

Our dedicated team of specialist technical consultants has remained loyal and resilient throughout these challenges, ensuring CPT Global continues to support some of the world’s largest companies in solving complex IT problems. We are laying the groundwork for a strong future, focusing on providing solutions in an increasingly complex and dynamic global market. We have also invested in our Mainframe Mentoring Program, which now includes five graduates, and in our Security practice, which is gaining momentum and complements our mainframe expertise.

As we work towards profitability, our strategy is centered around three core pillars:

1. Strengthening key client relationships, ensuring CPT remains a trusted and relevant partner.
2. Leveraging our core strengths in mainframe, midrange, and testing services.
3. Maximising geographic opportunities, focusing on the unique potential each region offers.

In terms of leadership, we have asked our CEO, Luke Tuddenham, to drive growth in the Northern Hemisphere, while CPT's Founder, Gerry Tuddenham, is focused on regenerating our Australian and APAC business.

Given our current financial position, we will not be declaring a final dividend this year. However, we remain committed to resuming our dividend payout ratio as soon as circumstances allow.

Despite the challenges of FY24, I would like to express my sincere gratitude to our fellow Directors, the Executive team, and our dedicated staff for their unwavering efforts. I would also like to extend my thanks to our investors for their continued support and loyalty. We understand the importance of returning to profitability, and we are fully committed to achieving this in the coming year.

Steve Targett
Chairman

26 September 2024

Managing Director's Review

As we reflect on the past year and look forward, CPT Global is optimistic as we continue adapting to industry changes and the needs of our clients. Since the major disruptions of 2020, the IT industry has been evolving, with clients investing and adopting new technologies more cautiously. While this has provided opportunities, it has also come with challenges.

Despite these challenges, CPT is well-positioned to deliver value to both clients and investors by leveraging its strengths in mainframe, midrange, and testing services while strategically investing in growth areas, particularly in mainframe security.

We continue to implement innovative solutions and explore opportunities in cost optimisation and performance tuning. These efforts not only deliver substantial cost savings to clients but also drive significant energy efficiencies. This alignment with our clients' financial objectives and ESG commitments ensures CPT is leveraging an approach that benefits both their bottom line and environmental goals.

As we continue to expand our offerings and adapt to change, we are focused on the future and on delivering excellence across our business with our trusted clients.

Mainframe Services

The mainframe is still essential to enterprises, playing a key role in client operations and our team's success. As organisations consider modernising and migrating to the cloud, they are increasingly recognising the inherent value, stability, resiliency, and security of mainframes in their hybrid architectures, and CPT is seizing opportunities on this trend. CPT is also well positioned and currently helping customers with migrating away from CA-Broadcom software to avoid recent increases in license renewal costs.

Our focus on optimising, modernising, and securing mainframe systems has served us well over our 30-year history. Expanding into midrange and cloud solutions has allowed us to diversify our offerings and open new doors. Incremental investment in our security offerings aligns well with our expertise and is an exciting opportunity for growth. It also enhances our value proposition and positions CPT as a comprehensive solutions provider in a competitive market.

Ultimately, our goal is to empower clients with a suite of integrated solutions that meet their unique needs, ensuring they can also stay agile as markets shift.

Quality Assurance & Testing

Our quality assurance and testing services are a core strength that reinforce our identity as testing experts. Along with our mainframe services, these offerings have been key in positioning CPT as a leader in the independent testing market. We also continue to refine our mainframe test coverage software and strategy, exploring ways to infuse our technical expertise and systems into software and business solutions across various platforms, setting the stage for a new revenue stream that widens our market scope. Currently, we are actively seeking opportunities to expand our reach by aligning with businesses that share our values and can benefit from our expertise.

We continue to invest in our team's skills and capabilities, ensuring we deliver industry-leading services and stay competitive in the market. With our focus on automation, CPT is strategically positioned to meet client demands with enhanced efficiency and effectiveness, giving us a competitive edge in the market.

Market Opportunities

The US, Canada, and European markets offer significant potential, with opportunities that align well with our mainframe services. Luke Tuddenham (CEO) is dedicating his time to building strong relationships in these regions while Gerry Tuddenham oversees the Australian and APAC business.

Northern Region Strategy

Our strategy for the Northern region focuses on investing in our Security and Optimisation services, rejuvenating past relationships, expanding existing ones, and creating opportunities that serve a broader client base. CPT is also forming partnerships with key industry players to access larger client projects through our combined expertise and resources.

Recent trends show that clients are increasingly interested in advanced security solutions. Harnessing our expertise and continuing to invest in world class talent will help CPT seize the opportunities presented by this expanding market to drive growth.

Australia & APAC Strategy

The Australia and APAC regions also offer promising opportunities. As the Founder of CPT and recently appointed leader for the region, Gerry is key to our organisation's growth. His deep understanding of local market dynamics and extensive experience are enhancing client relationships and helping the team find new opportunities beyond Melbourne. Having Gerry at the helm has re-energised our sales efforts in the region, particularly around mainframe services and in the government sector.

In this new role, Gerry will work closely with practice and resourcing leads to refine our regional offerings, ensuring they align with market needs and leverage CPT's strengths. Our primary goal is to strategically position CPT to capitalise on opportunities that yield quick results and promote long-term stability, maximising our market presence while establishing a strong foundation for the future.

Building on Gerry’s initiatives and momentum, we have high expectations for growth in this region over the coming years. As we fine-tune our operational model to support success in both regions, we are committed to enhancing our global footprint and profitability.

Looking Forward to FY2025

As we move into FY2025, CPT Global is on a clear path forward to building deeper relationships with our clients and partners. We are also focused on delivering excellence in all areas of our business and expanding our services to meet industry demands.

Our goal is to not only maintain, but elevate CPT's position as a trusted partner, providing innovative solutions that help our clients succeed in IT and thrive in business. The focus will be on collaborating with our talented team and lead CPT into the future, with a strong focus on growth and delivering value to all stakeholders. Together, we will continue to push the boundaries of what is possible and create a brighter future for our clients, investors, and the organisation.

Luke Tuddenham

Luke Tuddenham
Managing Director, CEO

26 September 2024

Director's Report

The directors submit the financial report of CPT Global Limited (or the Company) and its controlled entities (the Group) for the full year ended 30 June 2024.

Directors

The directors of CPT Global for the year ending 30 June 2024 and up until the date of this report are:

Steve Targett

Chairman

As a Non-Executive Director, Steve chairs the board of CPT and the Remuneration Committee and is a member of the Audit and Risk Committee. He also holds other prominent positions, including Chair of the ASX-listed Pioneer Credit Limited. He previously served as Chair of the Member-Owned Banking Group Police and Nurses Limited, stepping down in December 2023.

Throughout his executive career, Steve has led large global divisions at ANZ Bank and NAB in Australia, and Lloyds Bank in London, directly reporting to the Group CEO. His international experience spans Australia, the United Kingdom, and Japan.

Steve is a member of the Australian Institute of Company Directors. Steve also holds the Series 3 U.S. National Futures Association qualification and is a graduate of the Australian Institute of Export. Previously, he held roles as Chair of Australian Financial Markets Association, and was the only Australian elected to the Board of New York based International Swaps and Derivatives Association.

Luke Tuddenham

Managing Director, CEO

Luke Tuddenham is a technology leader with over 18 years of experience in driving growth and success for Fortune 500 clients. As CEO of CPT Global, he has played an instrumental role in the company's evolution, expanding its service offerings and delivery across the globe to meet the changing needs of industry-leading clients.

Luke started his career in Melbourne with Andersen in 2000 and joined CPT Global in 2005 from PricewaterhouseCoopers. Luke joined CPT overseeing the company’s Australian and US markets, before becoming Vice President in 2011. In 2016, Luke was named President of the Americas and Europe. Luke holds a Bachelor of Business Information Systems and earned his Certificate in Business Excellence at Columbia University's Business School. He is also a member of the Australian Computer Society and a Graduate of the Australian Institute of Company Directors.

Gerry Tuddenham

Executive Director

Gerry is the founder of and a major shareholder in CPT. He is a member of the Remuneration Committee and the Audit and Risk Committee. He has more than 50 years of experience in IT consulting and is a hands-on technologist with a reputation for delivering practical solutions that meet client needs.

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 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 and serves on the Finance and Audit Committee.

Deborah Hadwen

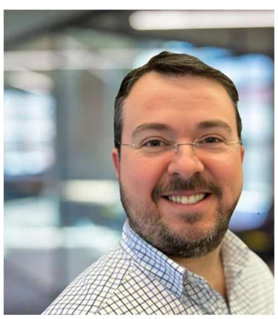
Non-Executive Director

As a Non-Executive Director, Deborah chairs the CPT Audit and Risk Committee and is a member of the Remuneration Committee. Deborah is an experienced Non-Executive Director, Managing Director, and CEO with over 30 years in the technology sector. She is the Managing Director of Apoidea Group Pty Ltd, an advisory firm for technology multinationals and high-growth local tech firms.

Currently, Deborah serves as a Non-Executive Director for Ambition Group Limited and sits on the Advisory Board for Watermark Search International. Deborah is a member of the Governing Council of Macquarie University also sitting on its Audit and Risk and Information Management and Technology Committees.

Previously, Deborah was Chief Executive Officer, Australia & New Zealand for Tata Consultancy Services Limited (TCS), a global leader in IT services, digital and business solutions. Before TCS, she held several commercial roles at Compuware Asia Pacific Pty Ltd in Australia and Asia. Deborah is Managing Director of Apoidea Group Pty Ltd, an advisory firm.

Deborah holds a Bachelor of Arts and a Master of Arts from the University of Sydney, and a Master of Commercial Law from Macquarie University. She is also a Graduate of the Australian Institute of Company Directors (AICD).



Nathan Marburg

Company Secretary, CFO

Nathan was appointed Company Secretary in February 2024. He is an international finance professional and business advisor with over 25 years of experience across diverse industries and jurisdictions, including IT services and consulting, financial services, automotive, pharmaceutical, and professional services.

Nathan graduated from Monash University with degrees in Business Accounting and Computing, providing him with a strong foundation in accounting, finance, and technology. He is a Chartered Accountant, holds a Master of Applied Finance and Investment, and is a Certified Information Systems Auditor (CISA).

*Deborah Hadwen, Non-Executive Director appointed 1 July 2023

**Fred Grimwade, Chairman resigned 22 November 2023

Financial Overview

CPT Global faced significant challenges in FY24, leading to disappointing financial results. While our core business services remained profitable, reduced activity across the group has led to overall losses. As a result, we have implemented tighter cost controls and made targeted strategic investments to support growth and address emerging market demands.

The revenue for the year ended 30 June 2024 was $20,714,755, a 26% decrease on the previous year's revenue of $28,131,258. The net loss before tax was $1,410,041, with a net loss after tax of $1,589,354. FY2024 loss was predominantly from market conditions and associated reduced business activity, mainly in Australia & APAC.

The table below shows the performance over the last three reporting periods:

	FY2024	HY2023	FY2023
	$	$	$
Revenue	20,714,755	11,279,235	28,131,258
(Loss) / profit before tax	(1,410,041)	202,266	(1,494,474)
Tax (expense)/benefit	(179,313)	65,249	(566,375)
(Loss) / profit after tax	(1,589,354)	267,515	(2,060,849)
Impairment of financial assets*	36,368	-	1,026,874
(Loss) / profit after tax & excluding impairment	(1,552,986)	267,515	(1,033,975)

*Impairment relates to the CAD non-cash write down net of tax

Notable points for FY2024:

- Australia & APAC revenue of $8,597,734 down on FY2023 ($15,394,405), following major programs of work ending, coupled with challenging market conditions, including in the government sector, which impacted renewals, the securing of new major programs, and general business activity.
- Northern Hemisphere revenues of $12,117,021 down on FY2023 ($12,736,853) from depressed market conditions, with some recent positive momentum heading into FY2025.
- Finance costs increased mainly due to interest related to Australian tax liabilities, pending the outcome of an ATO remediation lodgement. Other operating costs decreased, primarily from reductions in professional and advisory fees, rental costs, and insurance premiums, but were partially offset by increases in salaries and benefits (due to director fees from overlap with the outgoing Chair and higher statutory and pension costs) as well as license and subscription costs (for enhanced internal systems security and marketing tools).

- Following a comprehensive review in FY2023, an impairment of CA$1,018,106 (AU$1,140,991) related to Canadian tax was required. The closing balance held as a non-current receivable was CA$580,859 (AU$662,065), which is the probability weighted amount currently being pursued for recovery from the CRA and associated individuals these relate to. In FY2024, progress has been made in recovering amounts from the CRA and assessing eligibility of refunds, with the balance at 30 June 2024 being CA$501,168 (AU$549,410), and a further impairment of CA$45,000 (AU$49,480) for amounts deemed unrecoverable.

- HY2024 profit before tax included an accounting adjustment of $449,240 relating to Long Term Incentives (LTI) for prior year balances, including CEO LTI'2022 written down to zero ($337,240) as performance hurdles were not met, and CEO LTI'2023 ($112,000) provision released following the grant of the performance rights at the 22 November 2023 AGM. $62,605 of share-based payment expense was recognised following the grant of performance rights to the CEO and employees during the year, bringing the share-based payments movements to $386,635.

Financial Position

CPT Global's performance has resulted in a decrease of net assets to $1,049,965 compared to $2,918,260 in 2023, mainly due to a reduction in trade other receivables and contract assets due to decreased business activity.

Cash Flow

CPT Global had $1,599,267 in cash as at 30 June 2024 and $1,244,980 on 30 June 2023. We continue to actively manage our cash balances, utilise our funding facility, and monitor aged receivables to effectively manage our cash flow.

Capital Management

No final dividend has been declared for 30 June 2024. However, it is our intention to return to our dividend payout ratio in future.

Earnings Per Share

Earnings Per Share	2024	2023
Basic loss per share (cents per share)	(3.79)	(4.92)
Diluted loss per share (center per share)	(3.79)	(4.92)

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 the Company were:

	Ordinary Shares	Performance Rights	Shares Under Option	Shares Issued on Exercise of Option
Steve Targett	204,213	-	-	-
Luke Tuddenham	1,269,619	2,000,000	-	-
Gerry Tuddenham	13,587,279	-	-	-
Deborah Hadwen	112,001	-	-	-
Nathan Marburg	50,000	685,780	-	-
Fred S Grimwade (resigned 22 Nov 2023)	718,200	-	-	-

Corporate Information

Nature of Operation and Principal Activities

The principal activities of the Group during the financial year were the provision of specialist IT consultancy services.

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

Disclosure of Material Business Risk

Risk	Description	Mitigation
Strategic Accounts & Business Slowdown	Loss of key strategic accounts and business slowdown, potentially affecting revenue, profitability, and overall business growth.	We are strengthening client relationships, expanding strategic partnerships, and exploring new market channels and jurisdictions to reduce reliance on individual accounts and support sustainable growth.
Cyber Security	Unauthorised access to systems or data, with potential consequences including operational, financial, and reputational harm.	An IT & cyber security working group has been established, rolling out enhanced security measures, staff training, and system monitoring. Additionally, we are actively pursuing certifications to strengthen our defences.
Delivery Quality Assurance	Challenges in meeting client expectations or project requirements, particularly as programs grow in size and complexity.	A structured governance framework exists for project delivery, with key account leadership ensuring real-time monitoring. This supports consistent quality and mitigates failure risks.
Liquidity Management	Cash flow constraints due to unforeseen expenses, business slowdowns, or delayed payments from major clients, potentially disrupting operational continuity.	Proactive liquidity management strategies, such as daily cash forecasting, debtor management, and leveraging our international bank network and financing facilities, help ensure operational continuity. Exploring additional financing options is underway.
Succession Planning	Insufficient succession planning for key leadership positions, posing a risk of operational disruption.	A comprehensive succession framework is being developed to identify key personnel and successors. Initiatives such as upskilling and knowledge transfer are in place to ensure leadership continuity and address any gaps in key roles.

Employees

The Group employed 108 employees and contractors as at 30 June 2024 (2023: 132 employees and contractors).

Significant Changes in the State of Affairs

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

Significant Events After the Balance Date

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 Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results

Likely developments, future prospects and business strategies of the operations of the Group are detailed in the Chairman's Statement and Managing Director's Review on pages 3 and 5, 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, Officers and Auditors

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 willful breach of duty in relation to the Company. The total premium paid was $85,811. No indemnity has been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the Group.

Director's Meetings held and attendance during the financial year

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		Audit & Risk Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Steve Targett	11	11	4	4	4	4
Luke Tuddenham	11	11	4	4	4	4
Gerry Tuddenham	11	11	4	4	4	4
Deborah Hadwen	11	11	4	4	4	4
Fred Grimwade*	5	5	2	2	3	3

*Fred Grimwade resigned 22 November 2023

Committee Membership

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

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

Audit Committee

Deborah Hadwen (Chair)
Gerry Tuddenham
Steve Targett
Fred Grimwade (resigned 22 November 2023)

Remuneration Committee

Steve Targett (Chair)
Gerry Tuddenham (non-voting member)
Deborah Hadwen
Fred Grimwade (resigned 22 November 2023)

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 Audit and Risk 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 (including Independence Standards)* set by the Accounting Professional & Ethical Standards Board.
- The following fees for non-audit services were paid/payable to SW Accountants & Advisors Pty Ltd (an affiliated entity of SW Audit) during the year ended 30 June 2024:
    - Taxation compliance services: $65,883
    - Other services $3,400

Remuneration Report

The Remuneration Report for the year ended 30 June 2024 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.

Person to who the report applies

The remuneration disclosures in this Report cover the following persons:

Steve Targett	Non-Executive Chairman
Luke Tuddenham	Managing Director, CEO
Gerry Tuddenham	Executive Director
Deborah Hadwen	Non-Executive Director (appointed 1 July 2023)
Nathan Marburg	Chief Financial Officer, Company Secretary
Fred Grimwade	Chairman (resigned 22 November 2023)

Remuneration Policy

The Remuneration 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 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, performance rights and other incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, performance rights and incentives must be linked to pre-determined performance criteria. The Board can exercise its discretion in relation to approving the incentives, bonuses and performance rights 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.

To assist in achieving these objectives, the Remuneration Committee links the nature and amount of executive directors' and officers' remuneration to the Company's financial and operational performance and shareholders' value.

Performance-Based Remuneration

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

Executive directors and executives can receive performance rights with vesting conditions tied to the cumulative profit before tax and total shareholder return.

The performance-based remuneration does not include any clawback provisions.

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.

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 2024 financial year do not exceed the cap.

There have been changes to director fees in the year which are outlined in the remuneration schedules.

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. The employment contracts 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 to be recommended by Remuneration Committee for approval by the Board;
- short term performance incentive payments are paid, dependent upon CPT Global achieving its objectives and the individual achieving their KPIs, subject to Board discretion;
- 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 / Performance Rights (PRs) are subject to the Plan Rules, where continuous service during the whole of the measurement period is not a requirement in order for the PRs to be eligible to vest

Specific details of each Senior Executive's contract of employment which applied at the end of the financial year ending 30 June 2024 are summarised in the tables on the following pages.

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 and its comparative year are as follows:

Summary of Employee Contracts Applicable at 30 June 2024

	Luke Tuddenham
Position	Managing Director, CEO
Fixed Remuneration	
Base Salary excl statutory on-costs	US$350,000
401K (incl. matching)	US$43,700
Medical Insurance	US$40,641
Non-monetary benefits	Mobile telephone, car parking, motor vehicle lease, executive health check, flights for family (chairman preapproval required) and other miscellaneous expenses
Performance Based Remuneration	
Annual target bonus	US$325,000
Other benefits	Nil
Post-employment benefits	Nil
Post-employment restraint	12 months
Termination notice	3 months
Termination benefits	US$125,000

	Gerry Tuddenham
Position	Executive Director
Fixed Remuneration	
Base Salary excl statutory on-costs	$237,500
Superannuation	$27,500
Non-monetary benefits	Mobile telephone, laptop, car park, road tolls
Performance Based Remuneration	
Annual target bonus	$50,000
Other benefits	Nil
Post-employment benefits	Nil
Post-employment restraint	6 months
Termination notice	1 month
Termination benefits	Nil

	Steve Targett
Position	Non-Executive Director
Fixed Remuneration	
Base Salary	$99,099
Superannuation	$10,901
Transitional Director Fee	$30,000
Non-monetary benefits	Professional subscription, board related travel and expenses

	Deborah Hadwen
Position	Non-Executive Director
Fixed Remuneration	
Base Salary	$76,577
Superannuation	$8,423
Non-monetary benefits	Professional subscription, board related travel and expenses

	Fred Grimwade
Position	Non-Executive Director
Fixed Remuneration	
Base Salary	$77,629
Superannuation	$8,151
Non-monetary benefits	Professional subscription

	Nathan Marburg
Position	Chief Financial Officer
Fixed Remuneration	
Base Salary	$304,000
Superannuation	$27,500
Non-monetary benefits	Mobile telephone, laptop, professional subscription
Performance Based Remuneration	
Annual target bonus	$40,000
Other benefits	Nil
Post-employment benefits	Nil
Post-employment restraint	6 months
Termination notice	2 months
Termination benefits	Nil

	Short-Term Benefits				Post Emp't Benefits				Total	Performance related
	Salary	Annual & Long Service Leave	Short-term Bonus	Other Benefits	Super	Other	Long-term Bonus	Share Based Payments		
	$	$	$	$	$	$	$	$	$	$
Directors										
Fred Grimwade										
2024	**30,813**	-	-	-	**3,389**	-	-	-	**34,202**	**0.0%**
2023	77,629	-	-	-	8,151	-	-	-	85,780	0.0%
Deborah Hadwen										
2024	**70,104**	-	-	-	**7,226**	-	-	-	**77,330**	**0.0%**
2023	-	-	-	-	-	-	-	-	-	0.0%
Steve Targett										
2024	**79,116**	-	-	-	**11,612**	**27,027**	-	-	**117,756**	**0.0%**
2023	28,221	-	-	-	2,916	-	-	-	31,138	0.0%
Nigel Sandiford										
2024	-	-	-	-	-	-	-	-	-	**0.0%**
2023	12,500	-	-	-	1,313	-	-	-	13,813	0.0%
Luke Tuddenham							-			
2024	**687,152**	**62,958**	**62,776**	**44,303**	-	-	**(112,000)**	**(289,880)**	**455,309**	**-74.5%**
2023	601,405	49,132	206,453	152,218	-	-	112,000	207,148	1,328,356	39.6%
Gerry Tuddenham										
2024	**243,406**	**35,144**	-	**4,291**	**27,500**	-	-	-	**310,341**	**0.0%**
2023	340,466	56,320	-	4,304	27,500	-	-	-	428,590	0.0%
Total Directors Remuneration										
2024	**1,110,590**	**98,102**	**62,776**	**48,595**	**49,728**	**27,027**	**(112,000)**	**(289,880)**	**994,937**	**-34.1%**
2023	1,060,222	105,452	206,453	156,522	39,880	-	112,000	207,148	1,887,677	27.8%
Executive Officers										
Nathan Marburg										
2024	**304,979**	**12,721**	**10,000**	**314**	**27,500**	-	-	**11,728**	**367,241**	**5.9%**
2023	23,462	6,972	-	100	7,988	-	-	-	38,522	0.0%
Yasas Jayasuriya										
2024	-	-	-	-	-	-	-	-	-	**0.0%**
2023	137,202	-	3,017	456	14,597	3,304	-	-	158,577	1.9%
Total Executive Officers Remuneration										
2024	**304,979**	**12,721**	**10,000**	**314**	**27,500**	-	-	**11,728**	**367,241**	**5.9%**
2023	160,664	6,972	3,017	556	22,585	3,304	-	-	197,098	1.5%
Total Remuneration										
2024	**1,415,569**	**110,823**	**72,776**	**48,908**	**77,228**	**27,027**	**(112,000)**	**(278,152)**	**1,362,179**	**-23.3%**
2023	1,220,886	112,424	209,470	157,078	62,465	3,304	112,000	207,148	2,084,775	25.4%

Notes

1. The elements of remuneration have been determined based on the cost to the Group.
2. Luke Tuddenham's remuneration is primarily in US dollars, the amounts above have been translated into Australian dollars using the average FX rate for the period.
3. Steve Targett was appointed as Non-Executed Director on 24 January 2023.
4. Nigel Sandiford resigned on 1 August 2022.
5. Yasas appointed as interim CFO on 1 Nov 2022 and resigned as CFO on 19 May 2023. He was replaced by Nathan Marburg (appointed 26 April 2023).
6. Fred Grimwade resigned on 22 November 2023.
7. Deborah Hadwen appointed 1 July 2023.

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. Each employee's bonus is modelled based on the achievement of targets and meeting organisation values. Before any payments are made, the calculations and eligibility for such payments must be approved by the Board, following the review and recommendation by the Remuneration Committee that will consider an individual's achievements as well as the Group's performance for that period.

Performance Rights Granted as Remuneration

	Granted No.	Grant Date	Vested No.	Value per Share at Grant Date $	Exercise Price $	Last Exercise Date
Luke Tuddenham	1,000,000	22/11/23	-	$0.115	$0.00	01/09/25
Luke Tuddenham	1,000,000	22/11/23	-	$0.115	$0.00	01/09/26
Nathan Marburg	685,780	15/12/23	-	$0.115	$0.00	15/12/38
Total	**2,685,780**					

Further details on the service and performance criteria attached to these rights can be found in Note 19.

	Balance at beginning of Period	Granted as Remuneration	Rights Exercised	Rights Lapsed /Cancelled	Balance at End of Period
Luke Tuddenham	1,000,000	2,000,000	-	(1,000,000)	2,000,000
Nathan Marburg	-	685,780	-	-	685,780
Total	**1,000,000**	**2,685,780**	**-**	**(1,000,000)**	**2,685,780**

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 2022 Ord	Granted as Remuneration Ord	On Exercise of Options Ord	Net Change Other Ord	Balance 30 June 2023 Ord
Fred S Grimwade**	718,200	-	-	-	718,200
Nigel Sandiford*	309,058	-	-	-	309,058
Gerry Tuddenham	13,561,808	-	-	6,319	13,568,127
Luke Tuddenham	1,066,848	-	-	202,771	1,269,619
Total	15,655,914	-	-	209,090	15,865,004

Shares held in CPT Global Limited	Balance 30 June 2023 Ord	Granted as Remuneration Ord	On Exercise of Options Ord	Net Change Other Ord	Balance 30 June 2024 Ord
Fred S Grimwade**	718,200	-	-	-	718,200
Gerry Tuddenham	13,568,127	-	-	19,152	13,587,279
Luke Tuddenham	1,269,619	-	-	-	1,269,619
Steve Targett	-	-	-	204,213	204,213
Deborah Hadwen	-	-	-	112,001	112,001
Specified Executives					
Nathan Marburg	-	-	-	50,000	50,000
Total	15,555,946	-	-	385,366	15,941,312

*Nigel Sandiford resigned on 1 August 2022.

**Fred Grimwade resigned on 22 November 2023.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 26 of the directors' report.

Signed in accordance with a resolution of the directors.

DHadwen

Deborah Hadwen

Non-Executive Director, Chair Audit and Risk Committee

26 September 2024

SW Accountants & Advisors

Take the lead

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF CPT GLOBAL LIMITED

As lead auditor, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 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.

SW

SW Audit
Chartered Accountants

R Blayney Morgan

R Blayney Morgan
Partner

Melbourne, 26 September 2024

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Consolidated Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2024

	Notes	30 Jun 24 $	30 Jun 23 $
Revenue	3	**20,714,755**	28,131,258
Other income	3	**10,012**	9,577
Share based payment arrangements	19(a)	**386,635**	(319,148)
Salaries and employee benefits		**(4,287,609)**	(4,143,263)
Consultant benefits		**(14,481,280)**	(20,598,398)
Depreciation and amortisation	4	**(25,376)**	(15,096)
Insurance		**(449,506)**	(474,537)
Finance costs	4	**(436,863)**	(67,333)
Occupancy costs		**(226,523)**	(322,429)
Professional Services		**(723,663)**	(858,100)
Licenses & Subscriptions		**(383,340)**	(283,847)
Other expenses	4	**(1,456,990)**	(1,412,258)
Impairment of financial assets		**(49,480)**	(1,140,991)
Foreign currency (loss)/gains		**(813)**	91
(LOSS) BEFORE INCOME TAX		**(1,410,041)**	(1,494,474)
INCOME TAX (EXPENSE)	5	**(179,313)**	(566,375)
(LOSS) AFTER INCOME TAX		**(1,589,354)**	(2,060,849)
Other Comprehensive Income:			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		**(4,306)**	19,822
Total Other Comprehensive (Deficit)/Income for the year, net of tax		**(4,306)**	19,822
TOTAL COMPREHENSIVE (DEFICIT) FOR THE YEAR		**(1,593,660)**	(2,041,027)
(LOSS) ATTRIBUTABLE TO MEMBERS OF CPT GLOBAL LIMITED		**(1,589,354)**	(2,060,849)
TOTAL COMPREHENSIVE (DEFICIT) ATTRIBUTABLE TO MEMBERS OF CPT GLOBAL LIMITED		**(1,593,660)**	(2,041,027)
Basic (loss) per share (cents per share)	20	**(3.79)**	(4.92)
Diluted (loss) per share (cents per share)	20	**(3.79)**	(4.92)

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 JUNE 30 2024

	Notes	30 Jun 24 $	30 Jun 23 $
CURRENT ASSETS			
Cash and cash equivalents	6	**1,599,267**	1,244,980
Trade and other receivables	7	**2,345,816**	3,192,696
Contract assets	8	**537,531**	1,095,410
Other current assets	9	**238,175**	657,323
Current tax assets		**407,557**	450,006
TOTAL CURRENT ASSETS		**5,128,346**	6,640,415
NON-CURRENT ASSETS			
Trade and other receivables	7	**549,410**	662,065
Deferred tax assets	5	**883,381**	833,429
Right-of-use assets	11	**199,636**	-
Property, plant, and equipment	10	**20,478**	34,390
TOTAL NON-CURRENT ASSETS		**1,652,905**	1,529,884
TOTAL ASSETS		**6,781,251**	8,170,299
CURRENT LIABILITIES			
Trade and other payables	12	**3,925,408**	3,603,182
Contract liabilities	13	**283,771**	196,901
Lease liabilities	14	**78,837**	-
Provisions	16	**1,272,860**	1,313,172
TOTAL CURRENT LIABILITIES		**5,560,876**	5,113,255
NON-CURRENT LIABILITIES			
Lease liabilities	14	**130,032**	-
Provisions	16	**40,378**	138,784
TOTAL NON-CURRENT LIABILITIES		**170,410**	138,784
TOTAL LIABILITIES		**5,731,286**	5,252,039
NET ASSETS		**1,049,965**	2,918,260
EQUITY			
Issued capital	17	**13,918,575**	13,918,575
Reserves	18	**656,762**	935,703
Accumulated losses		**(13,525,372)**	(11,936,018)
TOTAL EQUITY		**1,049,965**	2,918,260

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 2024

	$ Issued Capital Ordinary	$ Accumulated Losses	$ Employee Compensation Reserve	$ Foreign Currency Translation Reserve	$ Total
Balance at 1 July 2022	13,818,324	(9,208,422)	1,828,829	(1,120,096)	5,318,635
Comprehensive Income					
Loss for the year	-	(2,060,849)	-	-	(2,060,849)
Other comprehensive income	-	-	-	19,822	19,822
Total comprehensive deficit for the year	-	(2,060,849)	-	19,822	(2,041,027)
Transactions with owners, in their capacity as owners					
Dividends paid or provided for	-	(666,747)	-	-	(666,747)
Issue of shares	100,251	-	-	-	100,251
Share-based payments	-	-	207,148	-	207,148
Total transactions with owners, in their capacity as owners	100,251	(666,747)	207,148	-	(359,348)
Balance at 30 June 2023	13,918,575	(11,936,018)	2,035,977	(1,100,274)	2,918,260
Balance at 1 July 2023	**13,918,575**	**(11,936,018)**	**2,035,977**	**(1,100,274)**	**2,918,260**
Comprehensive Income					
Loss for the year	-	(1,589,354)	-	-	(1,589,354)
Other comprehensive deficit	-	-	-	(4,306)	(4,306)
Total comprehensive deficit for the year	-	(1,589,354)	-	(4,306)	(1,593,660)
Transactions with owners, in their capacity as owners					
Dividends paid or provided for	-	-	-	-	-
Issue of shares	-	-	-	-	-
Share-based payments	-	-	(274,635)	-	(274,635)
Total transactions with owners, in their capacity as owners	-	-	(274,635)	-	(274,635)
Balance at 30 June 2024	**13,918,575**	**(13,525,372)**	**1,761,342**	**(1,104,580)**	**1,049,965**

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 2024

	Note	30 Jun 24 $	30 Jun 23 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**24,341,035**	30,012,990
Payments to suppliers and employees		**(23,714,649)**	(31,412,973)
Interest received		**10,012**	9,577
Finance costs		**(87,204)**	(48,115)
Income tax paid		**(186,816)**	(822,648)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	22	**362,378**	(2,261,169)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of software, property, plant and equipment		**(3,771)**	(34,529)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(3,771)**	(34,529)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of dividends on ordinary shares		**-**	(566,496)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**-**	(566,496)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**358,607**	(2,862,194)
Opening cash and cash equivalents		**1,244,980**	4,087,261
Effects of exchange rate changes on cash and cash equivalents		**(4,320)**	19,913
CLOSING CASH AND CASH EQUIVALENTS	6	**1,599,267**	1,244,980

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 2024

1. Summary of Material Accounting Policies

The consolidated financial statements comprise the financial statements of CPT Global Limited (the Company) and its subsidiaries (the Group). The separate financial statements of the Parent Entity, CPT Global Limited, have not been presented within these financial statements as permitted by the *Corporations Act 2001*. The parent entity information can be found at Note 25.

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 statements were authorised for issue on 26 September 2024 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 these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and is based on historical costs modified by the valuation of selected non-current assets, financial assets and financial liabilities. All amounts are in Australian dollars unless otherwise stated.

Current year loss

For the year ending 30 June 2024, the Group reported a net loss after tax of $1,589,354 (2023: net loss after tax of $2,060,849) and net cash inflows from operating activities of $362,378 (2023: net cash used in operating activities of $2,261,169). At 30 June 2024, the Group had a net working capital deficiency of $432,530, largely driven by reduced business activity due to a subdued business and economic environment, particularly affecting Australia and APAC.

The Directors remain committed to the long-term business plan that is contributing to improved results in the business performance:

- Business conditions have improved, with increased client willingness to spend and recent wins positioning us well for FY25. We anticipate that the expected increase in business activity will improve our cash position.
    - The Northern business continues to perform strongly, benefiting from higher margins through cost arbitrage and higher rates.
    - There are encouraging signs in Australia & APAC, with recent wins and growing interest in our services, particularly in Mainframe offerings (including Security), the government sector (with SMEs now able to engage directly up to $500k per engagement from 1 July, along with an increase in government-issued tenders), and ERP services (notably SAP and Workday).
- We continue to leverage our securitisation facility for Australian debtors (through ScotPac) and our international banking network for liquidity and cash management.
- We are exploring extending securitisation facilities to our international operations with our existing provider, in addition to leveraging Export Finance Australia (EFA) for large risk-reward and fixed-price projects, as we have done in prior years.
- We will continue to explore potential opportunities for further cost rationalisation in both business and operational areas, should business conditions not improve as anticipated.
- The Company retains flexibility to raise equity on the ASX or through convertible instruments, providing additional options to support future growth and operational needs.
- The Founder, who is the major shareholder, remains actively involved in the business as Executive Director and Head of APAC and continues to support the Group's operations.

The Directors have reviewed the cash flow forecast for the next 12 months and believe it is appropriate for the financial statements to be prepared on a going concern basis.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities, and results of the parent (CPT Global Limited) and all the subsidiaries. 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 24.

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. The 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.

(b) Income Tax

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

Current income tax expense/(benefit) charged to the profit or loss is the tax payable/(receivable) on taxable income/(loss) 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/(benefit) reflects movements in deferred tax asset and deferred tax liability balances during the year.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. The Group assesses the recoverability of deferred tax assets balances at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) Contract Assets

Contract assets represent amounts relating to revenue recognised that has not been invoiced to the customer at the end of the reporting period. There is no amount of the contract asset that was initially recognised more than 12 months prior to the end of the reporting period.

(d) Property, Plant, & Equipment

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

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.

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

Class of Fixed Asset	***Depreciation Rate***
Computer Equipment	33% to 50%
Fixtures, Fittings and Equipment	33% to 50%

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

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

(e) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date. The right-of-use asset is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate. The lease liability is measured at amortised cost under the effective interest method.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(f) Financial Instruments

Recognition and Measurement
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs. 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.

Classification of Financial Assets

Financial assets recognised by the Group are subsequently measured at amortised cost.

Classification of Financial Liabilities

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 *Financial Instruments* 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. 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.

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.

Any financial assets that have been written off but subsequently recovered in whole or in part are recognised in profit or loss.

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

(g) Trade Receivables

Trade receivables are a part of financial instruments (loans and receivables) and are initially recognised at transaction price 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 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.

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

(i) 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 Company'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. 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 which would approximate the rate at the date of the transaction;
- and retained earnings are translated at the exchange rates prevailing at the date of the transaction.

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.

(j) 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.

(k) 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, and annual 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 provision for employee benefits 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.

(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) **Share-based payments**
Share-based compensation benefits are provided to certain directors and employees via the Group Employee Equity Plan. Information relating to this scheme is set out in Note 19.

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 vest. 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 determined using a Monte-Carlo valuation 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.

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 Group 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.

(l) 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.

(m) 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.

(n) 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.

(o) Revenue and Other Income

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

The Group enters into 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 over time as performance obligations are satisfied by transferring the goods or services to the client in the following ways:

- 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.

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 contract assets. 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 million instructions per second (MIPS) or million service units (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 a contract asset.

Clients may be invoiced in advance for the provision of services, and this is recognised as a contract 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).

(p) 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;
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element; and
- the effect of antidilution, if there is a loss it is deemed that dilutive shares will be excluded.

(q) Critical Accounting Estimates & Judgements

The directors evaluate estimates and judgements incorporated into the financial statements 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 and Judgements

(i) **Impairment losses on trade and other receivables, and contract assets**
An impairment loss is recognised based on an expected credit loss model. The Group assesses the expected credit loss of trade receivables and contract assets based on individual debtor level expectations relative to credit terms. The Group assesses the expected credit loss on receivables due from tax authorities based on the expected recovery. There is a high degree of judgement in estimating whether these receivables require a provision for estimated credit losses and what level of provision is needed.

(ii) **Contract assets**
The Group measures contract assets 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.

(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.

(r) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standard Board ("AASB") that are mandatory for the current reporting period. There were no standards adopted in the current period that had a material impact on the Group.

(s) New Accounting Standards and Interpretations Issued but Not Yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods have not been early adopted by the group.

AASB 18 *Presentation and Disclosure in Financial Statements* - This Standard will replace AASB 101 *Presentation of Financial Statements* and will improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. There are also limited changes to the presentation of the statement of financial position and the statement of cash flow. The key presentation and disclosure requirements established by AASB 18 are:

• the presentation of newly defined subtotals in the statement of profit or loss;

• the disclosure of management-defined performance measures; and

• enhanced requirements for grouping information (i.e. aggregation and disaggregation).

These new requirements will enable investors and other financial statement users to make more informed decisions, including better allocations of capital, that will contribute to long-term financial stability. (Effective for annual reporting periods beginning on or after 1 January 2027).

2. Operating Segments

Identification of Reportable Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers, CODM) in assessing the performance and determining the allocation of resources. The reportable segments disclosed are by geographical locations based on the major lines of services provided to customers. Europe and North America are reported as the Northern Hemisphere given the same line of services provided to customers.

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

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

Types of Services by Segment

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

Australia & APAC

- Transformation and Modernisation services
- Program Governance and Assurance Services
- Quality Assurance Services
- Mainframe and Midrange Optimisation and Cost Reduction Services
- Capacity Management Services

Northern Hemisphere

- Mainframe & Midrange performance
- Technical Support services
- Mainframe Security
- Management, Functional & Automation Testing
- Technical Support services
- Cost Reduction
- Capacity Planning

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 with those adopted in the annual financial statements of the Company.

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 contract asset balances. Liabilities include trade creditors and accruals.

Unallocated Items

The Board of Directors review segment performance to the gross profit level. Items, other than operating expenses that can be allocated to a segment, are not allocated to operating segments as they are not considered part of the core operations of any segment.

Segment Performance	Australia & APAC		Northern Hemisphere		Corporate		Consolidated	
	Jun-24	Jun-23	**Jun-24**	Jun-23	**Jun-24**	Jun-23	**Jun-24**	Jun-23
Revenue	**8,597,734**	15,394,405	**12,117,021**	12,736,853	-	-	**20,714,755**	28,131,258
Cost of Sales	**(6,393,550)**	(12,115,641)	**(6,160,739)**	(5,920,798)	-	-	**(12,554,289)**	(18,036,439)
Segment Gross Profit Before Tax	**2,204,184**	3,278,764	**5,956,282**	6,816,055	-	-	**8,160,466**	10,094,819
Reconciliation of segment result to group profit before tax								
OPEX	**(1,963,276)**	(1,846,467)	**(3,379,933)**	(3,805,940)	**(4,564,453)**	(4,476,747)	**(9,907,662)**	(10,129,154)
Profit/(loss) before tax before unallocated items	**240,908**	1,432,297	**2,576,349**	3,010,115	**(4,564,453)**	(4,476,747)	**(1,747,196)**	(34,335)
Corporate Costs								
Share based payment reversal/(expense)							**386,635**	(319,148)
Impairment of financial assets							**(49,480)**	(1,140,991)
							337,155	(1,460,139)
Loss before tax							**(1,410,041)**	(1,494,474)

Segment Assets	Australia & APAC		Northern Hemisphere		Corporate		Consolidated	
	Jun-24	Jun-23	**Jun-24**	Jun-23	**Jun-24**	Jun-23	**Jun-24**	Jun-23
Reconciliation of segment assets to group assets								
- Cash and cash equivalents	**521,934**	204,874	**1,077,333**	1,040,106	**-**	-	**1,599,267**	1,244,980
- Trade receivables	**1,176,969**	1,499,215	**1,718,257**	2,355,546	**-**	-	**2,895,226**	3,854,761
- Deferred tax asset	**377,301**	579,736	**506,080**	253,694	**-**	-	**883,381**	833,429
- Contract assets	**-**	-	**537,531**	1,095,410	**-**	-	**537,531**	1,095,410
- Property, plant & equipment	**-**	-	**4,221**	9,104	**16,257**	25,286	**20,478**	34,390
- Right-of-use-assets	**-**	-	**-**	-	**199,636**	-	**199,636**	-
- Other tax assets	**103,345**	21,139	**304,212**	428,867	**-**	-	**407,557**	450,006
- Other assets	**12,972**	406,952	**95,768**	134,640	**129,435**	115,731	**238,175**	657,323
Total Group Assets	**2,192,521**	2,711,915	**4,243,401**	5,317,367	**345,327**	141,017	**6,781,251**	8,170,299

Segment Liabilities	Australia & APAC		Northern Hemisphere		Corporate		Consolidated	
	Jun-24	Jun-23	**Jun-24**	Jun-23	**Jun-24**	Jun-23	**Jun-24**	Jun-23
Reconciliation of segment liabilities to group liabilities								
- Trade and other payables	**356,618**	1,012,599	**1,966,003**	1,787,778	**1,383,771**	802,805	**3,706,392**	3,603,182
- Provisions	**1,078,318**	950,675	**246,579**	131,606	**207,357**	369,675	**1,532,254**	1,451,956
- Contract liabilities	**229,871**	142,649	**53,900**	54,252	-	-	**283,771**	196,901
- Lease liabilities	**-**	-	**-**	-	**208,869**	-	**208,869**	-
Total Group Liabilities	**1,664,807**	2,105,923	**2,266,482**	1,973,636	**1,799,997**	1,172,480	**5,731,286**	5,252,039

Major Customers

The Group provides services to a range of clients in the financial services, healthcare, and government industries. The Group's top 10 clients account for 83% of the Group's global revenue (2023: 82%), totaling $17,182,955 (2023: $23,142,436).

Industry	Segment	% contributed
Banking	Australia	28%
Banking	Northern Hemisphere	26%
Finance	Northern Hemisphere	12%
Insurance	Northern Hemisphere	7%
Federal Government	Australia	5%
Healthcare	Northern Hemisphere	5%

3. Revenue

	2024 $	2023 $
Revenue		
Services revenue – time & materials	**19,634,911**	26,558,831
Services revenue – risk & reward	**1,079,844**	1,572,427
Total Revenue from Contracts with Customers	**20,714,755**	28,131,258
Other Income		
Interest income	**10,012**	9,577
Total Other Income	**10,012**	9,577

	2024 $	2023 $
Timing of Revenue Recognition		
Services revenue - recognised over time	**20,714,755**	28,131,258
	20,714,755	28,131,258

4. Profit or Loss for the Year

	2024 $	2023 $
Profit or loss for the year also includes the following specific expense items:		
Finance Costs:		
Interest expense on borrowings	**435,308**	67,333
Interest on lease liabilities	**1,555**	-
Total Finance Costs	**436,863**	67,333
Depreciation and Amortisation:		
Depreciation of property plant and equipment	**17,698**	15,096
Depreciation of right of use assets	**7,678**	-
Total Depreciation and Amortisation of Right-Of-Use Assets	**25,376**	15,096
Other Expenses:		
Administration expenses	**828,399**	865,790
Other expenses	**628,591**	546,468
Total Other Expenses	**1,456,990**	1,412,258

Finance costs increased mainly due to interest related to Australian tax liabilities, pending the outcome of an ATO remediation lodgement.

5. Income Tax Expense

(a) Income Tax Expense

Tax (benefit)/expense comprises:		2024 $	2023 $
Current tax expense		144,778	370,000
Deferred tax		271,273	(243,586)
(Over)/under provision of previous year		(236,738)	439,961
		179,313	566,375
The prima facie tax on loss before income tax is reconciled to the income tax as follows:			
(Loss) before tax		(1,410,041)	(1,494,474)
Prima facie tax benefit on loss before income tax at 25% (2023: 25%)		(352,510)	(373,619)
Tax Effect of			
▪Tax on overseas income at a different rate		3,239	18,000
▪Other non-allowable items		56,197	50,900
▪Share-based payment arrangements		(96,659)	79,787
▪Current year tax losses not brought to account		531,175	140,088
▪Tax losses utilised that were not previously recognised		-	(212,727)
▪Impairment of financial assets		12,370	177,961
▪(Over)/under provision of previous year		(236,738)	439,961
▪Non-deductible interest expense		262,239	246,024
Income tax expense attributable to the entity		179,313	566,375
The applicable weighted average effective tax rates are as follows:		(13%)	(38%)

(b) Deferred Tax Liabilities

LIABILITIES		2024 $	2023 $
NON-CURRENT			
Deferred tax liabilities comprise:			
Prepayments		**12,313**	32,194
		12,313	32,194
Reconciliation of Deferred Tax Liabilities			
Opening balance		**-**	121,357
Debited to the profit or loss as current tax		**12,313**	89,163
Closing balance		**12,313**	32,194
Netted off with deferred tax assets		**(12,313)**	(32,194)
Net Deferred Tax Liability		**-**	-

(c) Deferred Tax Assets

ASSETS		2024 $	2023 $
NON-CURRENT			
Deferred tax assets comprise:			
Foreign currency losses		**319,144**	125,084
Employee entitlements		**333,817**	335,286
Accruals		**148,014**	49,831
Income losses		**95,622**	355,422
Other		**(903)**	-
		895,694	865,623

Reconciliation of Deferred Tax Assets			
Opening balance		**833,429**	1,199,830
Credited/(Debited) to the profit or loss		**62,265**	(334,401)
Closing balance		**895,694**	865,623
Deferred tax liabilities netted with deferred tax assets		**(12,313)**	(32,194)
Net Deferred Tax Assets		**883,381**	833,429

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. The Group's tax losses that have not been brought to account are generally not subject to restrictions. Tax losses arising from Australia for the year ended 30 June 2024 of $1,417,781 had not been brought into account. The unrecognised deferred tax assets arising from tax losses not recognised amounts to $928,620 (2023: $501,105) with $354,445 (2023: nil) attributed to Australia and the remaining balance to the UK.

6. Cash and Cash Equivalents

	2024 $	2023 $
Cash at bank	**1,599,267**	1,244,980

7. Trade and Other Receivables

	Notes	2024 $	2023 $
CURRENT			
Trade receivables	(a)	**2,098,981**	2,939,526
Other receivables		**246,835**	253,170
		2,345,816	3,192,696
NON-CURRENT			
Employee withholding tax receivables	(b)	**549,410**	662,065
		549,410	662,065

a) Trade receivables are non-interest bearing and generally on 30-day terms. The average credit period on rendering of services is 28 days (2023: 42 days).
b) Employee withholding tax receivables are refunds expected from the Canada Revenue Agency relating to tax payments made on behalf of employees.

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:

- $554,474 (2023: $611,227) was due from a leading banking institution in Australia with an S&P credit rating of AA-.
- $254,915 (2023: $98,228) was due from a US financial market infrastructure company.
- $178,306 (2023: $217,760) was due from a major banking institution in Canada.
- $284,098 (2023: nil) was due from a leading banking institution in the USA.
- $169,867 (2023: $64,597) was due from government agency in Australia

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 $1,168,469 (56%) relates to Australia (2023: $1,478,536 (50%)) and $930,511 (44%) relates to Northern Hemisphere (2023: $1,475,051 (50%)). The remaining amounts are not individually significant.

Trade receivables that are past due and are impaired

There is no provision for impairment on trade receivables during the year due to long-term relationships established and clients in regulated sectors.

Trade receivables that are past due but not impaired

Included in the trade receivable balance are debtors with a carrying amount of $26,874 (2023: $165,306) in the Group which are past due at the end of the reporting period but have not been provided for as the amounts are still considered recoverable. Subsequently, all outstanding debtor balances have been received post year-end.

Ageing analysis of trade receivables

The ageing analysis of trade receivables is:	2024 $	2023 $
1-3 months	**26,875**	165,307
Within initial trade terms	**2,072,106**	2,788,280
	2,098,981	2,953,587

8. Contract Assets

	2024 $	2023 $
Contract asset	**537,531**	1,095,410

The decrease in contract assets during the year was due to the completion of risk and reward project from FY2023 and reduced activity of fixed price projects.

9. Other Current Assets

	2024 $	2023 $
Prepayments	**203,200**	313,045
Other current assets	**34,975**	344,278
	238,175	657,323

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

10. Property, Plant, & Equipment

	2024 $	2023 $
Fixtures, Fittings and Equipment		
At cost	**20,718**	20,839
Accumulated depreciation	**(20,718)**	(20,839)
	-	59
Computer Equipment		
At cost	**188,591**	185,130
Accumulated depreciation	**(168,113)**	(150,799)
	20,478	34,331
Total Property, Plant, and Equipment	**20,478**	34,390

a) Movements in Carrying Amounts

		Computer Equipment $	Fixtures, Fittings and Equipment $	Total $
Balance at 1 July 2022		13,852	105	13,957
Additions		35,529	-	35,529
Depreciation expense		(15,050)	(46)	(15,096)
Balance at 30 June 2023		**34,331**	**59**	**34,390**
Balance at 1 July 2023		34,331	59	34,390
Additions		3,771	-	3,771
Depreciation expense		(17,639)	(59)	(17,698)
Effects of foreign exchange movements		15	-	15
Balance at 30 June 2024		**20,478**	**-**	**20,478**

11. Right-of-Use Asset

i) AASB 16 related amounts recognised in the balance sheet

	2024 $	2023 $
NON-CURRENT		
Right-of-use-assets	**207,314**	-
Accumulated amortisation	**(7,678)**	-
	199,636	-
Movement in carrying amounts:		
Opening net carrying amount	**-**	-
Addition to right-of-use asset	**207,314**	-
Amortisation expense	**(7,678)**	-
Net carrying amount	**199,636**	-

ii) AASB 16 related amounts recognised in the statement of profit or loss

	2024 $	2023 $
Depreciation charge related to right-of-use assets	**7,678**	-
Interest expense on lease liabilities	**1,555**	-
Short-term leases expense	**129,885**	151,199

The Group had entered into a new two-year lease agreement in June 2024 in relation to its office space. Previously, the Group had elected to apply the short-term lease exemption available under AASB 16 *Leases* given that the previous lease agreement was for a term of one year.

12. Trade and Other Payables

	2024 $	2023 $
CURRENT		
Trade and other payables	**2,882,502**	3,023,158
Sundry creditors and accruals	**1,042,906**	580,024
	3,925,408	3,603,182

13. Contract liabilities

	2024 $	2023 $
CURRENT		
Contract liabilities	**283,771**	196,901

Revenue recognised during the financial year in relation to contract liabilities carried forward amounted to $153,629. Contract liabilities are recorded as a current liability as the underlying performance obligations are expected to be completed within 12 months.

14. Lease Liabilities

	2024 $	2023 $
CURRENT		
Lease liabilities	**78,837**	-
NON-CURRENT		
Lease liabilities	**130,032**	-
Total Lease Liabilities	**208,869**	-

15. Borrowings

	2024 $	2023 $
Unutilised financing facilities		
Maximum credit facility available	**5,000,000**	5,000,000
Credit facility available (secured)	**274,700**	826,059
Amount utilised	**-**	-

The parent entity has a debtor's financing credit facility in place with ScotPac. The maximum credit facility available is $5,000,000 being secure against the value of the Australian debtor book. At 30 June 2024, the available credit facility was $274,700. It is a rolling facility which can be terminated with the following notice; 3 month notice (CPT) & 1 month (provider).

16. Provisions

	2024 $	2023 $
CURRENT		
Employee benefits – Long Service Leave	**543,393**	706,764
Employee benefits – Annual Leave	**729,467**	606,408
Total current provisions	**1,272,860**	1,313,172
NON-CURRENT		
Employee benefits – Long Service Leave	**40,378**	26,784
Long Term Incentive provision	**-**	112,000
Total non-current provisions	**40,378**	138,784
Total Provisions	**1,313,238**	1,451,956

Analysis of Total Provisions	Long Service Leave $	Annual Leave $	Total $
Opening balance at 1 July 2023	733,548	606,408	1,339,956
Provided for during the full year	15,203	525,098	540,301
Taken during the year	(164,980)	(402,039)	(567,019)
Balance at 30 June 2024	**583,771**	**729,467**	**1,313,238**

17. Issued Capital

(a) Issued and paid-up capital	2024 $	2023 $
41,897,365 (2023: 41,897,365)	**13,918,575**	13,918,575
Fully paid ordinary shares	**13,918,575**	13,918,575

(b) Movements in shares on issue	2024		2023	
	Number of shares	**$**	**Number of shares**	**$**
Beginning of the financial year	**41,897,365**	**13,918,575**	41,607,143	13,818,226
Dividend reinvestment plan - 11 November 2022	**-**	**-**	172,030	62,894
Dividend reinvestment plan - 13 April 2023	**-**	**-**	118,192	37,455
End of the financial year	**41,897,365**	**13,918,575**	41,897,365	13,918,575

(i) Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. During the year ended 30 June 2024 no ordinary shares were bought back under the on-market buyback (2023: nil). Ordinary shares have no par value.

(c) Capital Management

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

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

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

The gearing ratios for the year ended 30 June 2024 and 30 June 2023 are as follows:

	2024 $	2023 $
Borrowings	**-**	-
Lease liabilities	**208,869**	-
Less cash and cash equivalents	**(1,599,267)**	(1,244,980)
Net Debt	**(1,390,398)**	(1,244,980))
Total Equity	**1,404,410**	2,918,260
Total Capital employed	**1,404,410**	2,918,260
Gearing ratio	**0%**	0%

A bank guarantee facility provided by the Company's banker is cash backed in the amount of $123,804. 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 August 2026.

18. Reserves

(a) Foreign Currency Translation

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

(b) Employee compensation reserve

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

19. Share-Based Payments

(a) Share-based payment movement

The following amounts are recorded in the profit & loss at reporting date:

Grant	Reversal / (Expense)	
	2024 $	2023 $
LTI'22	337,240	(207,148)
LTI'23 (provision)	112,000	(112,000)
LTI'23 & LTI'24	(62,605)	-
	386,635	**(319,148)**

Following the LTI’23 grant of 1,000,000 performance rights to the CEO at an exercise price of nil per share at the Company's Annual General Meeting on 22 November 2023, the $112,000 long term incentive provision recognised in the year ended 30 June 2023 was released.

On 15 December 2023, the Board of Directors resolved to approve 685,780 performance rights to the CFO and 205,734 to other employees, with an exercise price of nil per share.

An amount of $62,605 pertaining to these entitlements has been included in the profit or loss for the period.

(b) Share-based payment arrangements

The following share-based payment arrangements existed at 30 June 2024:

Performance Rights (PR)	Grant	Grant Date	Expiry Date / Measurement Period End	Exercise Price ($)	As at 1 July 2023	Granted	Forfeited/Exercised / Transferred/Expired	As at 30 June 2024
CEO - Luke Tuddenham	LTI’22	29/11/21	28/11/24	0.00	1,000,000	-	(1,000,000)	-
CEO - Luke Tuddenham	LTI’23	22/11/23	30/06/25	0.00	-	1,000,000	-	1,000,000
CEO - Luke Tuddenham	LTI’24	22/11/23	30/06/26	0.00	-	1,000,000	-	1,000,000
CFO – Nathan Marburg	LTI’24	15/12/23	30/06/38	0.00	-	685,780	-	685,780
Other Employees	LTI’24	15/12/23	30/06/38	0.00	-	205,734	-	205,734
					1,000,000	2,891,514	(1,000,000)	2,891,514

The service and performance conditions are outlined below for the respective grants.

(c) Service and performance conditions

LTI’22:

The performance rights hold no voting or dividend rights, are not transferrable and will lapse in the event of the resignation of the director. The exercise of the performance rights is contingent upon certain conditions being met. At the time of this report, the performance hurdles were not met, resulting in a reversal of $337,240 from the share-based payment reserve which has been reflected in the profit or loss for the period. The details of the targets, number of rights and conditions for LTI’22 is in the Company’s 2023 annual report.

LTI’23 & LTI’24:

At the 2023 AGM, two tranches of performance rights were approved to be granted to the CEO. The details of the grants are in the 2023 Notice of Annual General Meeting dated 20 October 2023. The performance conditions and hurdles also apply to executive grants.

20. Earnings per Share

(a) The following reflects the income and share data used in the calculations of basic and diluted earnings per share:	2024 $	2023 $
Net (loss)/profit & earnings used in calculating basic and diluted earnings per share	**(1,589,354)**	(2,060,849)
	Number of shares	**Number of shares**
Weighted average number of ordinary shares used in calculating basic earnings per share	**41,897,365**	41,897,365
Weighted average number of options outstanding	**799,735**	1,000,000
Effect of antidilution	**(799,735)**	(1,000,000)
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**41,897,365**	41,897,365

21. Dividends Paid or Provided for on Ordinary Shares

	2024 $	2023 $
(a) Dividends paid during the half year		
Prior year final		
Franked dividends (2023: 1.00c per share)	**-**	416,071
Current year interim		
Franked dividends (0.00c per share) (2023: 0.60c per share)	-	250,675
	-	666,746
(b) Dividends proposed and not recognised as a liability		
Fully franked Final dividend of 0.0 cents per share (2023: 0.00c per share)	**-**	-
(c) Franking credit balance		
Balance of franking account at year end adjusted for payment of the current tax liability	**2,587,095**	2,407,958

22. Cash Flow Information

	2024 $	2023 $
(a) Reconciliation of the profit after tax to the net cash flows from operations		
Net (loss)	**(1,589,354)**	(2,060,849)
Non-Cash Items		
Depreciation and amortisation of non-current assets	**25,376**	15,096
Interest expense on leases	**1,555**	-
Impairment of financial assets	**49,480**	1,140,991
Share-based (reversal)/payments	**(386,635)**	319,148
Changes in Assets and Liabilities		
Decrease in trade and other receivables	**910,055**	2,385,184
Decrease/(Increase) in prepayments	**419,148**	(18,598)
Decrease in contract assets	**557,879**	222,145
(Increase) in deferred tax assets	**(7,503)**	(83,435)
Increase/(decrease) in trade payables and accruals	**322,225**	(4,099,870)
Increase in contract liabilities	**86,870**	196,901
(Decrease) in income taxes payable	**-**	(51,838)
(Decrease) in deferred tax liabilities	**-**	(121,000)
(Decrease) in employee entitlements	**(26,718)**	(105,044)
Net cash flow from/(used in) operating activities	**362,378**	(2,261,169)

23. 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.

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.

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

(a) Interest Rate Risk

Financial assets subject to interest rate risk is cash and cash equivalents. 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 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 $17,531 and decrease by $17,531 (2023: increase by $21,725 and decrease by $21,725).

(b) 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, financial position and borrowing between the group on consolidation.

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:

	Liabilities		Assets	
	2024 $	2023 $	2024 $	2023 $
US dollars	**(130,890)**	(151,973)	**188,774**	193,404
Euro	**-**	-	**88,174**	15,069

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 Canadian dollars.

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 opposite those shown.

	USD Impact		Sterling Impact		Euro Impact		CAD Impact	
	2024 $	2023 $	2024 $	2023 $	2024 $	2023 $	2024 $	2023 $
Profit or loss	**(49,368)**	6,672	**31,234**	14,844	**35,052**	10,855	**22,282**	139,652
Other equity	**(67,625)**	(68,414)	**(235,168)**	(204,618)	**(34,340)**	(129,081)	**(203,478)**	(173,354)

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

(c) 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.

Maturity Analysis

The table below represents the undiscounted contractual settlement terms for financial instruments and management's expectations for settlement of undisclosed maturities.

	<12 months		1-5 years		Total contractual cash flows		Carrying amount	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Payables	**(2,882,502)**	(3,023,158)	**-**	-	**(2,882,502)**	(3,023,158)	**(2,882,502)**	(3,023,158)
Lease liabilities	**(94,445)**	-	**(136,474)**	-	**(230,919)**	-	**(208,869)**	-
Total	**(2,976,947)**	(3,023,158)	**(136,474)**	**-**	**(3,113,421)**	(3,023,158)	**(3,091,371)**	(3,023,158)

(d) 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 6 and 7.

Information of the Group's credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group is included in Note 7.

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 7. 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 assesses the expected credit loss based on individual debtor level expectations relative to credit terms.

24. Interests in Subsidiaries

Name	Country of incorporation	Percentage of equity & voting interest held by the economic entity	
		2024	**2023**
CPT Global Australia Pty Ltd	Australia	**100**	100
CPT Global International Pty Ltd	Australia	**100**	100
CPT Global Software Pty Ltd	Australia	**100**	100
CPT Global Inc	USA	**100**	100
CPT Global Consulting Corp	Canada	**100**	100
CPT Consultoria Global Em Informatica Ltda	Brazil	**100**	100
CPT Global Ltd	United Kingdom	**100**	100
CPT Global GmbH	Germany	**100**	100
CPT Global France	France	**100**	100
CPT Global SRL	Italy	**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.

25. Parent Entity Information

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

STATEMENT OF FINANCIAL POSITION		2024 $	2023 $
ASSETS			
Current assets		**656,446**	369,658
Non-current assets		**701,620**	649,481
Total Assets		**1,358,066**	1,019,139
LIABILITIES			
Current liabilities		**18,349,931**	14,623,868
Non-current liabilities		**319,413**	245,800
Total Liabilities		**18,669,344**	14,869,668
EQUITY			
Issued capital		**13,918,508**	13,918,508
Reserves		**1,663,570**	1,938,205
Accumulated losses		**(32,893,356)**	(29,707,242)
Total Deficit		**(17,311,278)**	(13,850,529)
STATEMENT OF COMPREHENSIVE LOSS			
Total loss		**(3,186,114)**	(3,272,508)
Total comprehensive loss		**(3,186,114)**	(3,272,508)

Guarantees

The parent has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries. Refer to Note 29 for details of bank guarantees in relation to leased offices.

26. 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
Steve Targett	Non-Executive Director (Chair)
Luke Tuddenham	Chief Executive Officer
Gerry Tuddenham	Executive Director
Deborah Hadwen	Non-Executive Director (appointed 1 July 2023)
Nathan Marburg	Chief Financial Officer
Fred S Grimwade	Non-executive Chairman (resigned 22 November 2023)

(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 2024.

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

	2024 $	2023 $
Short-term employee benefits	**1,648,076**	1,699,858
Post-employment benefits	**104,255**	65,769
Other long-term benefits	**(112,000)**	112,000
Share-based payments	**(278,152)**	207,148
	1,362,179	2,084,775

27. Related Party Disclosures

(a) Controlling Relationships

Interests in subsidiaries are set out in Note 24. The parent entity and the ultimate controlling party of the group is CPT Global Limited.

(b) Key Management Personnel

Disclosures relating to key management personnel are set out in the Remuneration Report and Note 26. 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.

28. Auditors' Remuneration

Amounts received or due and receivable by SW Audit for:	2024 $	2023 $
An audit or review of the financial statements of the Company and any other entity in the Group	**194,000**	186,776
Other services in relation to the Company and any other entity in the Group		
- tax compliance	**65,883**	74,181
- other services	**3,400**	3,500
	263,283	264,457

29. Contingent Liabilities

Guarantees

The Group has provided a guarantee of $123,804 (2023: nil) 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 and ends 31 August 2026.

30. Events After the Reporting Period

No matter or circumstances have occurred subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the result of those operations or the state of affairs of the Group in subsequent financial periods.

Consolidated Entity Disclosure Statement

Outlined below is the Group's consolidated entity disclosure statement as at 30 June 2024 prepared in accordance with the *Corporations Act 2001*. No entities are trustees, partners or participants in joint ventures.

Consolidated entity disclosure statement as at 30 June 2024

		Body Corporates		Tax residency	
Entity Name	**Entity Type**	**Country of incorporation**	**% of share capital held**	**Australian or foreign**	**Foreign Jurisdiction**
CPT Global Global Limited*	Body Corporate	Australia	N/A	Australian	N/A
CPT Global Australia Pty Ltd*	Body Corporate	Australia	100	Australian	N/A
CPT Global International Pty Ltd*	Body Corporate	Australia	100	Australian	N/A
CPT Global Software Pty Ltd*	Body Corporate	Australia	100	Australian	N/A
CPT Global Inc	Body Corporate	USA	100	Foreign	USA
CPT Global Consulting Corp	Body Corporate	Canada	100	Foreign	Canada
CPT Consultoria Global Em Informatica Ltda	Body Corporate	Brazil	100	Foreign	Brazil
CPT Global Ltd	Body Corporate	United Kingdom	100	Foreign	United Kingdom
CPT Global GmbH	Body Corporate	Germany	100	Foreign	Germany
CPT Global France	Body Corporate	France	100	Foreign	France
CPT Global SRL	Body Corporate	Italy	100	Foreign	Italy

*This entity is part of a tax-consolidated group under Australian taxation law, for which CPT Global Limited is the head entity.

Key assumptions and judgements

Determination of Tax Residency

Section 295(3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the consolidated entity disclosure statement be disclosed.

The determination of tax residency involves judgement. In determining tax residency, the consolidated entity has applied current Australian and foreign legislation and any judicial precedent relevant to the interpretation of that legislation.

In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The consolidated entity has also had regard to the Commissioner of Taxation's public guidance.

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes, 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);
    b. give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Group;
    c. the information disclosed in the attached consolidated entity disclosure statement is true and correct.
2. the Chief Executive Officer and Chief Financial 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;
    c. the financial statements and notes for the financial year give a true and fair view;
    d. the information disclosed in the attached consolidated entity disclosure statement is true and correct.
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.

Deborah Hadwen

Non-Executive Director, Chair Audit and Risk Committee

26 September 2024

SW Accountants & Advisors

Take the lead

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CPT GLOBAL LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of CPT Global Limited (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

a. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended, and

b. 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Brisbane	Melbourne	Perth	Sydney
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1. Revenue recognition and contract assets	
Key audit matter	**How our audit addressed the key audit matter**
Refer to note 1(c) *Contract Assets,* note 1(o) *Revenue and Other Income*, note 3 *Revenue*, and note 8 *Contract Assets* The Group earned revenue of $20,714,755 during the year and recognised contract assets of $537,531 at reporting date. Services revenue includes: • variable (risk/reward), and • fixed price contracts. Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers*. Recognition of revenue and contract assets is a key audit matter due to the revenue recognised being based on managements' estimates of: • millions of instructions per second (MIPs) or million service units (MSUs) saved for variable contracts, and • the inputs used to calculate the conversion of time/cost into economic benefits. Given the level of estimation there is significant audit effort to test revenue and as a result it is a key audit matter.	Our procedures included: • Documenting and assessing the internal control environment and performing tests of controls • Testing a sample of revenue from both revenue streams to supporting documentation and assessing whether revenue has been accurately recorded in accordance with contractual terms • Assessing whether new contracts for both revenue streams that are executed during the year have been accounted for in accordance with AASB 15 *Revenue from Contracts with Customers* • Performing trend analysis and substantive audit data analytics on both revenue streams to test the amounts recorded during the year • Ensuring estimated savings of MIPs or MSUs detailed in project status reports and recognised as revenue have been acknowledged and approved by the Group's customers • Ensuring estimated savings of MIPs or MSUs reflected in project status reports were recognised as revenue in the correct accounting period • Ensuring contract assets for estimated savings of MIPs or MSUs have been invoiced after year end to ensure no significant reversal of revenue in future periods, and • Assessing the adequacy of revenue related disclosures in the financial report.

2. Recognition of income tax related balances	
Key audit matter	**How our audit addressed the key audit matter**
Refer to note 1(b) *Income Tax,* note 1(q)(iii) *Deferred Taxes* and note 5 *Income Tax Expense* The Group operates in multiple tax jurisdictions with differing tax laws and regulations increasing the potential for misstatement of tax related balances and transactions. The Group has recognised $883,381 deferred tax assets on the statement of financial position, the recognition of which involves judgement by management as to the likelihood of the realisation of these deferred tax assets, which is based on a number of factors including whether there will be sufficient taxable profits in future periods to support recognition.	Our procedures included: • Engaging tax experts to assess management's calculations and application of relevant tax laws and regulations • Reviewing income tax provision calculations for each jurisdiction • Reconciling income tax expense/(benefit) to prima facie expense/(benefit) for the year • Evaluating management's assessment as to whether there will be sufficient taxable profits in future periods to support the recognition of deferred tax assets

The Group's tax balances and resulting expense/(benefit) have significant complexity and as a result they are a key audit matter.	• Reviewing operational budgets and forecasts and evaluating the assumptions used in those forecasts, and • Considering the adequacy of the disclosures in relation to tax related balances and the recognition of deferred tax assets.

3. Share-based payments

Key audit matter	How our audit addressed the key audit matter
Refer to note 1(k)(iii) *Share-based Payments* and note 19 *Share-based Payments* The Group recognised share-based payment expenses of $62,605 in relation to 2,891,514 performance rights issued during the year to the CEO, specified executives and other employees at an exercise price of nil. In addition, $337,240 was reversed from the employee compensation reserve in relation to 1,000,000 performance rights issued to the CEO previously as it was unlikely that the performance hurdles would be met. Each of these arrangements required significant judgments and estimations by management, and as a result they are a key audit matter.	Our procedures included: • Obtaining and reviewing the valuation calculations and position paper on the share-based payment plan prepared by the corporate finance specialist engaged by management. • Determining the grant dates, evaluating what were the most appropriate dates based on the terms and conditions of the share-based payment arrangements • Evaluating the progress of the vesting conditions of share-based payments with performance milestones • Evaluating the directors' assessment of the likely success or failure of achieving the performance milestones • Evaluating the expensing of each share-based payment tranche granted to the arrangement's beneficiaries • Testing the journal entries recorded to determine whether the share-based payment expense had been correctly recorded in the profit or loss and employee compensation reserve, and • Ensuring that the details of the share-based payments have been sufficiently disclosed in the financial report.

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 2024, 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:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement for being true and correct in accordance with the requirements of the *Corporations Act 2001, and*

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement as true and correct and is free of 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 has 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, actions taken to eliminate threats or safeguards applied.

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 17 to 25 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of the Group for the year ended 30 June 2024 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.

SW

SW Audit
Chartered Accountants

R Blayney Morgan

R Blayney Morgan
Partner

Melbourne, 26 September 2024

Corporate Information

ACN 083 090 895

ABN 16 083 090 895

Directors

Steve Targett, Non-Executive Chairman
Luke Tuddenham, Managing Director & CEO
Gerry Tuddenham, Executive Director
Deborah Hadwen, Non-Executive Director

Company Secretary

Nathan Marburg, CFO

Principal Registered Office

Principal Registered Office
Level 3, 818 Bourke Street
Docklands VIC 3008
Telephone: +61 (0)3 9684 7900
Internet: www.CPTglobal.com

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

Auditors

SW Audit
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)2 9290 9600

Solicitors

Nicholson Ryan Lawyers

Bankers

ANZ Banking Group Limited

ASX Code

CGO

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 25th of September 2024.

(a) Distribution of equity securities

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

Ordinary shares					
			Holders	Total Units	%
1	-	1,000	81	40,217	0.1%
1,001	-	5,000	302	824,165	2.0%
5,001	-	10,000	147	1,150,010	2.7%
10,001	-	100,000	236	7,676,599	18.3%
100,001	-	and over	49	32,206,374	76.9%
		TOTAL	815	41,897,365	100.0%

(b) Twenty largest shareholders

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

		Ordinary Fully paid Shares	
		Number of shares	Percentage of ordinary shares
1	TUDDY SUPER PTY LTD	7,575,399	18.1%
2	GNP NOMINEES PTY LTD	2,709,046	6.5%
3	HSBC CUSTODY NOMINEES	2,664,993	6.4%
4	CLAPSY PTY LTD	2,444,174	5.8%
5	TUDDY SUPER PTY LTD	1,663,417	4.0%
6	TUDDY SUPER PTY LTD	1,591,248	3.8%
7	TUDDCORP PTY LTD	1,184,409	2.8%
8	MR PHILIP ADAM &	1,016,255	2.4%
9	MR DAVID KEITH COLLINS &	893,212	2.1%
10	TEN TALENTS (2020) LIMITED	805,667	1.9%
11	MR PAWEL REJ &	758,641	1.8%
12	B&E TUDDENHAM PTY LTD	598,265	1.4%

		Number of shares	Percentage of ordinary shares
13	MR NEVILLE WINSTON	501,000	1.2%
14	MUTUAL TRUST PTY LTD	500,000	1.2%
15	BNP PARIBAS NOMINEES PTY LTD	450,176	1.1%
16	MR MICHAEL LAZORIK	400,000	1.0%
17	MR BARRY RAYMOND DUNSTAN	389,000	0.9%
18	MIDDLE VALE PTY LTD	372,603	0.9%
19	BNP PARIBAS NOMS	365,686	0.9%
20	MRS ALISON BOLGER	362,550	0.9%
	Total Securities of Top 20 Holdings	27,245,741	65.0%

(c) Shares Held in Escrow

There are no escrowed securities on issue at the date of this Report.

(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)	13,587,279
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,664,993
CLAPSY PTY LTD	2,444,174

(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.