



Aspermont

Information for Industry

ABN: 66 000 375 048

ANNUAL REPORT

For the financial year ended

30 June 2017

ASPERMONT LIMITED AND CONTROLLED ENTITIES FOR THE YEAR ENDED 30 JUNE 2017

CORPORATE DIRECTORY

Directors

Andrew Leslie Kent
John Stark (Appointed Alternate Director May 2017)
Colm O'Brien (resigned May 2017)
Alex Kent
Rhoderic Whyte (resigned May 2017)
Geoffrey Donohue (appointed October 2016)
Christian West (appointed May 2017)
Clayton Witter (appointed May 2017)

Company Secretary

David Straface

Key Management Personnel

Alex Kent – Managing Director, Group
Nishil Khimasia – Chief Financial Officer, Group
Robin Booth – General Manager Publishing
Ajit Patel – Chief Operating Officer, Group

Registered Office

613-619 Wellington St
Perth WA 6000
Telephone: (08) 6263 9100
Facsimile: (08) 6263 9148

Postal Address

PO Box 78
Leederville WA 6902

Solicitors

Stephen Roy Webster
11/37 Bligh Street
Sydney NSW 2000

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Share Registry

Advanced Share Registry Services
110 Stirling Hwy
Nedlands WA 6009

Bankers

ANZ Banking Group Limited
7/77 St Georges Terrace
Perth WA 6000

Australian Stock Exchange Limited

ASX Code : ASP

Website

www.aspermont.com

**ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
DIRECTOR'S REPORT AND OPERATIONAL HIGHLIGHTS
FOR THE YEAR ENDED 30 JUNE 2017**

Full Year Results – Improved Margins and a Return to Positive Earnings.

Aspermont, the leading media services provider to the global resources industry, announces its results for the twelve months ended 30 June 2017 ahead of release of full annual report following the change of balance sheet date to September 2017.

The Group has made significant progress this year; returning the company to positive earnings and profitability (on a normalised basis), transforming the balance sheet through the elimination of long-term debt and completing the sale of our problematic joint venture in Beacon Events which had been a 5 year drain on management time and company resources.

Our key highlights presented below show prior year variances on both a reported and constant currency basis. In FY17 Brexit had a unique impact on AUD-GBP exchange rates

FY 17 – Key Highlights

\$ Millions	FY17	Variance PY	Variance @Constant currency
Group Revenue including discontinued	\$20.8	(8%)	+5%
Revenue from continuing operations	\$11.4	(10%)	(2%)
Digital Revenue from continuing operations	\$2.8	+16%	+27%
Subscriptions Revenue from continuing operations	\$4.4	+2%	+7%
Subscriptions Cash receipts from continuing operations	\$5.1	+21%	+27%
	FY 17	FY 16	Variance PY
Gross Margin % (pre overheads/ group adjustments)	16%	10%	+6%
Normalised EBITDA ¹	\$0.1	(\$1.1)	+\$1.3
EBITDA	(\$1.8)	(\$1.8)	+\$0.02
Normalised Profit/(Loss) for the year ²	\$0.04	(\$6.8)	+\$6.9
Profit/(Loss) for the Year	(\$1.2)	(\$6.8)	+\$5.6

**ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
DIRECTOR'S REPORT AND OPERATIONAL HIGHLIGHTS
FOR THE YEAR ENDED 30 JUNE 2017**

Net Assets	\$8.8	\$1.2	+\$7.6
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Note 1 – EBITDA pre-exceptional one-off charges of \$1.8m in FY 17 and \$0.7m in FY 16

Note 2 – Reported profit for the year adjusted for fair value adjustment of Loan receivable

Operational Highlights

The Company has delivered strong growth in digital advertising and subscriptions this year, whilst gross margins have continued to improve. The momentum in our subscriptions business which is the key strategic growth driver to our overall commercial model has seen a strong growth in all its key SAAS indicators.

Subscription orders are growing with significant price uplifts (ARPU) alongside gains in customer loyalty and renewal rates.

The Key subscriptions SAAS metrics are highlighted below:

	FY17	IMPROVEMENT
Orders	8,963	4%
Renewal Rate (Volume)	78%	6%
Annual Contract Value (ACV)	\$5.1m	14%
ARPU	\$600	16%
Sessions	4.0m	5%
Users	1.4m	27%
Lifetime Years	4.5	19%
Lifetime Value	\$22.7m	35%
Loyalty Index	52%	27%
Client Acquisition Cost (CAC)	51	12%

The large growth in both ACV and lifetime value of subscriptions emanates from improvements in all other indicators listed and it is these two metrics that are the most important growth measures within the business.

Commenting, Alex Kent, Managing Director of Aspermont said:

“The second half of this financial year saw the completion of our 2 year transformation programme and the migration of all our brands onto the Project Horizon platform. As a direct consequence of this and further investments in people and content we saw large

**ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
DIRECTOR'S REPORT AND OPERATIONAL HIGHLIGHTS
FOR THE YEAR ENDED 30 JUNE 2017**

lifts in subscription cash collected for H2 most of whose revenues will be recognised in FY18. Digital advertising continued to grow solidly and in offset to continued print decline.

This year through successful capital raisings, debt conversion and asset disposal we have also transformed our balance sheet and at the same time brought the company back to positive earnings.

Our new management team has been aligned with a highly capable new board and we look forward to a positive FY18 as the company enters an accelerated and sustained New Growth phase.”

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FOR THE YEAR ENDED 30 JUNE 2017**

Comparative year on year results for the business for the year ended 30 June 2017

	2017	2016
	\$000	\$000
Revenue		
Advertising - Digital	2,773	2,384
Advertising - Print	4,108	5,779
Subscriptions	4,406	4,337
Other	123	123
Total continuing operations	11,410	12,623
Discontinued publishing products	-	1,427
Discontinued conferencing revenue	9,394	8,485
Total segment revenue	20,804	22,536

Result

Segment result	3,239	2,299
Segment margin	16%	10%

The reconciliation of statutory earnings to EBITDA is as follows:

	2017	2016
	\$000	\$000
Loss from continuing operations before income tax expense	(10,443)	(6,510)
<u>Add back:</u>		
Interest	1,183	1,758
Depreciation and amortisation	545	544
Impairment of receivables	-	203
Impairment of intangible assets	6,395	6,165
Discontinued operations relating to continued operations*	869	(76)
<u>Subtract:</u>		
Re-estimation of Beacon put option liability	-	(3,387)
Other income	(334)	(502)
Foreign exchange	-	(363)
Net profit attributable to the non-controlling interest (excluding preferred dividend)	-	359
EBITDA	(1,785)	(1,809)
Exceptional one-off charges	1,845	710
Normalised EBITDA	60	(1,099)

*While the amounts relating to the discontinued operations have been classified in discontinued operations the gain/(loss) relates to the shareholders of Aspermont

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Outlook for the upcoming 2017/2018 year:

Aspermont has lodged an investor presentation (with supporting text commentary) to the market outlining the company's execution priorities over the next 12 months and also its growth strategies over the next few years.

The company intends to:

- Continuing the organic build of its core and ancillary revenue bases
- Leverage its existing infrastructure to scale its model into new markets
- Target other iconic print brands (such as the 200 years old Mining Journal) for potential acquisition and successful digitalization

Over the next 12 months our focus will be on:

1. Launching new business lines in events, data and research
2. Launching the next version of our Project Horizon platform (V4)
3. Accelerating subscriptions growth and Lifetime Value
4. Continuing development on our integrated sponsorship solutions for client

For further details on all these new strategies and our overall picture please do refer to our recent investor presentation.

Summary

After a 2 year transformation Aspermont now has the world's leading industrial content for the global resources industry

The company has a clear and substantial growth opportunity to leverage its platform and digital media expertise, to aggressively expand the business across multiple geographies and sectors

Our high performance SAAS based subscription model, with growing profitability, high quality recurring revenues and world leading customer endorsements position us to maximize our short term objectives and;

With a relentless focus on executing growth opportunities, with a highly capable and aligned board and management team, we are set to experience an accelerated and sustained new growth phase

Yours sincerely,



**Alex Kent
Managing Director
Aspermont Limited**

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Directors' Report
FOR THE YEAR ENDED 30 JUNE 2017

The Directors present their twelve month interim report on the consolidated entity (referred to hereafter as the Group) consisting of Aspermont Limited and the entities it controlled at the end of, or during, the year ended 30 June 2017. The full financial report will be published reporting on the 15 months to September 2017 following the change in the balance sheet date recently announced.

Directors

The following persons were directors of Aspermont Limited during the financial year and up to the date of this report:

Andrew L. Kent
John Stark (appointed Alternate Director May 2017)
Colm O'Brien (resigned May 2017)
Alex Kent
Rod Whyte (resigned May 2017)
Geoffrey Donohue (appointed October 2016)
Christian West (appointed May 2017)
Clayton Witter (appointed May 2017)

Principal activities

The Group's principal activities during the year were to provide market specific content across the Resources sectors through a combination of print, digital media channels and face to face networking channels.

Operating results

The operating loss after tax for continuing operations was \$11.9 million (2016: loss \$6.2 million). The operating profit after tax for discontinued operations was \$10.7 million (2016: loss \$0.6 million). The consolidated loss after tax for the group was \$1.2 million (2016: loss \$6.8 million).

Dividends

No dividend has been declared for the year (2016: no dividend).

Review of operations

A review of the operations of the Group during the financial year has been set out in pages 2 to 8 of this report.

Modification to Review Report

The group auditor has included a qualification in the Review Report in relation to consolidating the disposed events business results up to the date of disposal and the profit on disposal of the Events business. The Group did not have access to books and records at date of disposal and the information provided is based on management's best estimate of the financial information of the subsidiary at date of disposal. The Group auditor has also included an emphasis of matter paragraph relating to the going concern of the Group. The directors' disclosure on going concern is located in Note 3.

The Directors believe it is appropriate to prepare the financial statements on a going concern basis as there are no matters existing to indicate that the consolidated entity will be unable to manage the matters referred to in Note 3 and above in the next 12 months.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Directors' Report
FOR THE YEAR ENDED 30 JUNE 2017

Significant changes in the state of affairs

The significant changes in the state of affairs of the Group during the financial period are outlined in the preceding review of operations.

Events subsequent to the end of the half year

No events subsequent to 30 June 2017 require disclosure.

Likely developments and expected results of operations

The upcoming year is expected to be one of further development in our Technology base and business models, alongside a return to profitability for the Group.

Environmental regulations

Environmental regulations do not have any impact on the Group, and the Group is not required to report under the National Greenhouse and Energy Reporting Act 2007.

AUDITORS DECLARATION

The lead auditor's independence declaration is set out on page 9 and forms part of the director's report for the year ended 30 June 2017.

ROUNDING OF AMOUNTS

The parent entity has applied the relief available to it under Legislative Instrument 2016/191 and accordingly, amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Perth this 31st August 2017

Signed in accordance with a resolution of Directors:



Alex Kent
Managing Director

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF ASPERMONT LIMITED

As lead auditor for the review of Aspermont Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Aspermont Limited and the entities it controlled during the period.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 31 August 2017

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Consolidated Income Statement for the year ended 30 June 2017

	Note	Restated	
		2017 \$000	2016 \$000
Continuing operations			
Revenue		11,410	14,051
Cost of sales		(5,292)	(6,848)
Gross Profit		6,118	7,203
Distribution expenses		(554)	(972)
Marketing expenses		(2,137)	(2,877)
Occupancy expenses		(1,140)	(1,341)
Corporate and administration		(4,163)	(2,217)
Finance costs		(1,183)	(1,758)
Other expenses		(1,323)	(2,521)
Change in fair value of investments		-	(85)
Re-estimation of Beacon put option		-	3,387
Other income		334	1,039
Impairment of loan receivables		-	(203)
Impairment of intangible assets	5	(6,395)	(6,165)
Profit/(loss) from continuing operations before income tax expense		(10,443)	(6,510)
Income tax benefit/(expense) relating to continuing operations		(1,516)	318
Profit/(loss) for the year from continuing operations		(11,959)	(6,192)
Profit/(loss) from discontinued operation (attributable to equity holders of the company)	10	10,728	(637)
Profit for the year		(1,231)	(6,829)
Profit/(loss) attributable to:			
Net profit/(loss) attributable to non-controlling interest		456	(359)
Net loss attributable to equity holders of the parent entity		(1,687)	(6,470)
		(1,231)	(6,829)

The accompanying notes form part of these consolidated financial statements.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Consolidated Income Statement for the year ended 30 June 2017

	Restated	
	Cents	Cents
	2017	2016
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company		
Basic and diluted earnings/(loss)	(0.75)	(0.39)
Earnings per share for profit from discontinued operations attributable to the ordinary equity holders of the company		
Basic and diluted earnings/(loss)	0.67	(0.04)
Earnings per share for profit attributable to the ordinary equity holders of the company		
Basic and diluted earnings/(loss)	(0.08)	(0.43)

The accompanying notes form part of these consolidated financial statements.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Consolidated Statement of Comprehensive Income for the year ended 30 June
2017

	Note	Restated	
		2017 \$000	2016 \$000
Net profit/(loss) after tax for the year		(1,231)	(6,829)
Other comprehensive income/(loss) <i>(Items that will be reclassified to profit or loss)</i>			
Foreign currency translation differences for foreign operations		128	(2,283)
Other comprehensive income/(loss) for the period net of tax		128	(2,283)
Total comprehensive loss for the year (net of tax)		(1,103)	(9,112)
Total comprehensive income/(loss) attributable to:			
Non-controlling interest		182	(517)
Owners of Aspermont Limited		(1,285)	(8,595)
Total comprehensive income for the year attributable to owners of Aspermont Limited arises from:			
Continuing operations		(1,285)	(8,595)
Discontinued operations		182	(517)

The accompanying notes form part of these consolidated financial statements.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Consolidated Balance Sheet as at 30 June 2017

	Note	2017 \$000	2016 \$000
CURRENT ASSETS			
Cash and cash equivalents		2,626	1,795
Trade and other receivables		1,476	3,734
TOTAL CURRENT ASSETS		4,102	5,529
NON-CURRENT ASSETS			
Trade and other receivables	10	4,481	-
Financial assets		101	68
Property, plant and equipment		90	155
Deferred tax assets		1,725	3,137
Intangible assets and goodwill	5	7,756	17,729
TOTAL NON-CURRENT ASSETS		14,153	21,089
TOTAL ASSETS		18,255	26,618
CURRENT LIABILITIES			
Trade and other payables		4,470	7,235
Income in advance		2,999	5,788
Borrowings	6	124	5,141
Income tax payable		17	373
Provisions		26	-
TOTAL CURRENT LIABILITIES		7,636	18,537
NON-CURRENT LIABILITIES			
Borrowings	6	-	3,120
Deferred tax liabilities		1,725	3,129
Provisions		53	95
Other liabilities		-	562
TOTAL NON-CURRENT LIABILITIES		1,778	6,906
TOTAL LIABILITIES		9,414	25,443
NET ASSETS		8,841	1,175
EQUITY			
Issued capital	7	65,565	56,433
Reserves		(11,132)	(10,150)
Accumulated losses		(45,592)	(43,905)
Parent entity interest		8,841	2,378
Non-controlling interest		-	(1,203)
TOTAL EQUITY		8,841	1,175

The accompanying notes form part of these consolidated financial statements

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Consolidated Statement of Changes in Equity for the year ended 30 June 2017

	Issued Capital	Accumulated Losses	Other Reserves	Share Based Reserve	Currency Translation Reserve	Fixed Assets Reserve	Sub- Total	Non- Controlling Interest	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2015	54,158	(38,649)	(8,053)	1,458	9	(276)	8,647	(685)	7,962
Profit/ (loss) for the year	-	(6,470)	-	-	-	-	(6,470)	(359)	(6,829)
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	-	(2,125)	-	(2,125)	(158)	(2,283)
Realised loss on equity investments transferred	-	-	-	-	-	-	-	-	-
Financial assets reserve movements	-	-	-	-	-	-	-	-	-
Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-	-	-
Total Comprehensive income	-	(6,470)	-	-	(2,125)	-	(8,595)	(517)	(9,112)
Transactions with owners in their capacity as owners;									
Share issued (net of issue cost)	2,275	-	-	-	-	-	(2,275)	-	(2,275)
Transfer of option reserve on vested options	-	1,214	-	(1,163)	-	-	51	-	51
Balance at 30 June 2016	56,433	(43,905)	(8,053)	295	(2,116)	(276)	2,378	(1,203)	1,175
Balance at 1 July 2016	56,433	(43,905)	(8,053)	295	(2,116)	(276)	2,378	(1,203)	1,175
Profit/(loss) for the year	-	(1,687)	-	-	-	-	(1,687)	456	(1,231)
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	-	398	-	398	(274)	128
Total Comprehensive income	-	(1,687)	-	-	398	-	(1,289)	182	(1,103)
Transactions with owners in their capacity as owners;									
Shares issued (net of issue costs)	9,132	-	-	-	-	-	9,132	-	9,132
Issue of share options	-	-	-	521	-	-	521	-	521
Disposal of non-controlling interest	-	-	(1,901)	-	-	-	(1,901)	1,021	(880)
Balance at 30 June 2017	65,565	(45,592)	(9,954)	816	(1,718)	(276)	8,841	-	8,841

The accompanying notes form part of these consolidated financial statements.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Consolidated Statement of Cash Flows for the year ended 30 June 2017

	Note	2017 \$000	2016 \$000
Cash flows from operating activities			
Cash receipts from customers		19,435	24,889
Cash payments to suppliers and employees		(23,462)	(24,550)
Interest and other costs of finance paid		(45)	(496)
Interest received		-	2
Income tax paid		-	359
Net cash (used in)/ from operating activities		(4,072)	204
Cash flows from investing activities			
Payments for investments		(16)	(691)
Proceeds from sale of equity investments		-	7
Proceeds from disposal discontinued operations	10	4,192	-
Payments for plant and equipment		(19)	(85)
Payment for intangible assets		(177)	(125)
Net cash from/(used in) investing activities		3,980	(894)
Cash flows from financing activities			
Proceeds from issue of shares		3,193	1,879
Share issue transaction costs		(296)	(63)
Proceeds from borrowings		-	512
Repayment of borrowings		(1,911)	(950)
Net cash from financing activities		986	1,378
Net increase in cash held		894	688
Cash at the beginning of the year		1,795	1,645
Effects of exchange rate changes on the balance of cash held in foreign currencies		(63)	(538)
Cash at the end of the year		2,626	1,795
Cash flows of discontinued operation	10		

The accompanying notes form part of these consolidated financial statements.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements for the year ended 30 June 2017

1. Reporting entity

Aspermont Limited (the "Company") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The consolidated financial statements of Aspermont Limited and its controlled entities (together referred to as the "Group") for the year ended 30 June 2017 comprises the Company and its subsidiaries and the consolidated entity's interests in associates and jointly controlled entities.

The consolidated annual financial statements of the consolidated entity as at and for the year ended 30 June 2016 are available on request from the Company's registered office at 613-619 Wellington Street, Perth WA 6000 or at www.aspermont.com.

Comparatives

Where applicable, certain comparatives have been adjusted to conform to current year presentations.

2. Statement of compliance

The consolidated year-end financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards AASB 134 Interim Financial Reports and the *Corporations Act 2001*.

The consolidated year-end financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the consolidated entity as at and for the year ended 30 June 2016.

The consolidated financial statements were approved by the directors on 30th August 2017.

The Company is of a kind referred to in Legislative Instrument 2016/191 and in accordance with the Legislative Instrument, amounts in the consolidated interim financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

The Company during the year applied and was granted approval for the transition from a year end of 30 June to 30 September.

3. Going concern

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realization of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2017 the entity recorded a loss for the year of \$10.4 million from continuing operations before income tax and had net cash outflows from operating activities of \$4.1 million.

The ability of the entity to continue as a going concern is dependent on the group generating positive operating cash flows and/or securing additional funding through the raising of debt or equity to continue to fund its operational and marketing activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the entity's working capital requirements and as at the date of this report.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements for the year ended 30 June 2017

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors have forecasted the group to generate positive operating cash flows in the next 12 months through an increase in revenue in the digital and subscription revenue streams.
- The Directors expect the Group to be successful in securing additional funds through debt or equity issues if the need arises.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

4. Significant accounting policies

Certain new accounting standards and interpretations have been published that are mandatory for 30 June 2017 interim reporting period and these did not result in any changes to the accounting policies or disclosures for the year end.

(a) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements for the year ended 30 June 2017

5. Intangible assets

Consolidated	Goodwill \$000	Software \$000	Purchased masthead s \$000	Other acquired assets \$000	Total \$000
Gross carrying amount					
Balance at 1 July 2015	21,399	3,216	11,565	2,388	38,568
Additions	-	125	-	-	125
Currency movements	(1,443)	(107)	(1,005)	-	(2,555)
Disposals	-	-	(5)	(1,113)	(1,118)
Balance at 30 June 2016	19,956	3,234	10,555	1,275	35,020
Additions	-	177	-	-	177
Currency movements	(1,006)	(46)	(493)	-	(1,545)
Disposals	(6,357)	(402)	-	-	(6,759)
Balance at 30 June 2017	12,593	2,963	10,062	1,275	26,893
Accumulated Amortisation					
Balance at 1 July 2015	(6,132)	(2,535)	(1,992)	(2,101)	(12,760)
Amortisation expense	-	(250)	-	(201)	(451)
Impairment	(8,047)	-	-	-	(8,047)
Reversal of impairment	-	-	1,882	-	1,882
Currency movements	761	106	110	(5)	972
Disposal	-	-	-	1,113	1,113
Balance at 30 June 2016	(13,418)	(2,679)	-	(1,194)	(17,291)
Amortisation expense	-	(779)	-	(81)	(860)
Impairment	(3,780)	-	(2,615)	-	(6,395)
Currency movements	685	44	-	-	729
Disposals	3,920	760	-	-	4,680
Balance at 30 June 2017	(12,593)	(2,654)	(2,615)	(1,275)	(19,137)
Net Book Value					
As at 30 June 2016	6,538	555	10,555	81	17,729
As at 30 June 2017	-	309	7,447	-	7,756

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements for the year ended 30 June 2017

5. Intangible assets (continued)

During the year an analysis was performed in respect of the Purchased Mastheads and Goodwill. As part of impairment testing performed for the financial year 30 June 2017 it was noted that the carrying amount of the Goodwill exceeded its recoverable value which resulted in an impairment of \$3.8 million. The combined impairment arising from the Mastheads and the Goodwill amounted to \$6.4 million. During the year there was a disposal of Beacon which resulted in the removal of Goodwill which had a carrying amount of \$6.4 million and accumulated impairment of \$3.9 million. Further information in relation to the disposal is contained within Note 10.

(a) Impairment tests for intangible assets

Intangible assets are allocated to the Group's cash generating units (CGUs) identified according to business segment and country of operation. The recoverable amount of each CGU is based on value-in-use calculations using business plans and estimated terminal values for each CGU.

	2017 Total \$000	2016 Total \$000
Goodwill		
Conferencing	-	5,661
Conferencing impairment	-	(4,049)
Publishing (print & online)	16,118	16,118
Publishing impairment (print)	(12,593)	(9,374)
Foreign exchange reserve	(3,525)	(1,818)
	-	6,538
Software		
Cost	2,954	3,233
Accumulated Amortisation	(2,645)	(2,678)
	309	555
Purchased Mastheads		
Mastheads (print & online)	12,279	12,279
Mastheads impairment (print)	(2,615)	-
Foreign exchange reserve	(2,217)	(1,724)
	7,447	10,555
Other Intangible Assets		
Acquired intangibles assets	1,275	1,275
Impairment	(81)	(100)
Accumulated amortisation	(1,194)	(1,094)
	-	81
Total Intangible Assets	7,756	17,729

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Notes to the Consolidated Financial Statements for the year ended 30 June
2017

5. Intangible assets (continued)

Intangibles are allocated to the CGU's as follows:

	2017	2016
	Total \$000	Total \$000
Publishing	26,884	28,450
Cumulative impairment	(19,128)	(13,233)
	7,756	15,217
Conferencing	-	6,561
Cumulative impairment	-	(4,049)
	-	2,512
Total Intangible Assets	7,756	17,729

(b) Key assumptions used for value-in-use calculations

The Company has reviewed the Intangible assets for impairment.

Intangible assets are allocated to the Group's cash generating units (CGUs) identified according to business segment. The recoverable amount of each CGU is based on value-in-use calculations using business plans and estimated terminal values for each CGU.

	2017	2016
	Discount rate	Discount rate
Publishing	15.1%	13.9%
Conferencing	n/a	8.7%

Cash flow forecasts were used based on the EBITDA for each Cash Generating Unit as per the Group's latest five-year business plan consistent with its use at 30 June. The discount rates used reflect specific risks relating to the relevant segments and the countries in which they operate.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements for the year ended 30 June
2017

5. Intangible assets (continued)

These assumptions have been used for the analysis of each CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations for the future. If any of these assumptions were to change this could affect the carrying amounts of the intangible assets.

Cash flow forecasts were used based on the EBITDA for each Cash Generating Unit as per the Group's latest five-year business plan approved by the board on the following basis:

- Year 1 cash flows - Based on current management forecast in line with current trending.
- Year 2-5 cash flows:
 - ❖ Average EBITDA growth of 118% as a result of the following underlying assumptions:
 - A revenue decline of 10% has been assumed for printed products businesses as management expect structural change to continue. Assumptions have been made in line with past performance and management's expectation of market development.
 - Revenue growth of 25% is assumed in the digital businesses based on market maturity of established products, continued roll-out and introduction of new products and services through product extensions and continued channel development.
 - Revenue growth of 10% in subscriptions – these assumptions are in line with current performance, industry trends and management's expectation of market development.
 - A lower expense growth as a result of the digital platform relative to the growth in revenues as the business continues to scale.
 - Expansion of new Publishing initiatives as it improves penetration in North American market, roles out new products and services and launches the events business.
 - Expenses expected to grow in line with business expansion and managed following restructuring initiatives which have already produced a cost saving trend.

Long Term Growth Rate – a terminal value of growth into perpetuity of year 5 cash flows equivalent to 8 times multiple for Publishing using the discount rate.

Each of the above factors is subject to significant judgement about future economic conditions and the ongoing structure of the publishing and digital industries. Specifically, the Directors note that the extent and duration of the structural change in print advertising is difficult to predict. The Directors have applied their best estimates to each of these variables but cannot warrant their outcome.

The discount rates used reflect specific risks relating to the relevant segments and the countries in which they operate. The increase in the rate for Publishing in this financial year reflects the change in capital mix in that segment.

Management determined budgeted EBITDA margin based on past performance and its expectations for the future. If any of these assumptions were to change this could affect the carrying amounts of the intangible assets.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements for the year ended 30 June 2017

5. Intangible assets (continued)

Impact of possible changes in key assumptions

The calculations are sensitive to changes in key assumptions as set out below:

The recoverable amount of the CGU would equal the carrying amount if the key assumptions were to change as follows:

- Discount rate – increase from 15.1% to 16.4%,
- Year 1 to 5 cash flow forecasts – reduction of 20% EBITDA year on year.

(c) Mastheads

The Mastheads support the brand acquired which has been publishing for a significant period of time (circa 100 years) and although content is distributed both in print and digital format, both content is driven off the mastheads which have not changed and the same brand content is marketed. There is no reason for these mastheads not be used indefinitely given the brand recognition and market position.

6. Borrowings

	2017	2016
	\$000	\$000
Current		
Unsecured loans from external parties	-	245
Secured loans from external parties	-	1,565
Loans from related parties	124	3,331
	124	5,141
Non-Current		
Secured Liabilities		
Loans advanced for convertible debt	-	3,120
	-	3,120

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

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7. Issued capital

	2017	2016	2017	2016
	#	#	\$000	\$000
Fully paid ordinary shares	1,848,363,913	958,700,907	65,565	56,433
Ordinary shares				
At the beginning of the reporting period	958,700,907	724,918,019	56,433	54,158
Shares issued during the year:				
Rights issue	68,217,100	233,782,888	714	2,368
Shares issued as part of debt/equity conversion (see note 10)	581,429,406	-	5,814	-
Private placement of fully paid ordinary shares	229,516,500	-	2,900	-
Share issue costs	10,500,000	-	(296)	(93)
At Reporting date	1,848,363,913	958,700,907	65,565	56,433

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.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements for the year ended 30 June 2017

8. Key management personnel and related parties disclosures

(a) Liabilities and loans from director related entities

	2017	2016
	\$	\$
<i>Unsecured loans</i>		
Beginning of year	3,331,000	2,834,807
Loan advances	681,540	1,928,800
Loan repayments	(1,053,710)	(1,586,664)
Loan conversion to ordinary shares	(2,799,599)	(150,000)
Interest charged at 9.5% (2016: 9.5%)	77,401	304,057
End of year	236,632	3,331,000

The Company sought and was granted approval from shareholders to convert loans from related parties into equity.

(b) Convertible debt with key management personnel and director related entities

	2017	2016
	\$	\$
<i>Unsecured loans</i>		
Beginning of year	2,616,530	1,389,997
Loan advances	-	222,409
Loan repayments	-	(179,501)
Loan conversion to ordinary shares	(2,660,374)	-
Interest charged at 10% (2016: 10%)	43,844	157,079
Finance charge arising from ratchet feature	-	1,026,547
End of year	-	2,616,530

The settlement of the convertible debt during the year ended 30 June 2017 gave rise to a finance charge. The year ended 30 June 2016 finance charge amounted to \$1.9m. Subsequent to 30 June 2016 an additional finance charge totalling \$1.1m was incurred. The finance charge arose through accelerated interest arising from the convertible debt which granted additional shares and options to the relevant holders.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements for the year ended 30 June
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9. Segment information

The economic entity primarily operates in the media publishing industry as well as in conferencing and investments, within Australia and in the United Kingdom.

Segment Reporting:

2017	Publishing \$000	Conferencing \$000	Discontinued Operation \$000	Total \$000
Revenue				
Advertising - Digital	2,773	-	-	2,773
Advertising - Print	4,108	-	-	4,108
Subscriptions	4,406	-	-	4,406
Conferencing & Other revenue	-	123	9,394	9,517
Total segment revenue	11,287	123	9,394	20,804
Revenue by Geography				
Australia/ Asia	6,812	123	9,394	16,329
Europe	4,475	-	-	4,475
Other	-	-	-	-
Total revenue	11,287	123	9,394	20,804
Result				
Segment result	2,086	12	1,141	3,239
<i>Unallocated items:</i>				
Corporate overheads	(5,988)			(5,988)
Depreciation	(566)			(566)
Amortisation	(86)			(86)
Impairment of intangible assets	(6,395)			(6,395)
Other income	334			334
Gain on disposal of discontinued operation			9,587	9,587
Finance costs	(1,356)			(1,356)
Profit for year before income tax				(1,231)
Segment assets				
	13,904	-	-	13,904
<i>Unallocated assets:</i>				
Cash				2,626
Deferred tax asset				1,725
Other assets				-
Total assets				18,255
Liabilities				
	7,619	-	-	7,619
<i>Unallocated liabilities:</i>				
Provision for income tax				17
Deferred tax liabilities				1,725
Borrowings				53
Total liabilities				9,414

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements for the year ended 30 June
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2016	Publishing \$000	Conferencing \$000	Discontinued Operation \$000	Total \$000
Revenue				
Advertising - Digital	2,384	-	151	2,535
Advertising - Print	5,779	-	1,075	6,855
Subscriptions	4,337	-	201	4,538
Conferencing & Other revenue	-	123	8,485	8,608
Total segment revenue	12,500	123	9,913	22,536
Revenue by Geography				
Australia/ Asia	7,261	123	9,913	17,297
Europe	5,239	-	-	5,239
Other	-	-	-	-
Total revenue	12,500	123	9,913	22,536
Result				
Segment result	1,475	-	823	2,299
<i>Unallocated items:</i>				
Corporate overheads	(7,874)			(7,874)
Depreciation	(306)		(36)	(342)
Amortisation	(201)			(201)
Impairment of intangible assets	(3,603)		(2,562)	(6,165)
Other income				2,149
Re-estimation of Beacon put option				3,387
Interest				(41)
Loss for year before income tax				(6,788)
Segment assets				
	15,217	-	2,512	17,729
<i>Unallocated assets:</i>				
Cash				1,794
Deferred tax asset				3,137
Other assets				3,958
Total assets				26,618
Liabilities				
	11,796	-	5,004	16,800
<i>Unallocated liabilities:</i>				
Provision for income tax				373
Deferred tax liabilities				3,129
Borrowings				5,141
Total liabilities				25,443

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements for the year ended 30 June
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9. Segment information (continued)

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Managing Director who makes strategic decisions.

In line with the ongoing development and strategy of the Group's trading business, the reporting segments have in the current reporting period has been reduced into two broad global categories, being Publishing (a combination of the Print and Digital segments used previously) and Conferencing.

The segments derive revenue from the following products and services:

The Publishing segment derives subscription, advertising and sponsorship revenues from traditional print publications across a number of trade sectors including the mining, contracting, energy and resources sector as well as from internet based media which includes the development and maintenance of websites and daily news services covering various sectors including mining, energy, construction and mining longwalls.

The Conferencing segment derives revenues from running events and holding conferences in various locations and across a number of sectors.

Segment revenue and expenses:

Segment revenue and expenses are accounted for separately and are directly attributable to the segments.

Inter-segment transfers:

There are no significant inter-segment transactions at this time.

10. Discontinued operation

(a) Description

On 15th May 2017 the Group disposed of its 60% shareholding in its events business, Beacon Events Limited ("Beacon"). This resulted in a gain of \$9.6 million.

The Group did not have access to books and records at the date of the disposal and accordingly net profit from discontinued operations has been recognised based on management's best estimate of the unaudited financial information in relation to Beacon.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements for the year ended 30 June 2017

10. Discontinued operation (continued)

(b) Financial performance and cash flow information

The financial performance and cash flow information presented is for the period 1 July 2016 to 15 May 2017 and the year ended 30 June 2016.

	2017	2016
	\$'000	\$'000
Revenue	9,394	8,485
Other income	-	650
Expenses	(8,373)	(9,412)
Profit before income tax	1,021	(277)
Income tax benefit/(expense)	120	(359)
Gain on sale of discontinued operation (refer c)	9,587	-
Profit after income tax of discontinued operation	10,728	(636)
Exchange differences on translation of discontinued operations	(684)	(396)
Other comprehensive income from discontinued operations	10,044	(1,032)
Net cash inflow from operating activities	810	585
Net cash inflow/(outflow) from investing activities	93	(35)
Net cash (outflow) from financing activities	-	-
Net increase in cash generated by subsidiary	903	550

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements for the year ended 30 June 2017

10. Discontinued operation (continued)

(c) Sale Consideration

Details of the fair value of assets, liabilities and disposed intangible assets are as follows:

	2017 \$'000
Consideration received or receivable:	
Cash	4,192
Loan Receivable	
Loan receivable (refer to Note 11)	5,755
Fair value adjustment (refer to Note 11)	(1,274)
Total fair value receivable	4,481
Total consideration	8,673
Carrying amount of net assets sold	(791)
Gain on sale before income tax and reclassification of foreign currency translation reserve	7,882
Reclassification of foreign currency translation reserve	1,705
Income tax expense on gain	-
Gain on sale after income tax	9,587

11. Fair value measurement

a) Convertible Debenture

The amount due in respect of convertible debentures per note 8 is classified as a liability at fair value through profit or loss. As at the reporting date, the fair value of the convertible debentures approximates the carrying value. The liability is classified as level 3 in the fair value hierarchy due to the use of unobservable inputs. As at 30 June 2017, convertible note of \$23,188 remains.

- The debentures mature in June 2020;
- The debentures carry annual interest at the higher of 10% or BBSW + 5%;
- Holders have the option, after December 2015, to exchange a debenture for:
 - An ordinary share in the Company for a price of the lower of \$0.0175 or the share issue price for any future capital raising before the maturity of the debentures, and
 - An additional option with each share obtained in the conversion, to acquire an ordinary share in the Company at \$0.03 within five years from the debenture conversion date.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements for the year ended 30 June 2017

11. Fair value measurement (continued)

During the prior year, the convertible debentures were revalued reflecting the prior year rights issue price at \$0.01 and the revaluation resulted in an increase of \$1.2 million in the value of the loan and associated \$1.2 million expense was taken into the Statement of Profit or Loss for the 30 June 2016 year. During the current year there was a further finance charge arising from the conversion which occurred in September 2016. That amounted to an additional charge of \$1.0 million.

b) Loan Receivable

In 2012 Aspermont transferred its events business 'ABLEL' to Beacon Events Limited. Part of the consideration was the Aspermont Loan Note. The Aspermont Loan Note remains enforceable. The terms of the Note are:

- Term: Started July 2012, 8 years maturing in July 2020
- Interest rate: 3.5% per annum compounding monthly

Accounting standards require the amount recognised to be discounted from the expected future value using an arms-length market interest rate and a rate of 12% has been used. While the amount owed of \$5.7 million has not altered, the accounting standard requires the discounting from the end of the term to 30 June 2017, resulting in a downward fair value adjustment of \$1.3 million.

The Company is currently taking legal action to recover the full value of the loan including accrued interest.

12. Commitments and contingent liabilities

The Group is not aware of any other contingent liabilities and unrecorded commitments at the date of this report that would significantly affect the operations or state of affairs of the Group.

13. After reporting date events

No matters or circumstance have arisen since the end of the year, which has 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 subsequent financial year end.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES 30 JUNE 2017

Directors' Declaration

In the directors' opinion:

1. the financial statements and notes set out on pages 10 to 30 are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standards, the *Corporations Regulation 2001* and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



A. Kent
Director

31 August 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Aspermont Limited

Report on the Financial Report

We have reviewed the accompanying financial report of Aspermont Limited, which comprises the consolidated balance sheet as at 30 June 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at year end or from time to time during the year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Aspermont Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Aspermont Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Basis for Qualified Conclusion

Disposal of Beacon Events Limited

Aspermont Limited's 60% share in Beacon Events Limited ('Beacon') was disposed of during the period resulting in a profit from discontinued operations of \$10.728 million (refer to Note 10(b)) being included in the consolidated income statement for the year ended 30 June 2017. The company was unable to obtain access to the books and records of Beacon and therefore we were unable to obtain sufficient appropriate evidence about the carrying amount of the investment in Beacon at the date of disposal and Aspermont Limited's share of Beacon's profit for the period and the corresponding gain on disposal.

Consequently, we were unable to determine whether adjustments, if any, are necessary between Aspermont Limited's share of Beacon's profit before income tax and the gain on sale of discontinued operations as disclosed in Note 10(b), and the classifications of operating, investing and financing activities in the consolidated statement of cash flows. Our conclusion has been modified accordingly.

Qualified Conclusion

Based on our review, which is not an audit, with the exception of the matter described in the preceding paragraph, we have not become aware of any matter that makes us believe that the financial report of Aspermont Limited is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 3 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

BDO Audit (WA) Pty Ltd

BDO



Phillip Murdoch

Director

Perth, 31 August 2017