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Aspermont

Information for Industry

ABN: 66 000 375 048

ANNUAL REPORT

For the financial year ended

30 June 2016

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CORPORATE DIRECTORY

Directors
Andrew Leslie Kent
John Stark
Colm O'Brien
Alex Kent
Rhoderic Whyte

Company Secretary
David Straface

Key Management Personnel
Alex Kent – Managing Director
Nishil Khimasia – Chief Financial Officer, Group
Robin Booth – General Manager Publishing
Ajit Patel – Chief Operating Officer, Group
Chris Maybury - Executive Chairman Beacon Events

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Solicitors
Stephen Roy Webster
11/37 Blight 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

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Key points for the financial year:

FY16 Overview

FY16 has been a turnaround year for the business, reversing a four-year downtrend in Group EBITDA. We confronted adverse market conditions which saw revenues continue to be challenged in several areas whilst at the same time completing a large scale restructuring and cost centralization program. Despite which we also continued to invest in our technology platform and human capital.

During this year and in line with our long term strategy, our business finally crossed over from 'old' media. This comes at a juncture in which many of our competitors continue to struggle in breaching that same divide. Print is now repositioned as a premium add-on product and Aspermont is now truly a 'digital first' organisation.

Continued technology investment has stimulated further improvements in our processes and upgraded our core business model. These advances are the primary catalyst for growth in subscription revenues to drive the underlying business model of the group.

New technology has also facilitated new product development in advertising solutions. The content hub model launched with Caterpillar in May is a breakthrough for our business in the client marketing global solutions packages we can offer. Our multi-platform capabilities provide the framework for our future revenue streams in advertising.

FY16 has been a year in which our business has achieved much from extremely limited working capital and restricted non-financial resources. The business intends to end Q1 of FY17 having successfully completed a major capital raising which will transform the statement of financial position and return financial stimulus to the business that is required to nurture the next set of product innovations.

Key points to the year include:

- EBITDA loss pre group adjustments of $1.1m (excluding one-off restructuring charges of $0.7m) compared to a loss of $2.7m in FY15. Please refer to page 16 for the EBITDA reconciliation.
- Group revenues reduced by circa $7.7m due to disposal of some non-core products, continued decline in print revenues and market sensitivity on Mines and Money.
- Despite revenues being 26% lower, gross margins pre overheads and group adjustments (as shown in segment results) improved to 10% from 7% in the prior year reflecting benefits from the digital platform and productivity improvements.
- Overall digital advertising revenue was flat although all products retained by the business and successfully moved onto the company's new Project Horizon platform showed double digit revenue growth.
- Subscription revenues overall increased 2% despite a number of brands being discontinued and significant disruptions in the transition process as retained products were moved onto the new platform. As with digital advertising, all products that successfully moved on to the Project Horizon stack exhibited double digit subscription growth.
- FY16 marks the crossing point in which the speed and quantum of decline in print advertising revenues was positively offset by the speed and quantum of growth in digital and subscriptions revenues. With print now falling below 20% of overall group revenues, the long years of trying to mitigate the revenue chasms left by structural decline in print are behind us.
- As part of the Group's product rationalisation strategy we disposed of our non-resources titles in construction, environment and waste management. The brands were our last print dominated asset base. By exiting from them we extinguished a long term debt obligation whilst also

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liberating considerable operational capacity. Capacities that can now be used for more productive core product development.

- Over $5.5m in run rate costs were taken out of the business this year. Those savings were achieved through reductions in corporate overheads, back office reorganisation, process optimisation, digital efficiencies and improved key supplier contracts.
- The annual results include a prudent $6.2m intangible impairment charge related to the goodwill recorded for the print and conferencing business.
- The company is in the process of completing an aggregate $10m capital raising that will see $5m of new cash injected, $5m of related party debt converted and the introduction of more than 100 new shareholders.
    - A $3m rights issue was completed in June having 77% shareholder participation. All directors took up their full entitlements and the 23% shortfall was fully taken up by an underwriter
    - A $2m placement to sophisticated investors is fully committed with $660K already received; the balance being subject to approval at the forthcoming EGM
    - Circa $6m related party debt conversion has also been agreed subject to shareholder approval at the forthcoming EGM
- For the first time since FY13 the company is no longer in breach of any of its debt covenants with ANZ. The bank is supportive of the company's capital raising and debt conversion activities.
- The company's Beacon Events subsidiary remains within an arbitration process in Hong Kong with the minority shareholder Gainwealth. We anticipate being able to provide a further update on this at the end of Q2.

Aspermont continues to invest in and successfully implement, new product roll outs on the Project Horizon platform. All group publishing assets have now migrated to the new subscription systems and further products will be rolled into the new CMS system in the first half year of next fiscal year. All products that were transferred onto the new platform have seen strong growth in digital advertising and subscription revenues. The latter being the key growth and engagement driver for all the company's other revenue streams.

We are conscious of the need to balance the forward investment requirements of new digital products with ongoing working capital demands. We anticipate a much better cash flow environment from a deleveraged, near debt free, business with further reductions in operational costs and improved forward bookings over the next fiscal year resulting in improved gross profit margins.

We are confident that the development of new digital products and tight cost controls will then leverage our unique global products and databases to better serve the global mining community.

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Comparative year on year results for the business for the year ended 30 June 2016:

	2016 $000	2015 $000
Revenue		
Advertising - Digital	2,926	3,010
Advertising - Print	6,544	9,820
Subscriptions	4,458	4,416
Conferencing & other revenue	8,608	13,012
Total segment revenue	**22,536**	**30,258**
Result		
Segment result	2,299	2,058
Segment margin	10.20%	6.80%

Outlook for the upcoming 2016/2017 year:

While Aspermont's long-term business model is not necessarily tied to the mining sector, our current revenue composition is still largely dependent on it. In terms of market expectations for this year, the business has not budgeted for improved market conditions despite the improving picture we are seeing in Q1. Our current revenue composition means that Aspermont is a highly leveraged play on an upturn in the mining market. With digital cost advantages and efficiencies implemented in FY16, market driven revenue gains will convert well to EBITDA.

The business looks to an exciting year ahead from the development of new client global marketing products and services. Innovation and re-engineering of the subscriptions model was central to us last year; we expect continued development in that area with a transition of focus to advertising products this year.

Alongside product innovation the business intends to invest further in our content proposition. New data products are set for launch this year with further expansion in the breadth and depth of our North American coverage. Mines and Money Americas in Toronto in September is an exciting step forward for a business that has been in the region for 200 years.

Beyond organic growth and new product development, the business will continue to focus time and investment into knowledge capital and the organisational skills sets of the Group. Investment in some backend infrastructure will bring further cost savings/optimisations over the year as well.

The outlook for trading conditions has different characteristics for the two business units:

Publishing

- Subscriptions revenues will see further growth through process optimisation and the roll out of our new systems.
- Digital sponsorship should see further growth from product investments already undertaken and also from the development of new content marketing solutions for our client base.
- Print advertising will likely see further revenue decline as we manage the ongoing transition of revenue to digital.

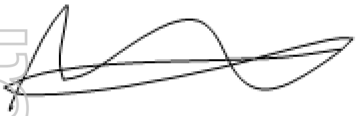
- Overall we expect Publishing to deliver single digit growth in 2016/17 reversing the last 3 years of revenue contraction. This coupled with continued cost reduction should see Publishing moving to positive EBITDA in 2016/17
    - Note: - Publishing includes all of the company's Group and Corporate costs in its EBITDA figures

Conferencing

- Events will see expansion in revenues and EBITDA from launching the inaugural Mines and Money event in Toronto, coupled with the launch of new smaller events including Mines & Technology which would see roll-out of this event in other regions if inaugural event in London is successful.

Overall we anticipate a return to positive EBITDA within a range of $0.8m to $1.2 million for the 2016/17 fiscal year. This shows a significant improvement over 2015/16 EBITDA losses. We have not budgeted for any improvement in market conditions in 2016/17.

Yours sincerely,



Alexander Kent
Managing Director

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The Directors present their 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 2016.

Directors

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

Andrew L. Kent
J Stark
C O'Brien
Alex Kent
R Whyte

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 consolidated operating loss after tax was $6.8 million (2015: loss $9.8 million).

Dividends

No dividend has been declared for the year (2015: no dividend).

Review of operations

A review of the operations of the Group during the financial year has been set out in pages 4 to 7 of this report.

Going Concern Disclosure and Modification to Audit Report

The group auditor has also included two qualifications in the Audit Report, a qualification in the Report on the Remuneration Report and an emphasis of matter. The details of these matters are as follows:

Emphasis of Matter

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 group will be unable to manage the matters referred to above in the next 12 months.

The group's auditor has included an emphasis of matter paragraph within the Audit Report in respect of the going concern. The directors' disclosure on going concern is located in Note 2.

Recoverability of intangible assets

The group's auditor has issued a qualification on the recoverability of $15.217m of intangible assets. Details of this assessment are included in Note 11 and the qualification in the Audit Report.

Disclosure of key management personnel remuneration

The Directors of the company are in dispute over the approval of remuneration to a key management person of a $72,887 retirement fund expense. This has not been included in post-employment benefits as disclosed in Note 21(a). Therefore, the auditor has included a qualification on this matter in the Audit Report and Report on the Remuneration Report.

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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 2 and above in the next 12 months.

The Group Auditor has included an emphasis of matter paragraph within the audit report in respect of the going concern located in Note 2.

Significant changes in the state of affairs

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

Events subsequent to the end of the financial year

As announced to the ASX on 18 January 2016, the Company has entered into arbitration proceedings in this regard against Gainwealth Group Limited, the non-controlling interest holder in Beacon Events Limited. The findings from the arbitration is expected in the second quarter of the of the 2017 financial year.

A rights issue was completed during the financial year with gross proceeds to the Company of $3 million from the issue of ordinary shares. In August 2016, the shortfall was placed with the underwriter with the issue of a further 686.2 million shares and further gross proceeds of $0.664 million.

As announced to the ASX on 23 August 2016, the Company completed a private placement of 66.4 million ordinary shares and gross proceeds of $0.66 million and on 30 September received from shareholders further approval to increase placement by $1.3m. The company also received approval for the conversion of related party and convertible debt to Equity totalling $5.3 million on 30 September 2016.

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.

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Information on directors

A.L Kent, AAICD Chairman and executive director

Experience and expertise
Mr Kent is an experienced business manager and corporate advisor with over 30 years of experience in international equities and media. Mr Kent was the CEO of Aspermont Limited from 2000 to 2005 and holds considerable knowledge of its products and the market landscape. Mr Kent joined the Board in 1998.

Other current directorships
Mr Kent holds directorships in Magyar Mining Ltd (since 2008). Mr Kent is a member of the Australian Institute of Company Directors.

Former directorships in last 3 years
New Guinea Energy Ltd (resigned 2014)

Special responsibilities
Chairman of the Board

Interest in shares and options
566,780,087 ordinary shares in Aspermont Limited

J Stark, AAICD Non-executive director

Experience and expertise
Mr Stark is an experienced business manager with experience and interests across various listed and unlisted companies. Mr Stark has been a member of the Board since 2000.

Other current directorships
None

Former directorships in last 3 years
None

Special responsibilities
Member of Remuneration Committee
Member of Audit & Risk Committee

Interest in shares and options
108,044,917 ordinary shares in Aspermont Limited

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C O'Brien, BCL (Hons), AAICD Non-executive director

Experience and expertise
Mr O'Brien has in-depth management consulting and banking experience through previous roles. At Aspermont he held the position of Group CEO from October 2005 until March 2015 and has a detailed knowledge of the products, strategy and media landscape. Mr O'Brien joined the Board in January 2010.

Other current directorships
Magyar Mining Plc

Special responsibilities
Member of Remuneration Committee

Former directorships in last 3 years
None

Interest in shares and options
10,130,349 ordinary shares in Aspermont Limited

Alex Kent, BSc (Double Honours), Economics Accounting & Business Law Managing Director

Experience and expertise
Mr Alex Kent has over 13 years' experience in technology and digital publishing through previously held roles at Microsoft Corp and across the Aspermont Group. Mr Kent has been a member of the board since 2014.

Other current directorships
Magyar Mining Ltd

Special responsibilities
Managing Director

Former directorships in last 3 years
None

Interest in shares and options
803,604 ordinary shares

R Whyte, B.Ec., BA Independent Non-executive Director

Experience and expertise
Mr Whyte has had extensive involvement in a wide range of mining and natural resource companies, emerging markets and the media sector over four decades, Mr Whyte was a founding shareholder in Aspermont Limited and joined the board in 2014.

Other current directorships
Executive Chairman of EastWest Timber A.S.
Non-executive director of Valgold Resources Ltd.

Special responsibilities
None

Former directorships in last 3 years
None

Interest in shares and options
11,767,439 ordinary shares in Aspermont Limited

The above directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company secretary

The Company Secretary is Mr David Straface. Mr Straface was appointed to the position of Company Secretary in July 2016. Mr Straface is a company director, advisor and lawyer with over 15 years of experience in the corporate finance industry. He is a Fellow of the Financial Services Institute of Australasia.

Meetings of directors

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2016, and the number of meetings attended by each director were:

	Full meetings of Directors		Meetings of committees			
			Audit & Risk		Remuneration	
	A	B	A	B	A	B
A.L Kent	8	9	#	#	**	**
J Stark	8	9	#	#	0	0
C O'Brien	9	9	#	#	0	0
R Whyte	9	9	#	#	**	**
A Kent	8	9	#	#	**	**

A Number of meetings attended
B Number of meetings held during the time the director held office or was a member of the committee during the year
** Not a member of the relevant committee
# Audit matters were addressed by the entire board

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Remuneration report (Audited)

The information provided in this remuneration report has been audited as required by section 308 (3C) of the *Corporations Act 2001*.

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E-H Additional information

A) Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward. The Board ensures that executive reward satisfies the following criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/ alignment of executive compensation;
- transparency.

Alignment to shareholders' interests:
- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value;
- attracts and retains high calibre executives.

Alignment to program participants' interests:
- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards;
- provides a recognition for contribution.

The Board has established a Remuneration Committee which provides advice on remuneration and incentive policies and practices, and specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors.

Directors' fees
The base remuneration was reviewed in the year and after considering the current financial environment, the Company eliminated the directors' fees for the current year:

	From 1 July 2015
Base Fees	
Executive Chairman	nil
Non-executive directors	nil

Executive pay

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The executive pay and reward framework has three components. The combination of these comprises an executive's total remuneration.

Base Pay
This is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. External remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for a comparable role.

Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There is no guaranteed base pay increases in an executive's contract.

Benefits
Executives receive benefits including health insurance, car parking and allowance and financial planning services.

Superannuation
Executives are paid the statutory contribution of 9.50%. Executives may elect to sacrifice base pay into superannuation at their discretion.

Short-term incentives (STI)
The STI annual payment is reviewed annually against a combination of earnings before interest, taxes, depreciation and amortisation ("EBITDA") profit targets, strategic and operational objectives. Each executive STI is tailored to the achievement of objectives under that executive's direct sphere of influence. The use of profit targets ensures variable reward is only available when value has been created for shareholders and when profit is consistent with the business plan. The annual bonus payments are approved by the Remuneration Committee. During the current year N Khimasia received a bonus as detailed in the remuneration table. No other executives received STI.

The Group currently does not have a policy to limit "at risk" remuneration for executives.

Long-term incentives
Long-term incentives are provided to certain employees to incentivise long-term objectives and tenure via share options. Share options provide a non-cash incentive that aligns directors and employees interests with those of the shareholders and are granted to motivate and retain directors and employees over a multi-year tenure.

There were no long-term incentives issued during the current year or the prior year.

B) Details of remuneration
Amounts of remuneration
Details of the remuneration of the directors and key management personnel of the Group (as defined in AASB 124 *Related Party Disclosures*) of Aspermont Limited and the Aspermont Limited Group are set out in the following tables.

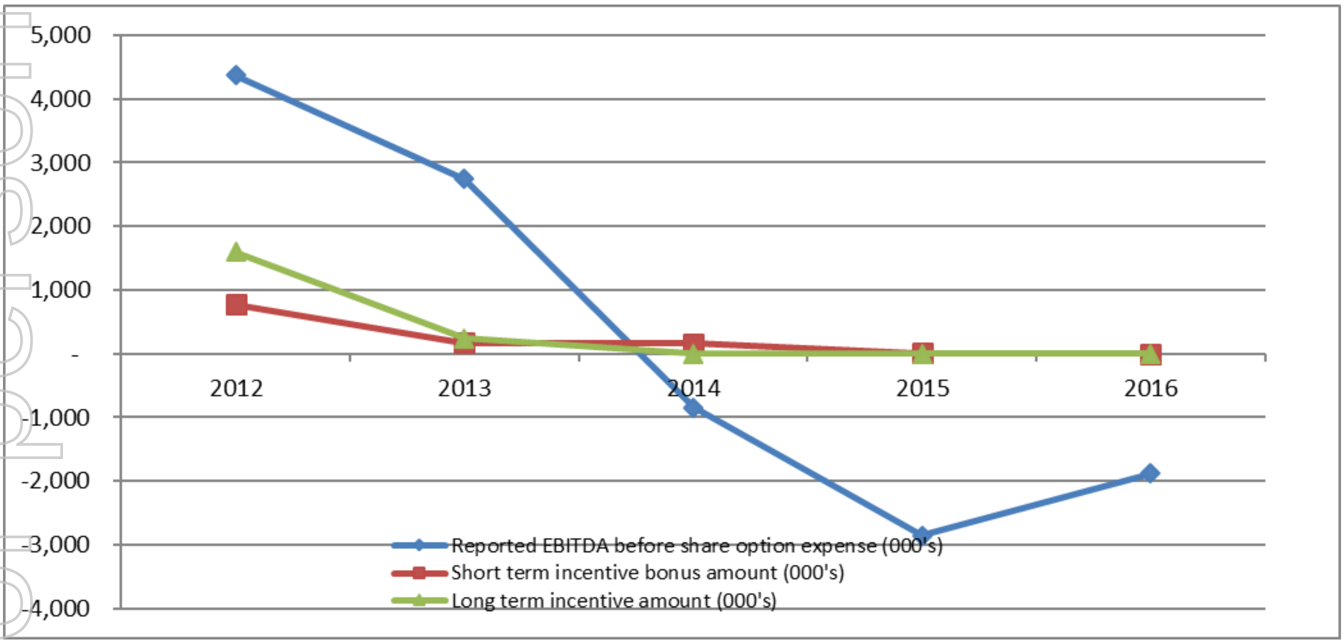
The key management personnel of the Group are the following:

- Andrew Leslie Kent – Chairman and Executive Director
- Alex Kent – Managing Director
- John Stark – Non-Executive Director
- Rhoderic Charles Whyte – Independent Non-Executive Director
- Colm O'Brien – Non-Executive Director
- Ajit Patel – Chief Operating Officer, Group
- Nishil Khimasia – Chief Financial Officer (appointed November 2015)
- Robin Booth – General Manager Publishing
- C Maybury – Executive Director Beacon Events

The following table demonstrates the Group's performance over shareholder value during the last five years:

	2016	2015	2014	2013	2012
Profit attributable to owners of the company	(6,468,480)	(10,557,709)	(1,117,144)	2,509,216	(258,393)
Dividends paid	-	-	-	-	-
Share price at 30 June	$0.01	$0.01	$0.04	$0.07	$0.11
Return on capital employed	(574.8%)	(132.6%)	(11.0%)	23.3%	(1.7%)

The table below illustrates the link between the Group's financial performance and the incentive compensation amounts (including the value of share options in long term incentives) for the key management personnel:



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The Group has historically focused its performance measurement on the Group earnings before interest, taxes, depreciation and amortisation and share option expense ("EBITDA") as this best reflects the underlying cash generating performance of the business. The reconciliation of statutory earnings to EBITDA is as follows:

	Consolidated	
	2016 $000	**2015 $000**
Profit from continuing operations before income tax expense	(6,788)	(10,886)
Add back:		
Interest	1,960	860
Depreciation and amortisation	544	880
Impairment of receivables	203	118
Impairment or gain loss of investments	6,165	8,646
Operating expense for investment activities	-	12
Subtract:		
Re-estimation of Beacon put option liability	(3,387)	(1,339)
Other income	(502)	(279)
Foreign exchange	(363)	-
Net profit attributable non-controlling interest (excluding preferred dividend)	359	(754)
EBITDA	**(1,809)**	**(2,742)**

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Key management personnel of the Group and other executives of the Company and the Group:

2016	Short-term employee benefits			Share based payments	Long-term employee benefits	Post employment benefits	
Name	**Cash salary or fees**	**Bonus**	**Non monetary benefits**	**Options**	**Long service leave**	**Super-annuation**	**Total**
Executive directors							
A.L Kent *(Chairman)*	-	-	-	-	-	-	-
A Kent [1]	305,691	-	-	-	-	-	305,691
Sub-total	305,691	-	-	-	-	-	305,691
Non executive directors							
J Stark	-	-	-	-	-	-	-
C O'Brien [4]	43,390		13,152	-	2,137	3,983	62,662
R Whyte	-	-	-	-	-	-	-
Sub-total	43,390	-	13,152	-	2,137	3,983	62,662
Other key management personnel							
R Booth [1]	244,553	-	-	-	-	17,119	261,672
N Khimasia [1] [3]	135,863	33,966	-	-	-	-	169,829
A Patel [1]	305,691	-	-	-	-	30,569	336,260
C Maybury [2]	310,619					-	310,619
Sub-total	996,726	33,966	-	-	-	47,688	1,078,380
Total (Group)	1,345,807	33,966	13,152	-	2,137	51,671	1,446,733

1. UK executive remuneration, paid in British Pounds, have been converted to Australian Dollars at the average exchange rate over the twelve months ending 30 June 2016.
2. Hong Kong executive remuneration, paid in HKD, have been converted to Australian Dollars at the average exchange rate over the twelve months ending 30 June 2016. Amount of $72,887 is in dispute in respect of post employment benefits
3. Appointed November 2015.
4. Non-monetary benefits comprise of vehicle and health insurance allowances. Became non-executive in Sept 2015.
5. Part-time position.

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Key management personnel of the Group and other executives of the Company and the Group (continued):

2015	**Short-term employee benefits**			**Share based payments**	**Long-term employee benefits**	**Post employment benefits**	
Name	**Cash salary or fees**	**Bonus**	**Non monetary benefits**	**Options**	**Long service leave**	**Super-annuation**	**Total**
Executive directors							
A.L Kent *(Chairman)*	97,170	-	-	-	-	9,231	106,401
C O'Brien	282,288	-	28,573	-	5,892	26,591	343,344
A Kent [3]	230,507	-	-	-	-	-	230,507
Sub-total	609,965	-	28,573	-	5,892	35,822	680,252
J Stark	19,054	-	-	-	-	2,138	21,192
L.G Cross	21,863	-	-	-	-	2,077	23,940
C Nader	48,512	-	-	-	-	4,609	53,121
R Whyte	15,852	-	-	-	-	-	15,852
Sub-total	105,281	-	-	-	-	8,824	114,105
Other key management personnel							
R Booth [1]	198,083	-	-	-	-	15,847	213,930
M Howes [1] [3]	89,208	-	-	-	-	-	89,208
J Detwiler [5]	130,544	-	3,642	-	-	12,098	146,284
A Patel [1]	282,975	-	-	-	-	28,298	311,273
C Maybury [2]	271,850	7,923	-	-	-	62,425	342,198
Sub-total	972,660	7,923	3,642	-	-	118,668	1,102,893
Total (Group)	1,687,906	7,923	32,215	-	5,892	163,314	1,897,250

1. UK executive remuneration, paid in British Pounds, have been converted to Australian Dollars at the average exchange rate over the twelve months ending 30 June 2015.
2. Hong Kong executive remuneration, paid in HKD, have been converted to Australian Dollars at the average exchange rate over the twelve months ending 30 June 2015.
3. Paid to an entity on behalf of the executive.
4. Non-monetary benefits comprise of vehicle and health insurance allowances.
5. Non-monetary benefits comprise of health insurance allowance.

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The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration 2016	At risk - STI 2016	At risk - LTI 2016
Executive directors			
A.L Kent *(Chairman)*	100%	n/a	n/a
C O'Brien	-	n/a	n/a
A Kent	100%	n/a	n/a
Non executive directors			
J Stark	100%	n/a	n/a
R Whyte	100%	n/a	n/a
Other key management personnel			
R Booth	100%	-	-
N Khimasia	80%	20%	-
A Patel	100%	-	n/a
C Maybury	100%	-	n/a

C) Service agreements

On appointment to the Board, all directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of the director.

Remuneration and other terms of employment for the Managing Director and other key management personnel are formalised and reviewed by the Remuneration Committee. Each of these agreements provides for the provision of performance-related cash bonuses, other benefits including certain expenses and allowances. Other major provisions of the agreements relating to remuneration are set out below.

All contracts with executives may be terminated early by either party subject to termination payments as detailed below

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A Kent *Managing Director*

- Base compensation inclusive of salary and superannuation for the year ended 30 June 2016 is GBP 150,000 (AUD $305,691).

A Patel *Chief Operating Officer*

- Term of agreement – ongoing commencing 23 January 2013.
- Base compensation, inclusive of salary, pension contribution, benefits and certain expenses, for the year ending 30 June 2016 of GBP 165,000. (AUD $336,260). This amount to be reviewed annually by the remuneration committee.
- Payment of a benefit on early termination by the Company, other than for gross misconduct, equal to 6 months' base salary.

C. Maybury *Executive Director Beacon Events*

- Term of agreement – ongoing, commencing 21 August 2012.
- Base compensation, includes salary of USD $285,000, and certain expenses from Beacon. Other benefits including Pension arrangements are in dispute currently

R. Booth *General Manager Publishing*

- Term of agreement – ongoing, commencing 14 April 2014.
- Base compensation, inclusive of salary, pension contribution and insurance benefits for the year ending 30 June 2016 of GBP 128,400 (AUD $261,672). This amount is to be reviewed annually by the remuneration committee.
- Payment of a benefit on termination by the Company, other than for gross misconduct, equal to 3 months' base salary.

N. Khimasia *Chief Financial Officer*

- Term of agreement – ongoing, commencing November 2015.
- Base compensation, bonus, inclusive of salary, pension contribution and insurance benefits for the year ending 30 June 2016 of GBP 116,667 (AUD $169,829). This amount is to be reviewed annually by the remuneration committee.

D) Bonus Payments

Bonuses disclosed in the table for 2016 for N Khimasia related to specific performance targets of which 50% was achieved and the remaining not achieved forfeited. No other bonuses have been approved for performance related to the 2016 fiscal year.

E) Options and rights held by directors and key management personnel

The numbers of options over ordinary shares in the Company held during the financial year by each director and other key management personnel, including their personally related parties, are set out below. All outstanding options were fully vested on the date of grant.

	Balance 1 July 2015	Received as Remuneration	Exercised	Forfeited	Balance 30 June 2016
Directors					
A.L Kent and beneficial interests	16,000,000	-	-	(16,000,000)	-
C O'Brien and beneficial interests	4,000,000	-	-	(4,000,000)	-
Executives					
C Maybury and beneficial interests	5,000,000	-	-	-	5,000,000

No other options or rights were exercised or lapsed in Aspermont Limited in 2015 and 2016.

F) Number of shares held by directors and key management personnel

The number of shares in the Company held during the financial year by each director and other key management personnel, including their personally related parties, are set out below. There were no shares issued during the year for the exercise of options.

	Balance 1 July 2015	Disposed	Acquired	Balance 30 June 2016
Directors				
A.L Kent and beneficial interests	399,924,135	-	166,855,952	566,780,087
J Stark and beneficial interests	77,387,000	-	30,657,917	108,044,917
C O'Brien and beneficial interests	7,150,834	-	2,979,515	10,130,349
A Kent	567,250	-	236,354	803,604
R Whyte	9,306,428	(1,000,000)	3,461,011	11,767,439

No other shares were issued to key management personnel and other executives of the Company and the Group during 2016.

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G) Loans from directors related entities

Loans to Mr A.L Kent, Mr J Stark, Mr C O'Brien and Mr C Nader and entities related to them are set out below. The loans from Mr Stark are unsecured and the loan term expired 30 September 2014. The liabilities are unsecured and subordinate to the secured loans from ANZ. A liability of $74,894 (2015: $75,000) is owed to a company associated with C Maybury.

	Consolidated	
	2016	**2,015**
Andrew L. Kent		
Beginning of year	(21,114)	(2,104,304)
Loan repayments/ (advances)	(320,685)	2,176,994
Loan conversion to ordinary shares	150,000	-
Interest charged (9.5% ; 2015: 9.5%)	-	(93,804)
End of year	(191,799)	(21,114)
J Stark		
Beginning of year	(2,813,693)	(2,708,042)
Loan repayments	136,631	181,988
Interest charged (9.5% ; 2015: 9.5%)	(304,057)	(287,639)
End of year	(2,981,119)	(2,813,693)
C Nader		
Beginning of year	-	(74,591)
Loan repayments/ (advances)	-	76,751
Loan conversion to ordinary shares	-	-
Interest charged (nil ; 2015: 8.5%)	-	(2,160)
End of year	-	-
C O'Brien		
Beginning of year	-	-
Loan repayments/ (advances)	(158,082)	-
Loan conversion to ordinary shares	-	-
Interest charged (nil ; 2015: nil)	-	-
End of year	(158,082)	-
Total End of year	(3,331,000)	(2,834,807)

Convertible notes to Mr A.L Kent and Mr R Whyte and entities related to them are set out below. The liabilities are unsecured and subordinate to the secured loans from ANZ.

	Consolidated	
	2016	**2,015**
R Whyte		
Beginning of year	-	-
Loan repayments/ (advances)	(18,499)	-
Loan conversion to ordinary shares	-	-
Interest charged (10% ; 2015: nill)	(1,665)	-
End of year	(20,164)	-
Alex L. Kent		
Beginning of year	(1,389,997)	-
Loan repayments/ (advances)	(24,409)	(1,389,997)
Loan conversion to ordinary shares	-	-
Interest charged (10% ; 2015: nill)	(155,414)	-
End of year	(1,569,820)	(1,389,997)
Finance cost	(1,026,547)	
Total End of year	(2,616,531)	(1,389,997)

Due to the activation of the ratchet feature in the convertible debt, an additional finance cost of $1.01 million and $13 thousand on A. Kent and R Whyte was recognised. This was a total of $1.02 million.

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H) Other transactions with directors and key management personnel

A number of directors, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

These entities transacted with the Group during the year. The terms and conditions of the transactions with directors and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The Group leases its principal office facility from Ileveter Pty Ltd, a company associated with a director, Mr A.L Kent. The rent paid was at market rates at the time of lease inception and amounted to $613,047 for the current year (2015: $547,000). The lease agreement has a term of five years expiring 30 September 2017.

Magyar Mining Ltd ("Magyar"), Lahoca Resources Pte Ltd ("Lahoca") and Mekong Mining Limited ("Mekong") are companies associated with Mr A. L. Kent. The consolidated entity has made investments in Magyar, LaHoca and Mekong and those investments have been passed to Nomad Limited Partnership in exchange for an unsecured loan. The consolidated entity has pre-paid certain start-up and exploration expenses on behalf of Lahoca, Mekong and other unrelated projects between 2012 and 2015. These assets were converted into an unsecured loan with Nomad Limited Partnership in 2013. The loan amount as at 30 June 2016 is as follows

	Consolidated	
	2016 $000	**2015 $000**
Opening balance	-	-
Expenses paid	93	123
Impairment	(93)	(123)
Closing balance	-	-

At 30 June 2016 the Company owed $46,402 (2015: $46,402) in unpaid Director Fees to current Directors of the Company.

Remuneration Consultants

During the financial year the Group's remuneration committee did not meet nor engage the services of a remuneration consultant.

During the 2015 AGM a total of 1.13% voted in favour and nil voted against the remuneration report.

This is the end of the Audited Remuneration Report.

Shares under option

Unissued ordinary shares of Aspermont Limited under option at the date of this report are as follows:

Date of Issue	Date of Expiry	Exercise Price	Number of Options
31-Oct-12	30-Oct-16	15c	5,000,000

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Insurance of officers

During the financial year, Aspermont Limited paid a premium to insure the directors and officers of the Company and its Australian-based controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. Not included are such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Indemnity of auditors

The Company has not, during or since the end of the financial year, given an indemnity or entered into an agreement to indemnify, or paid insurance premiums in respect of the auditors of the Group.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board of Directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.
The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

Non-assurance services	2016 $	2015 $
Tax compliance - BDO UK and HKG	6,643	7,074
Total non-assurance remuneration	6,643	7,074

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 28.

This report of the directors incorporating the remuneration report is made in accordance with a resolution of the Board of Directors.

A. Kent
Managing Director

Perth
30 September 2016

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Corporate Governance

The primary role of the Aspermont Board (the "Board") is the protection and enhancement of long-term shareholder value. The Board is accountable to shareholders for the performance of the Group. It directs and monitors the business and affairs of the Group on behalf of shareholders and is responsible for the Group's overall corporate governance.

The company is committed to a governance framework using the Australian Securities Exchange's (ASX) "Principles of Good Governance and Best Practice Recommendations".

Diversity disclosures regarding the proportion of women in the Aspermont workforce at 30 June 2016:

Directors and Employees	Total Men	Total Women	Women %
Board	5	-	0.0%
Senior Management	5	1	16.7%
Department Head	9	5	35.7%
Employees	43	39	47.6%
Total	62	45	42.1%

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

As lead auditor of Aspermont Limited for the year ended 30 June 2016, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2016

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

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Consolidated Income Statement for the year ended 30 June 2016

	Note	Consolidated 2016 $000	Consolidated 2015 $000
Revenue from continuing operations	4	22,536	30,258
Cost of sales		(12,014)	(15,351)
Gross profit		**10,522**	**14,907**
Distribution expenses		(972)	(1,225)
Marketing expenses		(2,924)	(3,255)
Occupancy expenses		(1,810)	(1,888)
Corporate and administration		(5,723)	(7,933)
Finance costs		(1,960)	(860)
Other expenses		(2,545)	(3,604)
Change in fair value of investments		(85)	(72)
Re-estimation of Beacon put option	5	3,387	1,339
Other income	4	1,690	279
Impairment of loan receivable	5	(203)	(118)
Impairment of intangible assets	11	(6,165)	(8,456)
Loss from continuing operations before income tax expense		**(6,788)**	**(10,886)**
Income tax benefit/(expense) relating to continuing operations	6	(41)	1,082
Net loss for the year from continuing operations		**(6,829)**	**(9,804)**
Profit/(loss) attributable to:			
Net profit/(loss) attributable to non-controlling interest		(359)	754
Net profit/(loss) attributable to equity holders of the parent entity		(6,470)	(10,558)
Basic and diluted loss per share attributable to the members of Aspermont Ltd	24	(0.89)	(1.95)

The accompanying notes form part of these consolidated financial statements.

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ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Consolidated Statement of Comprehensive Income for the year ended 30 June 2016

	Note	Consolidated 2016 $000	Consolidated 2015 $000
Net loss after tax for the year		**(6,829)**	**(9,804)**
Other comprehensive income/(loss)			
(Items that will be reclassified to profit or loss)			
Foreign currency translation differences for foreign operations		(2,283)	2,707
(Items that will not be reclassified to profit or loss)			
Net change in fair value of equity instruments measured at fair value through other comprehensive income		-	(2)
Income tax benefit/(expense) relating to other comprehensive income		-	1
Other comprehensive income/ (loss) for the period net of tax		**(2,283)**	**2,706**
Total comprehensive loss for the year (net of tax)		**(9,112)**	**(7,098)**
Total comprehensive loss for the period attributable to:			
Non-controlling interest		(517)	154
Owners of Aspermont Limited		(8,595)	(7,252)

The accompanying notes form part of these consolidated financial statements.

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Consolidated Statement of Financial Position as at 30 June 2016

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	Note	Consolidated 2016 $000	Consolidated 2015 $000
CURRENT ASSETS			
Cash and cash equivalents	20	1,795	1,645
Trade and other receivables	7	3,734	4,303
Financial assets	8	-	3
TOTAL CURRENT ASSETS		**5,529**	**5,951**
NON-CURRENT ASSETS			
Financial assets	8	68	68
Property, plant and equipment	10	155	171
Deferred tax assets	6	3,137	2,850
Intangible assets and goodwill	11	17,729	25,808
TOTAL NON-CURRENT ASSETS		**21,089**	**28,897**
TOTAL ASSETS		**26,618**	**34,848**
CURRENT LIABILITIES			
Trade and other payables	12	7,235	6,706
Income in advance	13	5,788	5,554
Borrowings	14	5,141	5,585
Income tax payable	6	373	257
TOTAL CURRENT LIABILITIES		**18,537**	**18,102**
NON-CURRENT LIABILITIES			
Borrowings	14	3,120	1,482
Deferred tax liabilities	6	3,129	3,019
Provisions	15	95	196
Other liabilities	16	562	4,087
TOTAL NON-CURRENT LIABILITIES		**6,906**	**8,784**
TOTAL LIABILITIES		**25,443**	**26,886**
NET ASSETS		**1,175**	**7,962**
EQUITY			
Issued capital	17	56,433	54,158
Reserves		(10,150)	(6,862)
Accumulated losses		(43,905)	(38,649)
Parent entity interest		2,378	8,647
Non-controlling interest	19	(1,203)	(685)
TOTAL EQUITY		**1,175**	**7,962**

The accompanying notes form part of these consolidated financial statements.

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ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Consolidated Statement of Changes in Equity for the year ended 30 June 2016

Consolidated	Issued Capital $000	Accumulated Losses $000	Other Reserves $000	Share Based Reserve $000	Currency Translation Reserve $000	Financial Assets Reserve $000	Sub-Total $000	Non-Controlling Interest $000	Total $000
Balance at 1 July 2014	**49,292**	**(28,091)**	**(8,053)**	**1,458**	**(3,298)**	**(275)**	**11,033**	**(839)**	**10,194**
Profit/(loss) for the year	-	(10,558)	-	-	-	-	(10,558)	754	(9,804)
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	-	3,307	-	3,307	(600)	2,707
Financial assets reserve movement	-	-	-	-	-	(2)	(2)	-	(2)
Income tax relating to components of other comprehensive income	-	-	-	-	-	1	1	-	1
Total comprehensive income	**-**	**(10,558)**	**-**	**-**	**3,307**	**(1)**	**(7,252)**	**154**	**(7,098)**
Transactions with owners in their capacity as owners:									
Shares issued (net of issue cost)	4,866	-	-	-	-	-	4,866	-	4,866
Balance at 30 June 2015	**54,158**	**(38,649)**	**(8,053)**	**1,458**	**9**	**(276)**	**8,647**	**(685)**	**7,962**
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)
Total comprehensive income	**-**	**(6,470)**	**-**	**-**	**(2,125)**	**-**	**(8,595)**	**(517)**	**(9,112)**
Transactions with owners in their capacity as owners:									
Shares 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**

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 2016

	Note	Consolidated 2016 $000	Consolidated 2015 $000
Cash flows from operating activities			
Cash receipts from customers		24,889	29,433
Cash payments to suppliers and employees		(24,550)	(31,745)
Interest and other costs of finance paid		(496)	(635)
Interest received		2	6
Income tax paid		359	(52)
Net cash (used in)/ from operating activities	20 (b)	**204**	**(2,993)**
Cash flows from investing activities			
Payments for investments		(691)	(137)
Proceeds from sale of equity investments		7	-
Payments for plant and equipment		(85)	(28)
Payment for intangible assets		(125)	(66)
Net cash used in investing activities		**(894)**	**(231)**
Cash flows from financing activities			
Proceeds from issue of shares		1,879	2,686
Share issue transaction costs		(63)	(88)
Proceeds of borrowings		512	1,697
Repayment of borrowings		(950)	(788)
Net cash from/ (used in) financing activities		**1,378**	**3,507**
Net increase/ (decrease) in cash held		688	283
Cash at the beginning of the year		1,645	1,416
Effects of exchange rate changes on the balance of cash held in foreign currencies		(538)	(54)
Cash at the end of the year	20 (a)	**1,795**	**1,645**

The accompanying notes form part of these consolidated financial statements.

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1. General information

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 it's controlled entities (the "Group") comprises the Company and its subsidiaries and the consolidated entity's interests in associates and jointly controlled entities.

These financial statements were approved for issue by the Board of Directors on 30 September 2016.

Aspermont Limited's registered office and its principal place of business are as follows:

Principal place of business and registered office	**Principal place of business Hong Kong**	**Principal place of business United Kingdom**
613-619 Wellington Street PERTH WA 6000	20/F Siu On Centre 188 Lockhart Road Wanchai, Hong Kong	Level 4, Vintners Place 68 Upper Thames Street London, UK EC4V 3BJ
Tel: +61 8 6263 9100	Tel: +852 2219 0112	Tel: +44 (0) 207 216 6060

2. Significant accounting policies

Statement of compliance

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for the purposes of preparing the financial statements.

The financial report covers the consolidated group of Aspermont Limited and controlled entities. Separate financial statements of Aspermont Limited, as an individual entity, are no longer presented as a consequence of a change to the *Corporations Act 2001*. Financial information for Aspermont Limited as an individual entity is included in note 3.

The financial report of Aspermont Limited and controlled entities comply with all International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

The accounting policies set out below have been consistently applied to all years presented, unless otherwise stated.

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2. Significant accounting policies (continued)

Basis of preparation (continued)

Going concern

As at 30 June 2016, the Group had a net current liability position of $13.008 million and for the year then ended had a loss of $6.829m and cash operating cash outflows of $204 thousand. The Group had cash on hand of $1.794 million. Included in current liabilities $18.537 million as at 30 June 2016 are amounts owed to related parties $3.331 million, ANZ debt of $1.565 million.

The ability of the entity to continue as a going concern is dependent on securing additional funding through equity raising, successful conversion of the related parties debts to equity and the re-financing of the ANZ debt in order for the Group to continue to fund its operational activities and pay its debts as and when they fall due in the next 12 months. This will also allow the provision of working capital to invest in new products and services to accelerate the repositioning of the business.

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.

The Directors believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report. Subsequent to 30 June 2016 a further $0.686m was received from the rights issue and $0.66m from a private placement and external debt was reduced by $0.435m.

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:

- Shareholder approval received on 30 September for converting all convertible debentures of $3.129 million to equity
- Shareholder approval to convert all related party debt of $3.331 million to equity.
- Shareholder approval to approve $1.3 million share placement
- Successful restructure of ANZ debt of $1.565 million. This will be achieved through re-finance with ANZ or another financial institution.
- Active working capital management
- Achievement of positive operating cashflows from cost reduction initiatives
- Continued Director support through reduction in fees or loans

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 above in the next 12 months.

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.

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2. Significant accounting policies (continued)

(a) Basis of consolidation

The consolidated accounts comprise the accounts of Aspermont Limited and all of its controlled entities, the "Group". A controlled entity is any entity that Aspermont is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are included in the consolidated accounts from the date on which control commences until the date on which control ceases.

A list of controlled entities is contained in note 18 to the financial statements.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

Non-controlling interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

In the parent entity the investments in the subsidiaries are carried at cost, less impairment.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Aspermont Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the Statement of Profit or Loss and Other Comprehensive Income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the Statement of Profit or Loss and Other Comprehensive Income where appropriate.

(b) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes:

i. cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and

ii. investments in money market instruments with less than 14 days to maturity.

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2. Significant accounting policies (continued)

(c) Plant and equipment

Each class of plant and equipment is carried at cost less accumulated depreciation and impairment.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than the estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

The depreciable amounts of all plant and equipment are depreciated on a diminishing value basis over their useful lives to the economic entity commencing from the time an asset is held ready for use.

The depreciation rates used for depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	13.5% - 40%

(d) Employee benefits

Provision is made for the Group's liability for employee entitlements arising from services rendered by employees to reporting date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and annual leave, which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year has been measured at the present value of the estimated future cash outflows to be made for those entitlements. Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(e) Financial instruments

Recognition

The Group recognises receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified based on the objective of the Group's business model for managing the financial assets and the characteristics of the contractual cash flows.

The Group derecognises a financial asset when the contractual cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows such that substantially all the risks and rewards of ownership of the financial asset are transferred.

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2. Significant accounting policies (continued)

(e) Financial instruments (continued)

The Group has the following financial assets:

Financial assets at fair value
Financial assets at fair value are non-derivative financial assets.

Financial assets at fair value are measured initially at fair value which includes transaction costs directly attributable to the acquisition of the financial asset. They are measured subsequently at fair value with movements in fair value being recognised in the profit or loss, unless:

- The financial asset is an equity investment, and
- The Group has made an irrevocable election to present gains and losses on the financial asset in other comprehensive income. This election has been made on an individual equity basis.

Dividends from equity investments are included in the profit or loss regardless of whether the election has been made to recognise movements in fair value in other comprehensive income.

Profit or loss arising on the sale of equity investments is recognised in the profit or loss unless the election has been made to recognise fair value movements in other comprehensive income.

Impairment
Impairment losses on financial assets at fair value are recognised in profit or loss, unless the election has been made to recognise movements in fair value in other comprehensive income, in which case impairment losses are recognised in other comprehensive income.

(f) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the statement of financial position date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Deferred tax is credited in the statement of profit and loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

2. Significant accounting policies (continued)

(f) Income Tax (continued)

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Aspermont Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation System. Aspermont Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The Group notified the ATO in April 2004 that it had formed an income tax consolidated group to apply from July 2002.

Tax consolidation
Aspermont and its wholly-owned Australian subsidiaries are a tax consolidated group. As a consequence, as the head entity in the tax consolidated group, Aspermont will recognise current and deferred tax amounts relating to transactions, events and balances of the wholly-owned Australian controlled entities in the Group in future financial statements as if those transactions, events and balances were its own, in addition to the current and deferred tax balances arising in relation to its own transactions, events and balances. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

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2. Significant accounting policies (continued)

(g) Foreign currency

Functional and Presentation Currency

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

Transaction and Balances

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

Exchange differences arising on the translation of monetary items are recognised in the Statement of Profit or Loss or Other Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge, in which case they are included in other comprehensive income.

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 at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- All resulting exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position through other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(h) Investment in associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to note 9).

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2. Significant accounting policies (continued)

(h) Investment in associates (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.
Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(i) Intangible Assets

Goodwill
Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net assets at date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Mastheads
Mastheads acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

Mastheads are tested for impairment annually by the directors and where an indicator of impairment exists ensuring that it is not in excess of the recoverable amount.

IT development and software
Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include direct payroll and payroll related costs of employees time spent on the project. Amortisation is calculated on a diminishing value basis over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

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2. Significant accounting policies (continued)

(i) Intangible Assets (continued)

Intangible assets acquired as part of an acquisition

Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the asset is separable or arises from contractual or legal rights, and the fair value can be measured reliably on initial recognition. Purchased intangible assets are initially recorded at cost and finite life intangible assets are amortised over their useful economic lives on a straight line basis.

Where amortisation is calculated on a straight line basis, the following useful lives have been determined for classes of intangible assets:

Trademarks:	10 years
Customer & subscription contracts/relationships:	5 years

(j) Subscriptions in advance

Print magazine and internet news subscriptions are received in advance for the subscription period applied for. Subscriptions received during the financial year for issues expected to be published and news services to be provided after reporting date have been deferred and will be brought to account and recognised in the accounting period in which the respective magazines or news services subscribed for are published.

(k) Revenue and other income

Advertising and subscription revenue is brought to account and recognised in the accounting period in which the respective magazines or news sites containing the booked advertisements are published or displayed. All revenue is stated net of the amount of goods and services tax (GST).

Conference revenue is brought to account and recognised in the accounting period in which the respective event occurs. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

The Company's share of profit from associated companies has been recognised in accordance with AASB 128 *Investments in Associates*.

(l) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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2. Significant accounting policies (continued)

(m) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the assets (but not the legal ownership), are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

(n) 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.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for intended use or sale. Other borrowing costs are expensed.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after reporting date.

(p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(q) Share-based payment transactions

The Group provides benefits to employees (including directors) whereby a component of remuneration includes the issue of share options. The cost of these transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value at grant date is determined using a Black Scholes Merton option pricing model which requires estimated variable inputs. In particular, the expected share price volatility is estimated using the historic volatility (using the expected life of the option), adjusted for any expected changes to future volatility. Information relating to share based payments is set out in note 17.

The cost is recognised together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

2. Significant accounting policies (continued)

(r) Critical accounting estimates and judgments

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

Key Estimates — Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Key assumptions used for value-in-use calculations are disclosed in note 11(b).

Key Estimates — Useful lives

The Group assesses the useful lives at each reporting date in respect of assets within indefinite useful lives such as the Mastheads. The assets are assessed utilising conditions specific to the Group. This requires judgement and consideration of the assets utilisation and continued use within the Group as well as any impairment indicators or triggers indicating whether the recoverable amount of the Mastheads are lower than the carrying value.

The assessment is done using value-in-use calculation and assessment regarding the recoverable amount incorporating a number of key estimates and assumptions. Refer to Note 11 (d) for further information.

Key Estimates — Re-estimation of put option

The amortised value is calculated based on the present value of the future estimated liability for the purchase of the remaining 40% interest in Beacon Events Limited ("Beacon") from Gainwealth Group Limited. The principal US dollar estimated liability is determined based on a gross profit formula of the Beacon business in fiscal 2017. The 2017 estimated liability is discounted to the present using the original discount rate (at inception) at the reporting date and adjusted for any foreign exchange movements between the underlying US dollar liability and the Australian dollar. The key assumption used in the present value calculation is the estimated gross profit of the Beacon business in fiscal 2017.

Key Estimates — Income tax

The Aspermont Group operates in multiple jurisdictions which have applicable taxation laws. During any given year Aspermont seeks independent taxation advice and records the impact of that advice and any tax applicable. Should there be a change to the taxation position as a result of past transactions this may give rise to an income tax liability or asset.

(s) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

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Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in the statement of profit and loss and other comprehensive income as a bargain purchase.

2. Significant accounting policies (continued)

(s) Business combinations (continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(t) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus entitlements in ordinary shares issued during the year and excluding treasury shares.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(u) Trade receivables

Trade receivables are recognised at fair value and are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The amount of impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance

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account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(v) Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(w) Contributed equity
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

2. Significant accounting policies (continued)

(x) Accounting standards adopted
The Group has adopted the following new accounting standards that have previously been assessed for their impact on the Group's financial report. There have been no changes in the previous assessment of their impact which is not material to the Group:

AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*

AASB 2013-3 *Amendments to AASB 136 – Recoverable Disclosures for Non-Financial Assets*

AASB 2014-1 *Amendments to Australian Accounting Standards (Parts A to C)*

AASB 9 *Financial Instruments*

(y) Accounting standards issued not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2016. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 revenue. The consolidated entity will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-

use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. The consolidated entity will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the consolidated entity.

(z) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.

(aa) Convertible note

Convertible notes issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder or at the option of the issuer in certain circumstances. The notes include embedded derivatives (call and/ or put options or ratchet option) relating to the convertible note represents the option to convert to variable number of shares in the parent entity. The company had elected upon initial recognition of the convertible notes (including its embedded derivatives) to recognise the whole instrument as a financial liability carried at fair value through profit or loss. On initial recognition the fair value of the convertible note (including the fair value of facility costs as discussed below) will equate to the proceeds received as no gain or loss on initial recognition can be recognised per the requirements of the accounting standards AASB139. The financial liability will subsequently be measured at fair value at each reporting period or until settlement and fair value movements will be recognised in the profit or loss as finance cost.

Included in the convertible note contracts entered into by the company/group are costs associated with entering the facility such as commencement options and shares, royalty options and collateral shares. These costs of not recognised as a share based payment but rather as a financial liability carried at fair value through profit or loss (if it results in variable number of shares to be issued) or equity (if number of shares to be issued is fixed) and their value on initial recognition has been included as part of the convertible note proceed above. Subsequently these financial liabilities will be fair valued at each reporting period up until settlement and movements in the fair value is recognised in the profit or loss as finance cost. Amounts recognised initially under equity will not be remeasured subsequently.

The fair value of the financial liabilities carried at fair value through profit or loss (ie the convertible note portion) is calculated based on the present value of estimated cashflows taking into account credit risk profile of the company, market interest rates and share price of the company.

The fair value for the facility costs which are the commencement options and collateral shares are computed using an option pricing model. These valuation methodologies take into account the exercise price, the term of the option, the Company's share price at reporting period and simulated future price, the expected volatility of the underlying share price and the risk-free interest rate (based on government bonds). The expected volatility is based upon historic volatility (based on the remaining life of the options) adjusted for abnormal movements in the Company's share price.

The fair value of commencement shares is based on the company share price at the date of issue.

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3. Parent Entity Information

The following details relate to the parent entity, Aspermont Limited, at 30 June 2016. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	2016 $000	2015 $000
Current assets	1,118	1,624
Non-current assets	20,312	28,210
Total assets	21,430	29,834
Current liabilities	13,364	16,586
Non-current liabilities	6,891	7,251
Total liabilities	20,255	23,837
Contributed equity	56,433	54,158
Accumulated losses	(54,318)	(45,060)
Reserves		
Share based payment reserve	1,458	1,458
Financial asset reserves	(276)	(276)
Other reserves	(1,777)	(3,938)
Currency Translation Reserve	(345)	(345)
Total equity	1,175	5,997
Loss for the year	(6,361)	(763)
Other comprehensive income/ (loss) for the year	(2,881)	2,706
Total comprehensive income/ (loss) for the year	(9,242)	1,943

All of the companies of the Group including the parent are a party to the ANZ loan described in note 14.

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4. Revenue

	Consolidated 2016 $000	Consolidated 2015 $000
Continuing operations:		
Sales revenue – subscriptions and advertising	13,367	17,246
Conferencing revenue	9,169	13,012
	22,536	30,258

	Consolidated	
Other income:		
Interest	3	6
Exchange gain	363	-
Other income	1,324	273
	1,690	279

Amounts contained within other income is income generated through non-core activities such as the disposal of non-core assets or entities.

5. Expenses

Profit/ (loss) before income tax includes the following specific expenses:

	Consolidated 2016 $000	Consolidated 2015 $000
(a) Expenses:		
Bad debts written off	(15)	104
Consulting and accounting services	1,024	1,063
Depreciation and amortisation of plant, equip. and intangible assets	544	880
Directors' fees	12	264
Employee benefits expense	8,399	14,486
Defined employee retirement contribution	608	867
Foreign exchange gains/(losses)	-	204
Convertible debt finance costs	-	-
Interest expense	1,919	585
Legal costs	282	174
Rental expense on operating leases	1,679	1,747
Impairment of intangible assets	6,165	8,646
Write-down of loan receivable	203	118
	20,820	29,138
Change in the amortised cost of the Beacon Put Option:		
Foreign exchange movements	355	580
Change in estimated value	(3,742)	(1,919)
	(3,387)	(1,339)
Imputed interest expense	13	275
(b) Remuneration of auditors of the parent entity for:		
Auditing or reviewing the accounts - BDO WA	107	110
Auditing or reviewing the accounts - BDO HKG and UK	80	61

6. Taxation

	Consolidated 2016 $000	Consolidated 2015 $000
(a) Income tax expense/ (benefit)		
The components of tax expense/ (revenue) comprise:		
Current tax	(5)	14
Deferred tax	46	(1,602)
Derecognise capital losses	-	590
Prior year adjustments	-	(84)
	41	(1,082)
The prima facie tax on profit/ (loss) before tax is reconciled to the income tax as follows:		
Profit/ (loss) from operations	(6,788)	(10,886)
Income tax expense calculated at 30%	(2,036)	(3,266)
Tax effect of permanent differences:		
Increase in income tax expense due to:		
Non-deductible expenditure	2,270	1,378
Tax losses not recognised	843	3,154
Write-down to recoverable amounts	-	-
Prior year adjustments	-	3
Reversal of previously recognised temporary difference	866	-
Decrease in income tax expense due to:		
Temporary difference not recognised	-	-
Difference in overseas tax rates		
Derecognise capital losses		
Non-assessable income	(1,759)	(2,486)
Effect of different tax rates of foreign operations	(110)	135
Income tax expense/ (benefit) attributable to profit from ordinary activities	74	(1,082)
Effective tax rate	-1%	10%
Income tax payable		
Opening balance	257	343
Charged to income	359	(71)
Payments	(239)	(51)
Currency movements	(4)	36
	373	257

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6. Taxation (continued)

(b) Deferred tax

	Consolidated 2016 $000	Consolidated 2015 $000
Deferred income tax at 30 June relates to the following:		
Liabilities		
Intangible assets in relation to business combinations	3,129	3,010
Other	-	9
Total	3,129	3,019
Assets		
Provisions	319	362
Future benefit of carried forward losses	2,766	2,292
Fair value gain adjustments	52	196
Other	-	-
Closing balance	3,137	2,850

(c) Reconciliations

The movement in deferred tax liabilities for each temporary difference during the year is as follows:

	Intangible assets relating to business combinations $000	Other $000	Total $000
Balance at 1 July 2014	3,169	38	3,207
Credited/(charged):			
- to profit or loss	(597)	(31)	(628)
- to equity	-	-	-
Currency movements	438	2	440
Balance at 30 June 2015	**3,010**	**9**	**3,019**
Credited/(charged):			
- to profit or loss	-	(9)	(9)
- to equity	121	-	121
Currency movements	(2)	-	(2)
Balance at 30 June 2016	**3,129**	**(0)**	**3,129**

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6. Taxation (continued)

	Provisions $000	Future benefit of carried forward losses $000	Fair value gain adjustments $000	Total $000
Balance at 1 July 2014	454	1,314	700	2,468
Credited/(charged):				
- to profit or loss	(94)	978	(502)	382
- to equity	-	-	(2)	(2)
Currency movements	2	-	-	2
Balance at 30 June 2015	**362**	**2,292**	**196**	**2,850**
Credited/(charged):				
- to profit or loss	(43)	474	(130)	301
- to equity	-	-	(14)	(14)
Currency movements	-	-	-	-
Balance at 30 June 2016	**319**	**2,766**	**52**	**3,137**

	Consolidated 2016 $000	2015 $000
(d) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in the statement of comprehensive income but directly debited or credited to equity:		
Net deferred tax - credited directly to equity	107	(2)
(e) Tax expense/ (income) relating to items of other comprehensive income		
Financial assets reserve	107	(2)

Tax consolidation

Aspermont and its wholly-owned Australian subsidiaries are a tax consolidated group. The accounting policy in relation to this legislation is set out in note 2 (f).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Aspermont Limited.

Tax losses

Unused tax losses have not been recognised as a deferred tax asset as the future recovery of those losses is subject to the Group satisfying the requirements imposed by the regulatory taxation authorities. The amount of unrecognised carry forward tax losses is based on management's assessment of their ability to meet the same business or the modified continuity of ownership test. The benefits of these deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

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7. Receivables

	Consolidated 2016 $000	Consolidated 2015 $000
Current		
Trade receivables	2,186	3,054
Allowance for impairment	(46)	(142)
Other receivables	604	290
	2,744	3,202
Non-current		
Trade receivables	-	-
Loan - Nomad Limited Partnership	1,894	1,801
Loan - Impairment	(1,894)	(1,801)
	-	-

Information about the Group's exposure to interest rate risk and credit risk is provided in note 22.

(a) Impaired trade receivables

As at 30 June 2016 current trade receivables of the Group with a nominal value of $45,694 (2015 – $142,292) were impaired. The individually impaired receivables mainly relate to customers who are in unexpectedly difficult economic situations.

The ageing of these receivables is as follows:

	Consolidated 2016 $000	Consolidated 2015 $000
1 to 3 months	2	49
Over 3 months	43	93
	46	142

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7. Receivables (continued)

(a) Impaired trade receivables (continued)

Movements in the allowance for the impairment of receivables are as follows:

	Consolidated	
	2016 $000	**2015 $000**
At 1 July	142	128
Allowance for impairment	(42)	42
Foreign exchange movement	(14)	-
Receivables written off	(40)	(28)
	46	142

The creation and release of the allowance for impaired receivables has been included in "other expenses" in the Statement of Profit or Loss. Amounts charged to the provision are generally written off when there is no expectation of recovering additional cash.

(b) Past due but not impaired

As at 30 June 2016, trade receivables of $1,209,000 (2014: $1,494,000) were past due but not impaired. Trade receivables include revenues deferred, particularly in the Events and to a lesser degree the Publishing business. The ageing analysis of these trade debtors is as follows:

	Consolidated	
	2016 $000	**2015 $000**
1 to 3 months	754	927
Over 3 months	455	567
	1,209	1,494

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables. Due to the nature of the Events business amounts which are greater than 3 months are still considered recoverable until there is no expectation of recovering the amounts.

Information about the Group's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 22.

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivable mentioned above.

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8. Other financial assets

	Consolidated	
	2016 $000	**2015 $000**
Current		
Listed equity shares at fair value through profit or loss (i) #	-	3
	-	3
Non – current		
Listed equity shares at fair value through other comprehensive income (i) #	-	-
Unlisted equity shares at fair value through other comprehensive income (ii) #	-	-
Unlisted equity shares at fair value through other comprehensive income (iii) #	68	68
	68	68

Fair value hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 – a valuation technique is used which takes into account inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices), or indirectly (i.e. derived from prices), and
- Level 3 – a valuation technique is used which takes into account inputs that are not based on observable market data (unobservable inputs).

Valuation techniques used to derive level 3 fair values

The amount due in respect of convertible debentures per note 14 is classified as a liability at fair value through profit or loss. The fair value of convertible notes not traded in an active market and is determined using an internally prepared valuation utilising a combination of inputs such as the current share price and unobservable inputs such as the discount rate of 10% to calculate the present value of estimated future cash flows. The Group has determined that there is a relationship between the unobservable inputs (discount rate) and the fair value, but do not consider it to be material unless there is a change in the terms and conditions of the convertible note. During the financial year, the ratchet feature embedded in the convertible note was activated due to the capital raising. This change in the value of the note was calculated by using a black-scholes model. A key input was the use of the volatility of 84%. The liability is classified as level 3 in the fair value hierarchy due to the use of unobservable inputs.

Transfers

During the year ended 30 June 2016, there were no transfers of financial instruments between level 1 and 2 of the fair value hierarchy. There were also no transfers into or out of level 3 during the period.

Fair value of financial instruments not measured at fair value.

Due to their short-term nature, the carrying amounts of current receivables, current trade and other payables and current interest-bearing liabilities is assumed to approximate their fair value.

Information about the Group's exposure to price risk is provided in note 22.

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8. Other financial assets (continued)

Equity investments held at year end:	Consolidated	
	2016 $000	**2015 $000**
Fair Value - Level 1		
Excalibur Mining Ltd	-	3
	-	3
Fair Value - Level 2		
	-	-
	-	-
Fair Value - Level 3 (1)		
Private Media Group Pty Ltd	68	68
	68	68

(1) Cost approximates fair value

9. Other assets

(a)

	Consolidated	
	2016 $000	**2015 $000**
Prepayments	990	1,101
	990	1,101

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9. Other assets (continued)

(b) Investments accounted for using the equity method

Summarised financial information of associates

The Group's share of the results of its principal associates and its aggregated assets (including goodwill) and liabilities are as follows:

	Ownership Interest	Assets $000	Liabilities $000	Revenues $000	Profit/ (Loss) $000
2016					
Kondinin Rural Joint Venture	50%	-	-	-	-
		-	-	-	-
2015					
Kondinin Rural Joint Venture*	50%	-	-	-	(117)
		-	-	-	(117)

* In June 2014 an exit agreement was signed to wind up the joint venture. 100% of the investment in the joint venture has been written down.

10. Plant and equipment

	Consolidated 2016 $000	Consolidated 2015 $000
Plant and equipment – at cost	1,840	2,202
Accumulated depreciation	(1,687)	(2,033)
	153	169
Equipment under finance lease – at cost	105	105
Accumulated depreciation	(103)	(103)
	2	2
Total plant and equipment	155	171

10. Plant and equipment (continued)

(b) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

Consolidated	**Plant and equipment $000**	**Leased plant and equipment $000**	**Total $000**
Gross carrying amount			
Balance at 1 July 2014	1,852	105	1,957
Additions	29	-	29
Currency movements	72	-	72
Disposals	-	-	-
Balance at 30 June 2015	**1,953**	**105**	**2,058**
Additions	87	-	87
Currency movements	(9)	-	(9)
Acquisition of subsidiary	-	-	-
Disposals	(191)	-	(191)
Balance at 30 June 2016	**1,840**	**105**	**1,945**
Accumulated Depreciation			
Balance at 1 July 2014	(1,609)	(101)	(1,710)
Depreciation expense	(111)	(2)	(113)
Currency movements	(64)	-	(64)
Acquisition of subsidiary	-	-	-
Disposals	-	-	-
Balance at 30 June 2015	**(1,784)**	**(103)**	**(1,887)**
Depreciation expense	(93)	-	(93)
Currency movements	7	-	7
Acquisition of subsidiary	-	-	-
Disposals	183	-	183
Balance at 30 June 2016	**(1,687)**	**(103)**	**(1,790)**
Net book value			
As at 30 June 2015	169	2	171
As at 30 June 2016	153	2	155

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10. Plant and equipment (continued)

(c) Leased plant and equipment

The parent entity leases assets under a number of finance lease agreements. At 30 June 2016, the net carrying amount of leased plant and equipment was $2,000 (2015: $3,956). The leased equipment secures lease obligations.

11. Intangible assets

Consolidated	Goodwill $000	Software $000	Purchased mastheads $000	Other acquired assets $000	Total $000
Gross carrying amount					
Balance at 1 July 2014	18,635	3,044	10,582	2,388	34,649
Additions	-	68	-	-	68
Currency movements	2,764	104	983	-	3,851
Balance at 30 June 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**
Accumulated Amortisation					
Balance at 1 July 2014	-	(2,104)	-	(1,344)	(3,448)
Amortisation expense		(345)		(423)	(768)
Impairment	(6,132)	-	(1,990)	(334)	(8,456)
Currency movements	-	(86)	(2)	-	(88)
Balance at 30 June 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
Disposals	-	-	-	1,113	1,113
Balance at 30 June 2016	**(13,418)**	**(2,679)**	**-**	**(1,194)**	**(17,291)**
Net book value					
As at 30 June 2015	15,267	681	9,573	287	25,808
As at 30 June 2016	6,538	555	10,555	81	17,729

During the year an analysis was performed in respect of the Purchased Mastheads. It was noted that due to the brand recognition and reorganisation of the Print and Online divisions that the Purchased Mastheads are an integral part of the restructured position. As a consequence of the restructure and appraisal of the organisation that the previous impairment was no longer applicable in and has been reversed.

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11. Intangible assets (continued)

(a) Impairment tests for intangible assets

In the light of current global economic circumstances and as a result of the continuing decline in revenue for the Group in both the Publishing and Conferencing segments of the business, 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.

The Print and Online CGUs previously identified for the allocation of Intangible Assets have in the current reporting period combined into the Publishing CGU. This is in line with the ongoing development and strategy of the Group's business following the restructure during the year.

	2016 Total $000	2015 Total $000
Goodwill		
Conferencing	5,661	5,660
Conferencing impairment	(4,049)	(1,401)
Publishing (print & online)	16,118	16,118
Publishing impairment (print)	(9,374)	(4,731)
Foreign exchange reserve	(1,818)	(379)
	6,538	15,267
Software		
Cost	3,233	3,216
Accumulated amortisation	(2,678)	(2,535)
	555	681
Purchased mastheads		
Mastheads (print & online)	12,279	12,285
Mastheads impairment (print)	-	(1,992)
Foreign exchange reserve	(1,724)	(720)
	10,555	9,573
Other Intangible Assets		
Acquired intangible assets	1,275	2,388
Acquired intangible assets impairment	(100)	(334)
Accumulated amortisation	(1,094)	(1,767)
Segment transfer	-	-
	81	287
Total Intangible Assets	17,729	25,808

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11. Intangible assets (continued)

Intangibles are allocated to the CGU's as follows:

	2016 Total $000	2015 Total $000
Publishing	28,450	32,269
Cumulative impairment	(13,233)	(11,349)
	15,217	20,920
Conferencing	6,561	6,290
Cumulative impairment	(4,049)	(1,401)
	2,512	4,888
Total Intangible Assets	17,729	25,808

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

	2016 Discount rate	2015 Discount rate
Conferencing	8.7%	8.7%
Publishing	13.9%	11.3%

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:
    - ❖ A revenue decline has been assumed for printed products businesses as management expect a cyclical downturn and structural change to continue. Assumptions have been made in line with past performance and management's expectation of market development,
    - ❖ Revenue growth of 10% 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,

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- ❖ Continued growths 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 in Conferencing revenues from launch of Mines & Money events in new geographies as well as seeding smaller new events
- ❖ Expenses expected to decrease by $2.027m in year 1 before stabilising in year 2 based on restructuring initiatives which have already produced a cost saving trend. Future savings are expected to continue in line with the current trend. The cut in costs are the driver for the cash flow forecast growth in EBITDA

Long Term Growth Rate – a terminal value of growth into perpetuity of year 5 cash flows equivalent to 7 times multiple for Publishing and 4 times for Conferencing 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.

These assumptions have been used for the analysis of each CGU within the business 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.

Impact of a reasonably possible change in key assumptions

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

Publishing

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

- Discount rate – increase from 13.9% to 16.9%,
- Year 1 to 5 cash flow forecasts – reduction of 11% EBITDA year on year,
- Terminal value – reduction of 16%.
- Costs – If costs are not cut by $1.3m in year 1 and $1.3m in year 2

Conferencing

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

- Discount rate – increase from 8.7% to 29.9%,
- Year 1 to 5 cash flow forecasts – reduction of 47% EBITDA year on year,
- Terminal value – No terminal value.

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(c) Amortisation charge

The amortisation charge for the business combinations of Kondinin Information Services Pty Ltd (Kondinin) was $200,554 during 2016 (2015: $422,985) and Waste Management and Environment Media Pty Ltd (WME) was disposed of during the year for no cash consideration in lieu of the payable to the directors of WME for $200K. The total gain for the disposal included in other income totals $510,000 included in Note 4.

(d) 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.

12. Trade and other payables

	Consolidated	
Current	2016 $000	2015 $000
Unsecured Liabilities		
Trade payables	2,348	2,245
Sundry creditors and accrued expenses	4,771	4,187
Annual leave payable	116	274
	7,235	6,706

Information about the Groups' exposure to risk is provided in note 22.

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

13. Income in advance

	Consolidated	
	2016 $000	2015 $000
Current		
Opening balance	5,554	7,194
Net movement during the year	234	(1,640)
	5,788	5,554
Non-Current		
Opening balance	-	267
Net movement during the year	-	(267)
	-	-

Current income in advance relates to subscription, advertising and event revenue received prior to services rendered. Non-current income in advance relates to long term grant funding received in advance.

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14. Borrowings

	Consolidated 2016 $000	2015 $000
Current		
Unsecured loans from external parties	245	-
Secured loans from external parties	1,565	2,285
Loans from related parties (see note 21(b))	3,331	2,908
Payable for acquisition of WME	-	392
	5,141	5,585
Non - Current		
Secured Liabilities		
Loans advanced for convertible debt (see note 14 (d))	3,120	1,482
	3,120	1,482

The carrying amount of the Group's current and non-current borrowings approximates the fair value.

a) The current external party loan is with the Australian and New Zealand Banking Corporation (ANZ) and is secured by registered company charges and fixed and floating charges over the assets of the consolidated entity. The terms of the current facility expire on the next annual review date which is 31 March 2017.

- The Company is in regular communications with ANZ to restructure the facility. The bank is supportive of the Company's capital raising activities. There are no matters existing to indicate that the Company will be unable to successfully restructure the facility. The Company is no longer in breach of its covenants with the bank and is a significant improvement when covenants were in breach over the last few years. Refer to Note 22(c) for details on liquidity risk.

b) Finance lease liabilities are secured by the asset leased.

c) Loans from related parties are unsecured at interest rates of 9.5%. Repayment of these loans is subject to limitations and subordinated to the ANZ facility debt.

d) Non – Current loans represent the liability in respect of convertible debentures issued during the year. The principal terms of the convertible debentures include:

- 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.
- During the year, the convertible loans were revalued reflecting the recent rights issue price at $0.01 and the revaluation resulted in an increase of $1.2m in value of the loan and associated $1.2m expense was taken into the Statement of Profit or Loss for the year.

e) Information about the Groups' exposure to interest rate risk is provided in note 22.

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15. Provisions

	Consolidated 2016 $000	2015 $000
Current		
Long service leave entitlements	-	-
Non - Current		
Long service leave entitlements	95	196

16. Other liabilities

A put and call option was entered into with the non-controlling shareholder of Beacon Events Limited covering their 40% interest. The future discounted amount adjusted for foreign currency is estimated at $562 thousand (2015: $ 4.01 million) which is recorded as a liability of the Group and a provision for purchase of the non-controlling interest in the equity section. The liability is discounted using the Aspermont bank loan rate of 7.62% and for the duration of the option the interest will be amortised until the option is extinguished. For the year ended 30 June 2016 interest of $12,705 (2015: $275,057) was recognised.

The liability for the purchase of the minority interest in Beacon is calculated based on a US dollar gross profit formula for the estimated fiscal 2017 gross margin of the Beacon business. This amount is then discounted to the current reporting date using the Aspermont borrowing rate and adjusted for any foreign exchange movements between the underlying US dollar liability and the Australian dollar. This is due for settlement 1 July 2017. The reduction in the value is attributed to the performance of the conferencing business in the current year.

	Consolidated 2016 $000	2015 $000
Liability in respect of Beacons put and call option		
Opening balance	3,937	5,000
Imputed interest expense	13	275
Foreign exchange movements	354	1,187
Change in estimated value	(3,742)	(2,525)
Closing balance of the liability	562	3,937
Other non-current liabilities	-	150
Total non-current liabilities	562	4,087

17. Issued capital

	Consolidated		Consolidated	
	2016 #	**2015 #**	**2016 $000**	**2015 $000**
Fully paid ordinary shares	958,700,907	724,918,019	56,433	54,158
Ordinary shares				
At the beginning of the reporting period	724,918,019	238,710,493	54,158	49,292
Shares issued during the year:				
Rights issue	233,782,888	238,710,493	2,368	2,387
Shares issued as part of debt/equity conversion (see note 21(b))		226,748,700	-	2,268
Private placement of fully paid ordinary shares		20,748,333	-	299
Share issue costs	-	-	(93)	(88)
At reporting date	958,700,907	724,918,019	56,433	54,158

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.

(b) Options

The establishment of the Executive Option Plan was approved by the directors in April 2000. The Executive Option Plan is designed to retain and attract skilled and experienced board members and executives and provide them with the motivation to make the Group successful. Participation in the plan is at the Board's discretion.

The exercise price of options issued will be not less than the greater of the minimum value set by the ASX Listing Rules and the weighted average closing sale price of the Company's shares on the ASX over the five days immediately preceding the day of the grant, plus a premium determined by the directors.

When shares are issued pursuant to the exercise of options, the shares will rank equally with all other ordinary shares of the Company.

No options were granted under the plan during the year. The table below summaries options in issue for the Consolidated and parent entity:

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17. Issued capital (continued)

	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number	Weighted Average Exercise Price
2016	26,250,000	-	-	(21,250,000)	5,000,000	5,000,000	15c
2015	26,900,000	-	-	(650,000)	26,250,000	26,250,000	15c

Of the above options, 21,250,000 expired on 30 October 2015 and the remaining 5,000,000 expire 30 October 2016.

The weighted average share price during the financial year was 0.9 cents (2015: 2.11cents).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.33 years (2015: 0.53 years).

(c) Reserves

The nature and purpose of the reserves are as follows:

Share based reserve
The share-based payments reserve is used to recognise the grant date fair value of options issued to employees but not yet exercised.

Currency translation reserve
Exchange differences arising on translation of the foreign controlled entity are taken to the currency translation reserve, as described in note 2. The reserve is recognised in profit or loss when the net investment is disposed of.

Financial assets reserve
The financial assets reserve recognises the gains and losses in fair value for those financial assets not held for trading and wherein an irrevocable election has been made to recognise fair value changes in other comprehensive income.

Other reserve
The put and call option reserve represents a provision for the purchase on the non-controlling interest in Beacon Events Limited.

(d) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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17. Issued capital (continued)

(d) Capital risk management (continued)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt (borrowings and trade and other payables less cash and cash equivalents) divided by total capital (equity). Further information regarding the liquidity and capital risk maintained by the Group is disclosed in Note 22 (c).

The gearing ratios at 30 June 2016 and 2015 were as follows:

	Consolidated	
	2016 $000	**2015 $000**
Total borrowings	15,496	13,773
Less: cash and cash equivalents	(1,795)	(1,645)
Net debt	13,701	12,128
Total equity	1,175	7,962
Total capital	14,876	20,090
Gearing ratio	92%	60%

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18. Particulars in relation to controlled entities

Name of entity	Place of Incorp.	Class of share	Economic Entity Interest 2016 %	Economic Entity Interest 2015 %
Parent entity:				
Aspermont Limited	NSW			
Controlled entities:				
Resourceful Events Pty Ltd	NSW	Ord	100	100
Corporate Intelligence & Communications Pty Ltd	WA	Ord	100	100
Kondinin Information Services Pty Ltd	WA	Ord	100	100
Aspermont Media Limited	UK	Ord	100	100
Aspermont (Hong Kong) Ltd	HKG	Ord	100	100
Aspermont Brazil Ltd	Brazil	Ord	100	100
Beacon Events Limited	BVI	Ord	60	60
Beacons Events Ltd	HKG	Ord	60	60
Resourceful Events Ltd	BVI	Ord	60	60
Resourceful Events Ltd	HKG	Ord	60	60
Resourceful Events Ltd	UK	Ord	60	60
Resourceful Australia Pty Ltd	NSW	Ord	60	60
Ethical Beacon Ltd	BVI	Ord	60	60
Ethical Beacon Ltd	HKG	Ord	60	60
Aspermont Beacon Live Events Ltd	BVI	Ord	60	60
Aspermont UK Limited	UK	Ord	60	60
Mines and Money Events Limited	Cayman	Ord	60	60
Beacon Conference & Exhibition Services (Beijing) Ltd	PRC	Ord	60	60

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19. Non-controlling interests

The Group's subsidiary Beacon Events Limited has a material non-controlling interest (NCI) as disclosed in note 18. The following table summarises information relating to that non-controlling interest, before any intra-group eliminations:

	Consolidated Beacon Events Limited	
	2016 $000	**2015 $000**
NCI percentage	40%	40%
Summarised statement of financial position		
Current assets	2,549	2,596
Non-current assets	10,728	10,692
Current liabilities	(5,764)	(5,702)
Non-current liabilities	(5,735)	(4,776)
Net Assets	1,778	2,810
Summarised statement of profit or loss and other comprehensive income		
Revenue	8,485	11,806
Profit after income tax expense	(636)	304
Other comprehensive income	(396)	(1,500)
	(1,032)	(1,196)
Summarised statement of cash flows		
Cash flows from operating activities	585	(637)
Cash flows from investing activities	(34)	321
Cashflows from financing activities (excluding NCI dividends)	-	-
NCI dividends paid	-	-
Net increase/ (decrease) in cash and cash equivalents	551	(316)
Other financial information		
Net profit/(loss) attributable to non-controlling interest	(359)	754
Accumulated non-controlling interest	(1,203)	(685)
Loans to/(from) non-controlling interest	-	(73)

20. Cash flow information

		Consolidated 2016 $000	Consolidated 2015 $000
(a)	Reconciliation of cash and cash equivalents		
	Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:		
	Cash at bank and on deposit	1,795	1,645
		1,795	1,645
(b)	Reconciliation of operating profit/ (loss) after tax to net cash from operating activities		
	Profit/ (loss) after income tax	(6,829)	(9,804)
	Non-cash flows in profit/ (loss)		
	Depreciation	543	880
	Impairment of loan receivable	-	118
	Impairment of intangible assets	6,165	8,456
	Unrealised gain on disposal of investments	768	72
	Non-cash movement on put option liability	(3,375)	(1,064)
	Non cash items	1,441	(630)
	Change in assets and liabilities:		
	Decrease in receivables	(397)	1,918
	Increase in creditors and accruals	268	205
	(Decrease) in unearned revenue	658	(2,422)
	(Decrease)/ Increase in provisions	(208)	(25)
	(Decrease) in income taxes payable	119	(125)
	(Decrease) in deferred taxes payable	1,051	(572)
	Net cash (used in)/ from operating activities	204	(2,993)

Non-cash investing and financing activities was immaterial during the year ended 30 June 2016 and 30 June 2015.

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Key management personnel and related parties disclosures

(a) Key management personnel compensation

	Consolidated 2016	Consolidated 2015
Short-term employee benefits	1,392,925	1,728,044
Post-employment benefits	51,671	163,314
Long-term employee benefits	2,137	5,892
Share based payments	-	-
	1,446,733	1,897,250

Detailed remuneration disclosures are provided in the audited remuneration report on pages 12 to 23 of the Directors' Report.

(b) Liabilities and loans from director related entities

	Consolidated 2016	Consolidated 2015
Unsecured loans		
Beginning of year	2,834,807	4,886,938
Loan advances	1,928,800	1,128,162
Loan repayments	(1,586,664)	(1,296,159)
Loan conversion to ordinary shares	(150,000)	(2,267,736)
Interest charged at 9.5% (2015: 9.5%)	304,057	383,603
End of year	3,331,000	2,834,807

Detailed loan movements are disclosed in the audited remuneration report on pages 12 to 23 of the Directors' Report. Conversion of debt into ordinary shares is further disclosed at note 17.

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

	Consolidated 2016	Consolidated 2015
Unsecured loans		
Beginning of year	1,389,997	-
Loan advances	222,409	1,389,997
Loan repayments	(179,501)	-
Loan conversion to ordinary shares	-	-
Interest charged at 10% (2014: nil)	157,079	-
Finance charge arising from ratchet feature	1,026,547	
End of year	2,616,530	1,389,997

Detailed convertible debt movements are disclosed in the audited remuneration report on pages 13 to 24 of the Directors' Report. Conversion of debt into ordinary shares is further disclosed at note 17.

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21. Key management personnel and related parties disclosures (continued)

(d) Other transactions with key management personnel and director related entities

Transactions between key management personnel are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The Group leases its principal office facility from Ileveter Pty Ltd, a company associated with a director, Mr A.L Kent. The rent paid was at market rates at the time of lease inception. The lease agreement has a term of five years expiring 30 September 2017.

	Consolidated	
	2016	**2015**
Rental expense for principal offices	613,047	547,295

Magyar Mining Ltd ("Magyar"), Lahoca Resources Pte Ltd ("Lahoca") and Mekong Mining Limited ("Mekong") are companies associated with Mr A. L. Kent. The consolidated entity has made investments in Magyar, LaHoca and Mekong and those investments have been passed to Nomad Limited Partnership in exchange for an unsecured loan. The consolidated entity has pre-paid certain start-up and exploration expenses on behalf of Lahoca, Mekong and other unrelated projects between 2012 and 2015. These assets were converted into an unsecured loan with Nomad Limited Partnership in 2013. The loan has now been fully impaired at 30 June 2015. See note 7 and the table below:

	Consolidated	
	2016 $000	**2015 $000**
Opening balance	-	-
Expenses paid	93	123
Impairment	(93)	(123)
Closing balance	-	-

The consolidated entity has loaned Magyar $93,000 impairing $93,000 during 2016 (2015: $67,920).

The minority shareholder in Beacon Events Limited is Gainwealth Group Limited ("Gainwealth"). Mr Maybury and Mr Kirwin are Directors of Gainwealth and have declared no controlling or beneficial interest in Gainwealth.

At 30 June 2016 the Company owed $46,402 (2015: $46,402) in unpaid Director Fees to current Directors of the Company.

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22. Financial risk management

In the normal course of its operations, the consolidated entity is exposed to a variety of financial risks, including market risk, credit risk and liquidity risk.

The consolidated entity's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The consolidated entity does not use derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by the management team within the parameters thought prudent by the Audit & Risk Committee of the Board.

(a) Market risk

(i) Foreign exchange risk

The consolidated entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Hong Kong dollar, United Kingdom pound and US dollar and to a lesser extent the Euro.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the consolidated entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity has approximately 28% of its revenues and business activities in Hong Kong and 21% in the United Kingdom pound functional currency entities. The remainder is in Australian dollar functional currencies. The United Kingdom, Hong Kong and Australian operations have small amounts of US Dollar, Euro and Brazilian Real revenue and expense transactions in their operations. The United Kingdom pound and Hong Kong dollar results are then translated into the Australian dollar for consolidated reporting in Australian dollars.

Management has instituted a policy requiring group companies to manage their foreign exchange risk against their functional currency. The group companies are required to bring significant foreign currency transactions to the attention of the central finance function for evaluation, if they occur.

In July 2012 the Group contributed its worldwide events business to Beacon Events Limited ("Beacon") in exchange for 60% of the equity interest in Beacon. The agreement includes an option for the non-controlling shareholders of Beacon to sell their 40% interest in Beacon to Aspermont in 1 July 2017 based on a formula of gross profit. This liability is in US dollars and therefore the Australian dollar value of the liability rises and falls with the underlying value of the US dollar.

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22. Financial risk management (continued)

A 10% strengthening/weakening of the Australian dollar against the following currencies at 30 June 2016 and 2015 would have increased/(decreased) profit and loss by the amounts shown in the following table. The analysis assumes that all other variable, in particular interest rate remain constant.

	Profit or Loss	
	2016 $000	**2015 $000**
GBP	(156)	(55)
HKD	(64)	30
USD	56	394

(a) Market risk

The consolidated entity has revenues and resulting trade and other receivables in non-functional currencies as follows:

	USD	EUR	USD	EUR
	2016		2015	
	$000	$000	$000	$000
Financial assets				
Trade and other receivables	661	83	334	74
	661	83	334	74

(i) Foreign exchange risk

Based on the financial instruments held by the consolidated entity as at the reporting date, the sensitivity of the consolidated entity's profit/(loss) after tax for the year and equity at the reporting date to movements in the Australian dollar to US dollar and Australian dollar to Euro exchange rates was:

- Had the Australian dollar weakened/strengthened by 5% against the US dollar with all other variables remaining constant, the consolidated entity's profit after tax would have been $288,529 lower/higher (2015: $134,000 lower/higher).

- Had the Australian dollar weakened/strengthened by 5% against the Euro with all other variables remaining constant, the consolidated entity's profit after tax would have been $31,479 lower/higher (2015: $28,000 lower/higher).

(ii) Equity price risk

The consolidated entity is not exposed to a material equity securities price risk arising from investments classified on the statement of financial position as financial assets measured at fair value. Investments in equity securities are approved by the Board on a case-by-case basis.

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22. Financial risk management (continued)

(iii) Cash flow and interest rate risk (continued)

The consolidated entity's main interest rate risk arises from short and long-term borrowings.
Borrowings at variable rates expose the consolidated entity to cash flow interest rate risk and borrowings at fixed interest rates expose the consolidated entity to fair value interest rate risk.

The consolidated entity's secured bank borrowings as well as finance lease liabilities and related party loans are all currently at fixed interest rates.

The following table summarises the variables underlying the sensitivity of the consolidated entity's financial assets and liabilities to interest rate risk:

Consolidated entity	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	2016		2015	
		$000		$000
Financial assets				
Cash and cash equivalents	0.12%	1,795	0.39%	1,645
Financial liabilities				
Bank loan	7.00%	1,565	7.50%	2,285
Related party borrowings	9.50%	3,331	9.50%	2,908
Finance lease liabilities	-	245	0.00%	-
Put and call option	7.68%	562	7.62%	3,937
Convertible notes	10.00%	-	10.00%	-

The consolidated entity has and intends to continue to reduce its borrowings, so cash balances are not accumulated and there is little sensitivity to cash deposit rates. As the current interest rates are fixed, increases/ decreases to interest rates have no immediate impact on the consolidated entity's profit after tax.

(b) Credit Risk

Credit risk is the risk that a counterparty will not complete its obligations under a financial instrument resulting in a financial loss for the consolidated entity. Credit risk is managed co-operatively by the finance function and operations for customers, including receivables and committed transactions and at the consolidated entity level for credit risk arising from cash and cash equivalents, deposits with banks and financial institutions.

The consolidated entity does not generally obtain collateral or other security to support financial instruments subject to credit risk. As the profile of the revenue comprises a very large number of small customers, the Group accepts some amount of credit risk but has historically experienced no significant loss.

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22. Financial risk management (continued)

(b) Credit Risk (continued)

All cash balances are on deposit with banks that have S&P Long Term credit ratings of A+ in the UK and Hong Kong and AA- in Australia.

The consolidated entity's total capital is defined as the shareholders' net equity plus net borrowings, and amounted to $10.0 million at 30 June 2016 (2015: $15.0 million). The objectives when managing the economic entity's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The consolidated entity's total capital is defined as the shareholders' net equity plus net borrowings, and amounted to $10.0 million at 30 June 2016 (2015: $15.0 million). The objectives when managing the economic entity's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

(c) Liquidity and capital risk

The consolidated entity does not have a target debt/equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise.

The consolidated entity's liquidity position is managed to ensure sufficient liquid funds are available to meet its financial obligations in a timely manner. The consolidated entity manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring that the consolidated entity has the ability to access required funding. The consolidated entity has historically maintained backup liquidity for its operations and currently maturing debts through its financial asset portfolio.

The Group contributed its worldwide events business to Beacon Events Limited ("Beacon") in exchange for 60% of the equity interest in Beacon in July 2012. The agreement includes an option for the non-controlling shareholders of Beacon to sell their 40% interest in Beacon to Aspermont in 2017 based on a formula of gross profit. The current estimate of that discounted future amount is $0.6 million (adjusted for foreign currency movements) which is recorded as a liability of the Group (see note 16) and a provision for purchase of the non-controlling interest in the equity section.

The consolidated entity reported on two financial covenants relating to the bank financing facility. There were a Debt to EBITDA (earnings before interest, taxes, depreciation and amortisation) ratio and an Interest Cover Ratio tested on a rolling twelve-month basis (see note 14). The consolidated entity was in breach of its covenants throughout the financial year up until a deed of forbearance was signed on 30 June 2016. This agreement does not include covenant compliance requirements. However, the facility of $1.565 million is due and payable by March 2017.

The following tables analyse the consolidated entity's financial liabilities into maturity groupings based on the remaining period from the reporting date to the contractual maturity date. As amounts disclosed in the table are the contractual undiscounted cash flows including future interest payments, these balances will not necessarily agree with the amounts disclosed on the statement of financial position.

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22. Financial risk management (continued)

(c) Liquidity and capital risk (continued)

Consolidated entity as at 30 June 2016:

	Less than 6 months $000	6 to 12 months $000	Between 1 and 2 years $000	Between 2 and 5 years $000	Total Contractual Cashflows $000	Carrying Amount $000
Non-derivatives						
Trade and other payables	5,342	-	-	-	5,342	5,342
Borrowings	7,607	654	-	-	8,261	8,261
Put and call option	-	-	562	-	562	562
	12,949	654	562	-	14,165	14,165

The proportion of borrowings is expected to be repaid through the conversion of related party loans. Refer to Note 26 on expected conversion of related party debt.

Consolidated entity as at 30 June 2015:

	Less than 6 months $000	6 to 12 months $000	Between 1 and 2 years $000	Between 2 and 5 years $000	Total Contractual Cashflows $000	Carrying Amount $000
Non-derivatives						
Trade and other payables	4,766	-	-	-	4,766	4,766
Borrowings	754	6,313	-	-	7,067	7,067
Put and call option	-	-	-	4,565	4,565	3,937
	5,520	6,313	-	4,565	16,398	15,770

Interest payments are included in the borrowing amounts above and are projected using interest rates applicable at 30 June 2016 and 2015. As the bank borrowings are subject to fixed interest rates, future interest payments will not be affected by market changes.

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22. Financial risk management (continued)

(d) Financial assets and liabilities by category

The financial instruments consist mainly of deposits with banks, accounts receivable and payable, bank loans, related party loans and leases. Investments accounted for using the equity method are excluded from the information provided below:

Consolidated entity	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	2016	$000	2015	$000
Financial assets				
Cash and cash equivalents	0.12%	1,795	0.39%	1,645
Financial liabilities				
Bank loan	7.00%	1,565	7.50%	2,285
Related party borrowings	9.50%	3,331	9.50%	2,908
Finance lease liabilities	-	245	0.00%	-
Put and call option	7.68%	562	7.62%	3,937
Convertible notes	10.00%	-	10.00%	-

The fair value of cash and cash equivalents, trade and other receivables and trade and other payables is considered to be a reasonable approximation of their fair value due to their short-term nature. The fair value of borrowings as at the reporting date is considered to be a reasonable approximation of their fair value.

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23. 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:

2016	**Publishing $'000**	**Conferencing $'000**	**Investments $'000**	**Total $'000**
Revenue				
Advertising - Digital	2,926	-	-	2,926
Advertising - Print	6,544	-	-	6,544
Subscriptions	4,458	-	-	4,458
Conferencing & other revenue	-	8,608	-	8,608
Total segment revenue	13,928	8,608	-	**22,536**
Result				
Segment result	1,475	823	-	2,299
Impairment of intangible assets	(3,603)	(2,562)	-	(6,165)
Corporate overheads	(7,874)			(7,874)
Unallocated items:				
Depreciation	(306)	(36)	-	(342)
Amortisation	(201)	-	-	(201)
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**
Unallocated assets:				
Cash				1,794
Deferred tax asset				3,137
Other assets				3,958
Total assets				**26,618**
Liabilities	11,796	5,004	-	**16,800**
Unallocated liabilities:				
Provision for income tax				373
Deferred tax liabilities				3,129
Borrowings				5,141
Total liabilities				**25,443**

2015	**Publishing $'000**	**Conferencing $'000**	**Investments $'000**	**Total $'000**
Revenue				
Advertising - Digital	3,010	-	-	3,010
Advertising - Print	9,820	-	-	9,820
Subscriptions	4,416	-	-	4,416
Conferencing & other revenue	6	13,006	-	13,012
Total segment revenue	17,252	13,006	-	**30,258**
Result				
Segment result	1,516	542		2,058
Impairment of intangible assets	(7,055)	(1,401)	-	(8,456)
Corporate overheads	(3,027)			(3,027)
Depreciation	(425)	(33)	-	(458)
Amortisation	(423)	-	-	(423)
Unallocated items:				
Other income				279
Interest				(860)
Loss for year before income tax				**(10,886)**
30 June 2015				
Segment assets	23,303	7,050	-	**30,353**
Unallocated assets:				
Cash				1,645
Deferred tax asset				2,850
Total assets				**34,848**
Liabilities	8,004	4,602	3,937	**16,543**
Unallocated liabilities:				
Provision for income tax				257
Deferred tax liabilities				3,019
Borrowings				7,067
Total liabilities				**26,886**

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Segment information (continued)

Reconciliation of reportable segment profit or loss:

Description of segments:
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 Chief Executive Officer 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. Advisory fees, general investment income, fair value gains/losses on share investments held are disclosed under the Investments segment.

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.

Segment revenue arising country of domicile and other geographic locations are:

	2016 $000	2015 $000
Revenue		
Australia	8,660	11,407
All other geographical locations	13,876	18,851
Total segment revenue	**22,536**	**30,258**

24. Earnings/ (loss) per share (EPS)

		Consolidated 2016 $000	Consolidated 2015 $000
(a)	Basic loss per share (cents per share)	(0.89)	(1.95)
(b)	Diluted loss per share (cents per share)	(0.89)	(1.95)
(c)	Loss used in calculating earnings per share		
	Loss attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share	(6,470)	(10,558)
(d)	Weighted average number of shares used as the denominator		
	Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings per share	726,839,522	541,245,799
	Options	-	-
	Weighted average number of ordinary shares outstanding during the year used in calculation of diluted earnings per share	726,839,522	541,245,799

Options granted to employees under the employee option scheme are considered to be potential ordinary shares and are included in the determination of diluted earnings per share to the extent they are dilutive. Details relating to the options are set out in note 17.

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25. Capital and leasing commitments

	Consolidated	
	2016 $000	**2015 $000**
Finance lease commitments		
Payable – Minimum lease payments		
Not later than 12 months	-	-
Between 12 months and 5 years	-	-
	-	-
Minimum lease payments	-	-
Less future lease charges	-	-
Present value of minimum lease payments	-	-
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements :		
Not later than 12 months	1,480	1,844
Between 12 months and 5 years	151	966
	1,631	2,810

The Group has operating lease commitments relating to offices in Perth, Sydney, London and Hong Kong with these expiring within six months to three years. The other operating lease commitment is expiring in three years and is for photocopier equipment in Perth.

26. After reporting date events

As announced to the ASX on 18 January 2016, the Company has entered into arbitration proceedings in this regard against Gainwealth Group Limited, the non-controlling interest holder in Beacon Events Limited. The findings from the arbitration is expected in the second quarter of the of the 2017 financial year.

A rights issue was completed during the financial year with gross proceeds to the Company of $3 million from the issue of ordinary shares. In August 2016, the shortfall was placed with the underwriter with the issue of a further 686.2 million shares and further gross proceeds of $0.664 million.

As announced to the ASX on 23 August 2016, the Company completed a private placement of 66.4 million ordinary shares and gross proceeds of $0.66 million and on 30 September received from shareholders further approval to increase placement by $1.3m. The company also received approval for the conversion of related party and convertible debt to Equity totalling $5.3 million on 30 September 2016.

27. 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.

In the directors' opinion:

1. the financial statements and notes set out on pages 34 to 85 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 2016 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.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

A. Kent
Director

Perth
30 September 2016

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INDEPENDENT AUDITOR'S REPORT

To the members of Aspermont Limited

Report on the Financial Report

We have audited the accompanying financial report of Aspermont Limited, which comprises the consolidated statement of financial position as at 30 June 2016, 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 then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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Independence

In conducting our audit, 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 report.

Basis for Qualified Opinion

Recoverability of intangible assets

Included in Aspermont Limited's consolidated statement of financial position as at 30 June 2016 are intangible assets of $17,729,298. Of this amount $15,217,070 is attributable to the Publishing cash generating unit upon which an impairment assessment has been undertaken in accordance with AASB 136 *Impairment of Assets*. The details of this assessment are included in Note 11. This assessment relies on the forecast of future cash flows which we have been unable to assess the reasonableness of.

Due to the change in Aspermont Limited's business model and the significance of a number of key assumptions used in the impairment assessment, we were unable to satisfy ourselves as to the appropriateness and reliability of the forecast of future cash flows that was included in the impairment model as at 30 June 2016. Therefore, we were unable to obtain sufficient appropriate audit evidence about the carrying value of the intangible assets attributable to the publishing cash generating unit.

Consequently, we were unable to determine whether adjustments, if any, to the carrying value of intangible assets in the statement of financial position and associated impairment loss in the income statement are necessary. Our audit opinion has been modified accordingly.

Disclosure of key management personnel remuneration

The Directors of the company are in dispute over the approval of remuneration to a key management person of a $72,887 retirement fund expense. This has not been included in post-employment benefits as disclosed in Note 21(a). Due to the dispute, we were unable to obtain sufficient appropriate evidence to verify the completeness or existence of this remuneration.

Consequently, we were unable to determine whether adjustments, if any, to key management personnel disclosures are necessary. Our audit opinion has been modified accordingly.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs:

(a) the financial report of Aspermont Limited is 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 2016 and its performance of the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

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Emphasis of Matter

Without modifying our opinion further, we draw attention to Note 2 in the financial report which describes the 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 24 of the directors' report for the year ended 30 June 2016. 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.

Basis for Qualified Opinion

The Directors of the company are in dispute with a key management person over the approval of a $72,887 retirement fund contribution as disclosed in the 30 June 2016 Remuneration Report. This amount has not been included in the remuneration disclosure in the Remuneration Table for the year ended 30 June 2016. Due to the dispute we were unable to obtain sufficient appropriate evidence to verify the completeness or existence of this remuneration.

Consequently we were unable to determine whether adjustments, if any, to a key management person's remuneration as disclosed in the Remuneration Report are necessary. Our audit opinion has been modified accordingly.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the Remuneration Report of Aspermont Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 30 September 2016

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The following additional information is required by the Australian Securities Exchange Limited in respect of listed companies:

a) Shareholding
Ordinary Share Capital
958,700,907 (2015: 724,918,019) shares are held by 455 (2015: 353) individual holders. All issued ordinary shares carry one vote per share.

Distribution of Shareholders Number

Category (size of holding)	Ordinary shares 2016	Ordinary shares 2015
1 – 1,000	47	48
1,001 – 5,000	19	20
5,001 – 10,000	54	58
10,001 – 100,000	98	97
100,001 – and over	137	130
0	**355**	**353**

The number of shareholdings held with less than marketable parcel is 189 (2015:192).

b) Share Options (Unquoted)

Number of Options	Number of Holders	Exercise Price	Date of Expiry
5,000,000	1	15c	30 October 2016

c) Company Secretary
The name of the Company Secretary is Mr David Straface.

d) Principal Registered Office
The address of the principal registered office in Australia is
613-619 Wellington Street, Perth, WA 6000
Ph +61 8 6263 9100

e) Register of Securities
The register of securities is held at the following address:
Advanced Share Registry
110 Stirling Highway, Nedlands, WA 6009

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f) Stock Exchange Listing

Quotation has been granted for all of the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited under the symbol ASP.

g) Substantial Shareholders

	Name	Number of Ordinary fully paid shares held	% Held of Issued Ordinary Capital
1	Mr. Andrew Kent and beneficial interests	566,780,087	59.10%
2	Mr. John Stark and beneficial interests	108,044,917	11.15%

h) 20 Largest Shareholders – Ordinary shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	DRYSDALE INVESTMENTS LIMITED	325,329,709	33.93
2	ILEVETER PTY LTD	146,224,275	15.25
3	BLUE SEA INVESTMENT HOLDINGS PTY LTD <AJAX SUPER FUND A/C>	81,679,228	8.50
4	ALLAN DALE REAL ESTATE PTY LTD <SUPER FUND A/C>	71,959,584	7.51
5	MR JOHN STARK & MRS JULIE STARK <ALLAN DALE R/ESTATE S/F A/C>	25,857,000	2.70
6	GINGA PTY LTD	24,083,334	2.51
7	BLACKCOURT (NSW) PTY LTD <LAWSAM SUPER FUND A/C>	21,250,000	2.22
8	GLACIER MEDIA INC	17,274,634	1.80
9	YARANDI INVESTMENTS PTY LTD <GRIFFITH FAMILY NO 2 A/C>	15,846,316	1.65
10	ANNIS TRADING LIMITED	13,546,875	1.41
11	DEBUSCEY PTY LTD	11,739,368	1.22
12	CITICORP NOMINEES PTY LIMITED	10,917,512	1.14
13	UCAN NOMINEES PTY LTD <COWEN FAMILY A/C>	10,067,712	1.05
14	NPV (WA) SECURITIES PTY LTD	7,675,100	0.80
15	ALLAN DALE REAL ESTATE PTY LTD <SUPER FUND ACCOUNT>	7,083,333	0.74
16	A & C GAL INVESTMENTS PTY LIMITED	7,007,225	0.73
17	MR ROBERT MILLER	6,962,706	0.73
18	AUSTRALIAN EXECUTOR TRUSTEES LIMITED	6,464,418	0.67
19	B F A PTY LTD	5,000,000	0.52
20	J P MORGAN NOMINEES AUSTRALIA LIMITED	4,823,307	0.50
		820,791,636	85.59%