

A S P E R M O N T

L I M I T E D

ACN: 000 375 048

A N N U A L

R E P O R T

2003

DIRECTORS & MANAGEMENT

Andrew Kent – Chairman/Managing Director

Mr Kent has over 20 years experience in the stockbroking industry, during which time he gained vast knowledge of small to medium sized businesses. He has been instrumental in expanding the business of Aspermont into other areas of publishing using the successful formula of Australia's Mining Monthly.

Lewis Cross - Non Executive Director

Mr Cross is a certified Practising Accountant and has been the principal of a Perth accounting firm for 20 years. Mr Cross also has experience in mining, construction, property development and publishing.

John Stark – Non Executive Director

Mr Stark is a highly qualified businessman with extensive commercial and investment knowledge. He has experience as a director of both private and public companies and brings substantial business acumen to the board.

Russell Hardwick -Chief Financial Officer/Company Secretary

Mr Hardwick has over 10 years commercial and business management within a range of national companies. During his career he has been involved in the management and direction of ASX listed companies in both operational and financial roles.

Chris Bond - Chief Operating Officer

Mr Bond has held senior management roles in the areas of sales, customer service and operations. He has managed large workgroups in excess of 140 staff, and has a strong background in human resources and performance development.

Richard Roberts Managing Editor – Print Division

Mr Roberts has been a mining/finance journalist and editor for 14 years. He worked as a resources reporter on a daily newspaper after completing a journalism cadetship with a leading Australian mining magazine publisher, before becoming editor of a national mining magazine. He joined Australia's Mining Monthly as associate editor in 1992.

Daniel Soderstrom – Chief Information Officer

Mr Soderstrom has experience in the management of application development projects as well as IT infrastructure and administration. He has designed and implemented e-commerce and sales force automation systems for some of South East Asia's largest insurance companies.

James Hamilton Managing Editor – Net / Editor Resource Stocks

Mr Hamilton is the founding editor of Aspermont Ltd's flagship Internet service *MiningNews.net* which started in August 2000. A journalist for 17 years, Mr Hamilton began his career in newspapers working for *The Daily News*, *The West Australian*, *The Countryman* and *The Kalgoorlie Miner*. Mr Hamilton is also the editor of Resource Stocks.

CORPORATE DIRECTORY

Directors

Andrew Leslie Kent
John Stark
Lewis George Cross

Company Secretary

Russell Paul Hardwick
Lewis George Cross

Registered Office

Suite 14, 350 Cambridge Street, Wembley WA 6014
Telephone: (08) 9387 9100 Facsimile: (08) 9383 7460

Postal Address

PO Box 78, Leederville, WA 6092

Share Registry

Advanced Share Registry Services
Level 7, 200 Adelaide Terrace, Perth WA 6000
Telephone: (08) 9221 7288 Facsimile: (08) 9221 7869

Bankers

National Australia Bank Ltd
Suite 7 51-53 Kewdale Road
Welshpool W.A

Lawyers

Coulsons Barristers and Solicitors
Level 5, 524 Hay Street, Perth WA 6000

Auditors

MSI Marsdens
565 Hay Street, Daglish WA 6008

**ASPERMONT Limited A.C.N. 000 375 048 AND CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT**

CORPORATE GOVERNANCE

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role the Board is responsible for the overall Corporate Governance of the consolidated entity. The Board is currently reviewing the main corporate governance practices by reference to the best practice recommendations of the ASX Corporate Governance Council.

The primary responsibilities of the board include: -

- the approval of the annual and half yearly report
- the establishment of the long term goals of the company and strategic plans to achieve those goals
- the review and adoption of annual budgets for the financial performance of the company and monitoring those results on a regular basis
- ensuring that the company has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities

The company management structure is:

- The Board
- Chief Financial Officer, Chief Operating Officer and Chief Information Officer reporting directly to the board.
- Senior Managers for Print Publishing, Internet Publishing and Services

The Board met as necessary to determine corporate matters and oversee company performance, and communicated regularly, often by email.

AUDIT COMMITTEE

The board as a whole served as the Audit Committee during the year and addressed all matters that would normally be required to provide an effective forum for communication between the Board and the external auditors. The audit committee reviews

- the annual and half-yearly reports,
- the effectiveness of the management information systems,
- the efficiency and effectiveness of the external audit function, including reviewing the audit plans.

RISK MANAGEMENT

The board is responsible for the Company's systems of internal controls. The board constantly monitors the operational and financial aspects of the Company's activities and considers recommendations and advice of external auditors and other advisers on the operational and financial risks that face the company.

THE ROLE OF SHAREHOLDERS

The board of directors aim to ensure that the shareholders are informed of all major developments affecting the company. The company has established a pro-active investor relations program and appointed an Investor Relations Manager. All documents that are released publicly are made available on the company's web-site www.aspermont.com.

ASPERMONT LIMITED AND CONTROLLED ENTITIES 30 JUNE 2003
DIRECTORS' REPORT

The Directors present their report together with the accounts of Aspermont Limited and the consolidated accounts of the economic entity for the year ended 30 June 2003 and the auditors' report thereon.

DIRECTORS

The directors of the company at any time during or since the end of the financial year are.

Name	Qualifications, Experience and Special Responsibilities
Andrew Leslie Kent	Executive Chairman and Managing Director.
John Stark	Non - Executive Director
Lewis George Cross	Non-Executive Director, Company Secretary
Maria Violet Stratton	Resigned 13 th June 2003

DIRECTORS' MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors of the company during the financial year were:

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number Attended
Andrew L Kent	4	4
Maria V Stratton	3	0
Lewis Cross	4	4
John Stark	4	4

In addition to the above meetings of Directors, certain matters were approved by circulatory resolutions signed by the Directors.

PRINCIPAL ACTIVITIES

The consolidated entity's principal activities during the year were to continue to develop the combined print and internet publishing business. Aspermont is an historically successful print publishing company undergoing major change to be profitable in the new dual print and Internet publishing environment.

ASPERMONT LIMITED AND CONTROLLED ENTITIES 30 JUNE 2003
DIRECTORS' REPORT (continued)

OPERATING RESULTS

The Consolidated loss for the economic entity after providing for income tax and eliminating outside equity interest amounted to (\$1,663,318) (2002 – \$397,000).

Operating Revenue for the year ending 30th June 2003 was \$3,963,000 up 10.7% on the prior year. The increase in Revenue was achieved by increasing the frequency of some of the magazine publications and a strong lift in advertising and subscription sales to the company's internet news services. At the 30th June 2003 the company has carried forward subscription and advertising revenue of \$327,715 to be recorded as revenue in the 2003/2004 Financial Year.

During the year the company made a provision of \$167,076 in relation to the carrying value of the US mortgages detailed in the non-current assets. The company sought an independent valuation of the loans and in accordance with accepted accounting practices, the Directors resolved that the value of the loans be written down to the recoverable value.

The company has also continued to incur significant legal costs of \$89,530 mainly in defending the claim against the company by Lechmere Financial Corporation. The company also incurred interest expense of \$275,541 including a provision of \$175,500 for interest on the claim by Lechmere Financial Corporation.

In July 2002 pursuant to approval at a general meeting of shareholders the company issued 14,750,000 ordinary shares in lieu of the payment of Directors and Consulting fees. The company has included in the expenses for the financial year an amount of \$737,500 that represents the value of the shares issued in lieu of the cash payment of these fees.

REVIEW OF OPERATIONS

The print division led by the company's flagship product "Australia's Mining Monthly" increased revenue from advertising & subscriptions by 6.8% on the prior year to \$3,176,000. During the year the company produced a third edition to "Australia's Longwalls" and increased the "Resource Stocks" publication to five editions per year.

The company's internet publishing division successfully increased revenue by 49.1% on the prior year to \$647,000. This has been a result of increased support for the company's three internet news services covering the mining, energy and longwalls sectors.

DIVIDENDS

The Directors have recommended that no dividend be declared.

CHANGES IN STATE OF AFFAIRS

During the financial year there were no significant change in the state of affairs of the consolidated entity other than that referred to in this report or the financial statements or notes thereto.

CHANGES IN CONTROLLED ENTITIES AND DIVISIONS

N/A

ASPERMONT LIMITED AND CONTROLLED ENTITIES 30 JUNE 2003
DIRECTORS' REPORT (continued)

DIRECTORS REMUNERATION

Name	Salary	Fees/Benefits	Total
Andrew Kent	\$0	\$537,000	\$537,000
Lewis Cross	\$22,000	\$ 3,092	\$ 25,092
Maria Stratton	\$0	\$ 25,000	\$ 25,000
John Stark	\$0	(refer below)	(refer below)

During July 2002 the following shares and options were issued to directors pursuant to approval at the general meeting of shareholders on the 21st June 2002.

Andrew Kent

9,000,000 Ordinary shares fully paid @ 5c

9,000,000 10c 2005 Share Options with a independent preferred value of \$27,000

Maria Stratton

500,000 Ordinary shares fully paid @ 5c

On the 21st November 2002 the board resolved to pay directors fees of \$24,000p.a to Mr John Stark via 480,000 fully paid shares in Aspermont Limited at 5c per share to be issued annually. As at the date of this report no shares have been issued to Mr Stark.

DIRECTORS AND AUDITORS INDEMNIFICATION

The company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$14,680.00 with a limit of indemnity of \$1,000,000 in aggregate.

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 auditor of the company or a related body corporate.

FUTURE DEVELOPMENTS

Disclosure of information regarding the likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly this information has not been included in this report.

AFTER BALANCE DATE EVENTS

Legal Proceedings

The company is the subject of a winding up application in the Federal Court of Australia brought by Lechmere Financial Corporation (Lechmere) on the ground that the company failed to comply with two statutory demands served by Lechmere on 18th January 2002 and 24th July 2002. The total amount demanded by the statutory demands was \$955,500 comprising principal of a loan of \$780,000 and interest on the loan of \$175,500.

Mr Andrew Kent claims against the company that the amounts demanded by Lechmere are due and payable to him. He has commenced proceedings against the company in the Supreme Court seeking an order that the monies demanded by Lechmere are due and payable to him and in those proceedings has obtained an injunction in terms that restrain the company from paying to Lechmere the amounts demanded by the statutory demands.

ASPERMONT LIMITED AND CONTROLLED ENTITIES 30 JUNE 2003
DIRECTORS' REPORT (continued)

AFTER BALANCE DATE EVENTS (continued)

The winding up application was heard on the 25 August 2003 and, upon the parties filing written submissions, judgement was reserved. It is expected that judgement will be delivered before 21st October 2003.

The company has opposed the application on the basis that it is solvent and is able to pay its debts as and when they become due and payable, including the monies claimed by Lechmere. Further, it maintains that it is ready, willing and able to pay the monies to Lechmere but is restrained from doing so because of the injunction against it in Mr Kent's proceedings in the Supreme Court.

Purchase Option & Repayment Agreement – Peterson Road Ltd

Aspermont has previously provided advice and introductions for the development of the Lahoca gold project in Hungary. During July 2003 Aspermont entered into a purchase, option and repayment agreement whereby its loan investment would be converted into ordinary shares in St Istvan Gold PLC.

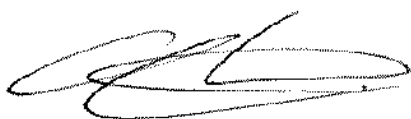
The project has now advanced and St Istvan PLC is expected to be listed in London early in the new year. This has been a small but successful investment that offers the opportunity for possible significant future returns to Aspermont shareholders.

ROUNDING OFF OF AMOUNTS

The parent entity has applied the relief available to it in ASIC Class Order 98/100 and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

Dated this 24th September 2003

Signed in accordance with a resolution of Directors:



Andrew Kent
Director



Lewis Cross
Director

ASPERMONT LIMITED AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

	NOTE	CONSOLIDATED		THE COMPANY	
		2003 \$000	2002 \$000	2003 \$000	2002 \$000
CLASSIFICATION OF EXPENSES BY FUNCTION					
Sales revenue	2	3,823	3,232	3,823	3,065
Cost of sales		(2,172)	(2,147)	(2,172)	(1,971)

Gross profit		1,651	1,085	1,651	1,094
Other revenues from ordinary activities		140	348	140	348
Distribution expenses		(231)	(216)	(231)	(216)
Marketing expenses		(701)	(608)	(701)	(608)
Occupancy expenses		(122)	(100)	(122)	(100)
Corporate and administration		(1,772)	(684)	(1,772)	(684)
Other expenses from ordinary activities		(628)	(226)	(628)	(226)

Profit from ordinary activities before income tax expense	3	(1,663)	(401)	(1,663)	(392)
Income tax expense relating to ordinary activities	4	-	-	-	-

Profit from ordinary activities after related income tax expense		(1,663)	(401)	(1,663)	(392)

Net profit/(loss) attributable to outside equity interests		-	4	-	-

Net profit attributable to members of the parent entity		(1,663)	(397)	(1,663)	(392)

Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		-	-	-	-

Total changes in equity other than those resulting from transactions with owners as owners		(1,663)	(397)	(1,663)	(392)
=====					
Basic earnings per share (cents per share)		(1.67c)	(0.5c)		
Diluted earnings per share (cents per share)		(1.30c)	N/A		

The statements of financial performance are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 35.

ASPERMONT LIMITED AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	Note	CONSOLIDATED		THE COMPANY	
		2003	2002	2003	2002
		\$000	\$000	\$000	\$000
Current Assets					
Cash assets		1,166	1,409	1,166	1,409
Receivables	6	803	687	803	687
Other financial assets	7b	31	-	31	-
Total Current Assets		2,000	2,096	2,000	2,096
Non-Current Assets					
Receivables	6	235	398	235	527
Investments accounted for using the equity method	7a	-	-	250	250
Other financial assets	7b	-	80	-	80
Property plant and equipment	8	153	189	153	189
Intangible assets	9	2,348	2,343	2,182	2,049
Total Non-Current Assets		2,736	3,010	2,820	3,095
TOTAL ASSETS		4,736	5,106	4,820	5,191
Current Liabilities					
Payables	10	984	756	957	731
Interest-bearing liabilities	11	780	782	780	782
Provisions	12	89	39	89	39
Other	13	74	74	74	74
Total Current Liabilities		1,927	1,651	1,900	1,626
Non-Current Liabilities					
Interest-bearing liabilities	11	1,050	1,000	19,313	19,263
Provisions	12	30	-	30	-
Total Non-Current Liabilities		1,080	1,000	19,343	19,263
TOTAL LIABILITIES		3,007	2,651	21,243	20,889
NET ASSETS/(LIABILITIES)		1,729	2,455	(16,423)	(15,698)
EQUITY					
Contributed equity	14	33,713	32,775	33,713	32,775
Reserves	5	2,042	2,042	2,041	2,041
Accumulated Losses	19	(33,812)	(32,148)	(52,177)	(50,514)
Parent entity interest		1,943	2,669	(16,423)	(15,698)
Outside equity interest	17	(214)	(214)	-	-
TOTAL EQUITY (DEFICIENCY)		1,729	2,455	(16,423)	(15,698)

The statements of financial position are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 35.

ASPERMONT LIMITED AND CONTROLLED ENTITIES
STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

	Note	CONSOLIDATED		THE COMPANY	
		2003	2002	2003	2002
		\$000	\$000	\$000	\$000
Cash flows used in operating activities					
Cash receipts in the course of operations		3,769	3,431	3,769	3,264
Cash payments in the course of operations		(4,195)	(3,843)	(4,195)	(3,676)
Interest and other costs of finance paid		(124)	(59)	(124)	(59)
Interest received		50	21	50	21
Other		-	-	-	-
Net cash provided by (used in) operating activities	18(b)	(500)	(450)	(500)	(450)
Cash flows from investing activities					
Proceeds from US loans		-	51	-	51
Proceeds on disposal of Non-current Assets		-	42	-	42
Proceeds from Loans repaid by other entities		182	-	182	-
Payments for investments		(285)	(23)	(285)	(23)
Proceeds from sale of equity investments		295	201	295	201
Payments for non-current assets		(185)	(21)	(185)	(21)
Proceeds from disposal of non-current assets		-	-	-	-
Net cash provided by investing activities		7	250	7	250
Cash flows from financing activities					
Repayment of borrowings		-	(321)	-	(321)
Proceeds from borrowings		50	1,000	50	1,000
Proceeds of share issues during the year		200	253	200	253
Payment of dividend		-	-	-	-
Payment of float costs		-	-	-	-
Net cash provided by/(used in) financing activities		250	932	250	932
Net increase/(decrease) in cash held		(243)	732	(243)	732
Cash at the beginning of the financial year		1,409	677	1,409	677
Cash at the end of the financial year	18 (a)	1,166	1,409	1,166	1,409

The statements of cash flows are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 35.

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report covers the economic entity of Aspermont Limited and controlled entities and Aspermont Limited as an individual parent entity. Aspermont Limited is a listed public company, incorporated and domiciled in Australia. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of Consolidation

The consolidated accounts comprise the accounts of Aspermont Limited and all of its controlled entities. A controlled entity is any entity controlled by Aspermont Limited. Control exists where Aspermont Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Aspermont Limited to achieve the objectives of Aspermont Limited. A list of controlled entities is contained in Note 15 to the accounts.

All inter-company balances and transactions between entities in the economic entity, 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.

Outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated accounts.

(b) Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the operating profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which terms of revenue and expense are included in the determination of operating profit before income tax and taxable income are brought to account as either a provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses have not been brought to account because there is uncertainty of realisation of the benefit.

The amount of benefits not 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.

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

1. STATEMENT OF ACCOUNTING POLICIES (CONTD)

(c) Foreign Currency

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies are translated at the rates of exchange ruling at balance date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account in the profit and loss account in the financial year in which the exchange rates change, as exchange gains or losses.

(d) Investments

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts. Investments in associate companies are recognised in the financial statements by applying the equity method of accounting.

(e) Provisions

Provision for Doubtful Debts

The collectability of debts is assessed at year end and provision is made for any doubtful accounts.

(f) Employee Entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance 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 have been measured at the present value of the estimated future cash outflows to be made for those entitlements. Contributions are made by the economic entity to employee superannuation funds and are charged as expenses when incurred.

(g) Intangibles

a) 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. Both goodwill and goodwill on consolidation are amortised on a straight-line basis over a period of twenty years. The balances are reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable are written off.

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

1. STATEMENT OF ACCOUNTING POLICIES (CONTD)

(h) Intangibles (Cont'd)

b) Mastheads

In the past, mastheads have been carried at cost and were not amortised as the directors were of the opinion that having regard to the duration of the life of the mastheads and their ultimate residual value amortisation would not have been material.

While applicable accounting standards and other professional requirements require that assets such as mastheads be amortised over a period not exceeding twenty years, the directors have decided not to amortise mastheads for the following reasons:-

- i) On 21 February 2000, the company issued a prospectus to raise \$2,200,000 by the issue of 11,000,000 new shares at an issue price of 20c each;
The issue under the prospectus was fully met and consequently the company's shares were quoted on the Australian Stock Exchange on 27 April 2000 and have remained quoted;
- ii) The successful capital raising by the company and the subsequent listing of its shares on the Australian Stock Exchange has significantly increased the market capitalisation of the company and provided an avenue for the sale of its shares;
- iii) Since the raising of new capital, the company has significantly enlarged its business through both increased revenues and the acquisition of related business assets;
- iv) The increased revenues are the result of improved circulation for publications and rises in advertising revenue; and
- v) The company is regarded as a leader in the specialist and technical publishing world.

As a result, the directors are of the opinion that the mastheads have increased in value but, in the light of the matters discussed above and having regard to the requirements of applicable accounting standards, they have determined to retain the mastheads at their existing carrying value and that no provision for their amortisation should be made at this time. The carrying amount is reviewed annually by the directors to ensure that it is not in excess of the recoverable amount. The recoverable amount is assessed based upon the present value of expected future cash flows.

(i) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. 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. The recoverable amounts are assessed on the basis of the expected net cash flows and have not been discounted to their present values in determining recoverable amounts. 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%

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

STATEMENT OF ACCOUNTING POLICIES (CONTD)

(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 balance date have been deferred in creditors and will be brought to account and recognised in the accounting period in which the respective magazines or news service subscribed for are published.

(k) Advertising Revenue

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

(l) Cash

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.

(m) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(n) Rounding of amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$1,000.

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

	CONSOLIDATED		THE COMPANY	
	2003	2002	2003	2002
	\$000	\$000	\$000	\$000
2. REVENUE				
Operating activities:				
Sales revenue - subscriptions & advertising	3,787	3,232	3,787	3,065
Contract income	34	60	34	60
Interest received or due and receivable from: other corporations	50	21	50	21
Consultancy fees	-	80	-	80
Foreign exchange gain	-	-	-	-
	3,871	3,393	3,871	3,226
Non-operating activities:				
Proceeds from disposal of shares & non-current assets	333	201	333	201
Excess provisions written back	35	139	35	139
Discounts on US loans	-	-	-	-
Loan forgiven	-	92	-	92
	368	432	368	432
3. PROFIT FROM ORDINARY ACTIVITIES				
Profit from ordinary activities before income tax has been determined after:				
(a) Revenue and net gains: Gains on Sale of Investments	54	-	54	-
	54	-	54	-

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

	CONSOLIDATED		THE COMPANY	
	2003	2002	2003	2002
	\$000	\$000	\$000	\$000
3. PROFIT FROM ORDINARY ACTIVITIES (CONT'D)				
(b) Expenses:				
Cost of sales	2,172	2,147	2,172	1,971
Bad debts written off	11	12	11	12
Doubtful debts	7	(6)	7	(6)
Legal costs	94	85	94	85
Borrowing costs				
- related companies	299	58	299	58
- other companies	-	-	-	-
Consulting & Accounting services	262	39	262	39
Write-down of non-current investments to recoverable amount	187	20	187	20
Depreciation of plant, equipment and web sites	88	108	88	108
Directors Fees	495	20	495	20
Rental expense on operating leases –				
Minimum lease payments	71	66	71	66
Movement in provisions for employee entitlements	79	9	79	9
Foreign exchange loss	42	28	42	28
(c) Significant Revenues and Expenses				
The following significant revenue and expense items are relevant in explaining the financial performance:				
Excess provisions written back	35	139	35	139
Internet advertising & subscriptions	647	434	647	434
Interest Expense	(275)	(58)	(275)	(58)
Legal costs	(94)	(85)	(94)	(85)
Write-down of non-current investments to Recoverable amount	(187)	(20)	(187)	(20)
Directors Fees	(495)	(20)	(495)	(20)
Consulting & Accounting Fees	(262)	(39)	(262)	(39)
Settlement of Defamation Claim	-	(8)	-	(8)
(d) Remuneration of auditors of the parent entity for				
- auditing or reviewing the accounts	32	31	32	31
- other services	8	39	8	39
	40	70	40	70

ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003

	CONSOLIDATED		THE COMPANY	
	2003	2002	2003	2002
	\$000	\$000	\$000	\$000
4. TAXATION				
Income Tax Expense				
The prima facie tax on profit from ordinary activities before tax is reconciled to the income tax as follows:				
Prima facie tax payable on profit from ordinary activities calculated at 30%	(499)	(120)	(499)	(119)
Tax effect of permanent differences:				
• Non-assessable income	19	(38)	19	(38)
• Doubtful debts	(2)	(2)	(2)	(2)
• Movement in provision for employee entitlements	24	3	24	3
• Non-deductible expenditure	276	6	276	6
• Write downs to recoverable amounts	57	-	57	-
• Current year loss not tax effected	125	151	125	150
Income tax expense attributable to profit from ordinary activities before income tax	-	-	-	-
Potential future income tax benefits attributable to tax losses carried forward and timing differences as detailed below have not been brought to account at 30 June 2003, because generally the Directors do not regard realisation of the future income tax benefits as virtually certain within the economic entity and also due to the changeable nature of the taxation climate:				
Income tax losses	12,677	12,261	2,156	1,740
Realised capital losses	2,978	2,978	-	-
Unrealised capital losses - external investment	29	29	29	29
Unrealised capital losses - subsidiary investment	31,592	31,592	15,730	15,730
	47,276	46,860	17,915	17,499

Future income tax benefits will only be obtained if:

- (i) the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be utilised by another controlled entity in accordance with Section 80G of the Income Tax Assessment Act 1936;
- (ii) the relevant company and the economic entity continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the relevant company and the economic entity in realising the benefit.

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

	CONSOLIDATED		THE COMPANY	
	2003	2002	2003	2002
	\$000	\$000	\$000	\$000
4. TAXATION (CONT'D)				
Notwithstanding the foregoing in regard to the year ended 30 June 2000, the Directors are of the opinion that that year's profits are able to be successfully offset against prior years' losses brought forward. Accordingly no provision for income tax arising thereon for the year ended 30 June 2000 was raised in the financial report. If these losses should not prove to be available, a liability for income tax in the sums of \$220,000 and \$238,000 for the economic entity and parent entity respectively could arise. Should assessments be raised in future years in this regard, they will be brought to account in the financial years in which this occurs. The parent entity is taxed as a public company.				
5. RESERVES				
Capital				
Capital profits	81	81	81	81
Asset revaluation	1,961	1,961	1,960	1,960
	<hr/>			
Total reserves	2,042	2,042	2,041	2,041
<hr/>				
6. RECEIVABLES				
Current				
Trade debtors	657	570	657	570
Provision for doubtful debts	(22)	(13)	(22)	(13)
Other debtors	128	130	128	130
Prepaid borrowing expenses	40	-	40	-
	<hr/>			
	803	687	803	687
<hr/>				
Non-current				
Loans to controlled entities	-	-	6,187	6,307
Less provision for loss on realisation	-	-	(6,187)	(6,178)
Loans to related entities	138	134	138	134
Less provision for loss on realisation	(7)	(7)	(7)	(7)
US mortgages	104	271	104	271
Less provision for loss on realisation	-	-	-	-
	<hr/>			
Total Non-current Receivables	235	398	235	527
<hr/>				

The US Mortgages, represent 30 year non-interest bearing loans secured by second mortgages over residential properties in Chandler Arizona, USA, which mature in 2018 which previous management accepted in the course of resolving a dispute. The movement in the net loan balance from \$271,000 to \$104,000 is a result of an independent valuation of the recoverable value of the loan amount and to reflect movements in the \$US/\$A exchange rate.

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

	CONSOLIDATED		THE COMPANY	
	2003	2002	2003	2002
	\$000	\$000	\$000	\$000
7. INVESTMENTS				
a.) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Non-current				
Associated companies - at cost	-	-	43,944	43,944
Less provision for diminution	-	-	(43,694)	(43,694)
	-	-	250	250
There have been no movements in these investments during the year.				
Refer Note 15 for particulars in relation to associated companies				
b.) OTHER FINANCIAL ASSETS				
Current				
Listed investments at cost	48	-	48	-
Less Provision for write-down to recoverable amount	(17)	-	(17)	-
	31	-	31	-
Market value of listed investments:				
- shares in other corporations	31	-	31	-
Non-current				
Listed investments at cost	-	91	-	91
Less Provision for write-down to recoverable amount	-	(11)	-	(11)
	-	80	-	80
Unlisted investments at cost				
- Shares in other corporations	262	301	262	301
Less Provision for write-down to recoverable amount	(262)	(301)	(262)	(301)
	-	-	-	-
Total Investments	31	80	31	80

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

	CONSOLIDATED		THE COMPANY	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
8. PLANT AND EQUIPMENT				
Plant and equipment - at cost	431	378	431	378
Accumulated depreciation	(319)	(259)	(319)	(259)
	112	119	112	119
Websites – at cost	156	156	156	156
Accumulated amortisation	(115)	(86)	(115)	(86)
	41	70	41	70
	153	189	153	189

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

	Plant and Equip- ment \$000	Websites \$000	Total \$000
Economic Entity:			
Balance at the beginning of year	119	70	189
Additions	53	-	53
Disposals	-	-	-
Depreciation expense	(60)	(29)	(89)
Carrying amount at the end of year	112	41	153

Parent Entity:

Balance at the beginning of year	119	70	189
Additions	53	-	53
Disposals	-	-	-
Depreciation expense	(60)	(29)	(89)
Carrying amount at the end of year	112	41	153

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

	CONSOLIDATED		THE COMPANY	
	2003	2002	2003	2002
	\$000	\$000	\$000	\$000
9. INTANGIBLES				
Goodwill on acquisition				
Balance at beginning of year	2,450	2,438	2,154	2,154
Added during the year - at cost	-	12	-	0

Balance at end of year	2,450	2,450	2,154	2,154
Accumulated amortisation	(2,131)	(2,131)	(2,113)	(2,113)

	319	319	41	41

Masthead - at independent valuation 30th June 1999				
Balance at beginning of year	1,936	1,936	1,936	1,936
Added during the year	0	0	0	0

Balance at end of year	1,936	1,936	1,936	1,936

Mastheads – at cost	93	88	205	72

Total Intangibles	2,348	2,343	2,182	2,049
	=====			

The independent valuation carried out on 30 June 1999 on behalf of Ernst and Young Corporate Finance Pty Ltd by Mr Martin Alciaturi and Mr Ken Pendergast was on the Australia's Mining Monthly masthead alone.

No valuation has been carried out on the company's other nine mastheads.

10. PAYABLES

Current				
Sundry creditors and accrued expenses	635	497	580	442
Less provision for reduction	(28)	(28)	-	-
Subscriptions & Advertising in advance	328	239	328	239
Other creditors	49	48	49	50

	984	756	957	731
	=====			

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

	CONSOLIDATED		THE COMPANY	
	2003	2002	2003	2002
	\$000	\$000	\$000	\$000
11. INTEREST BEARING LIABILITIES:				
Current				
Unsecured:				
Bank overdraft	-	-	-	-
Related party loans (refer below)	780	782	780	782
	<u>780</u>	<u>782</u>	<u>780</u>	<u>782</u>
The loan of \$780,000 has been recorded, as a related party on the basis of Mr Kent's proceedings in the Supreme Court as detailed in Note 23 & 28 to the financial statements.				
Non-Current				
Unsecured:				
Controlled entities loans (refer below)	-	-	18,263	18,263
Related party loans	1,050	1,000	1,050	1,000
Other loans	-	-	-	-
	<u>1,050</u>	<u>1,000</u>	<u>19,313</u>	<u>19,263</u>
The directors of controlled entities have resolved that controlled entity loans are interest free and repayable only when the parent entity has the financial means to do so.				
12. PROVISIONS				
Current				
Employee entitlements	89	39	89	39
	<u>89</u>	<u>39</u>	<u>89</u>	<u>39</u>
Non-Current				
Long service leave entitlements	30	-	30	-
	<u>30</u>	<u>-</u>	<u>30</u>	<u>-</u>
(a) Aggregate employee entitlements liability	119	39	119	39
	<u>119</u>	<u>39</u>	<u>119</u>	<u>39</u>
(b) Number of employees at year-end.	48	46	48	46
	<u>48</u>	<u>46</u>	<u>48</u>	<u>46</u>

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

	CONSOLIDATED		THE COMPANY	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
13. OTHER				
Current				
Taxation receipt unallocated.	74	74	74	74
	<u>74</u>	<u>74</u>	<u>74</u>	<u>74</u>

14. CONTRIBUTED EQUITY

102,849,129 (2002 84,099,129) Fully paid ordinary shares (a)	33,713	32,775	33,713	32,775
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(a) Ordinary shares				
At the beginning of the reporting period	32,775	32,277	32,775	32,277
Shares issued during the year:				
4,000,000 (2002: 8,784,000) pursuant to a placement	200	505	200	505
14,750,000 (2002: Nil) via the issue of shares in lieu of the payment of directors and consultants fees during the year.	738	-	738	-
Transaction Costs relating to share issue	-	(7)	-	(7)
At reporting date	<u>33,713</u>	<u>32,775</u>	<u>33,713</u>	<u>32,775</u>

On the 3rd July 2002 the company issued 18,750,000 ordinary fully paid shares and 9,000,000 10c 2005 options as follows :-

- 4,000,000 ordinary fully paid shares at an issue price of 5 cents to Allandale Holdings Pty Ltd a company associated with a director Mr John Stark,
- 500,000 ordinary fully paid shares at an issue price of 5 cents to Ms Maria Stratton in lieu of the payment of director's fees,.
- 9,000,000 ordinary fully paid shares at an issue price of 5 cents and 9,000,000 10c 2005 options at no cost to Mr Andrew Kent or nominee in lieu of the payment of directors fees,
- 5,250,000 ordinary fully paid shares at an issues price of 5 cents to contractors in lieu of payment for services

All shares issued rank equally with the existing shares of Aspermont Limited.

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

15. PARTICULARS IN RELATION TO CONTROLLED ENTITIES

	Place of Incorp.	Class Of share	Economic Entity Interest		Amount of Investment		Dividends Received or Receivable	
			2003	2002	2003	2002	2003	2002
			%	%	\$000	\$000	\$000	\$000
Aspermont Limited	NSW	Ord	100	100	-	-	-	-
Controlled Entities:								
International Laser Finance Pty Ltd	NSW	Ord	100	100	-	-	-	-
Financial and Intellectual Capital Ltd	VIC	Ord	100	100	-	-	-	-
Aspermont Investments Pty Ltd	NSW	Ord	100	100	-	-	-	-
International Intellectual Capital Ltd	NSW	Ord	100	100	-	-	-	-
Long Term Intellectual Capital Pty Ltd	NSW	Ord	100	100	-	-	-	-
N & K Technology Investments Pty Ltd	VIC	Ord	100	100	-	-	-	-
Darling Downs TV Ltd	QLD	Ord	54	54	-	-	-	-
Eastland Drive-ins Pty Ltd	QLD	Ord	54	54	-	-	-	-
Osmoglen Pty Ltd	QLD	Ord	54	54	-	-	-	-
Zitalane Pty Ltd	QLD	Ord	54	54	-	-	-	-
Hawksbill Pty Ltd	VIC	Ord	54	54	-	-	-	-
Crown Communications (Aust) Pty Ltd	QLD	Ord	54	54	-	-	-	-
Meridian Holdings Ltd	VIC	Ord	54	54	-	-	-	-
Peterson Road Ltd	NSW	Ord	7	7				
Regal Focus Pty Ltd	WA	Ord	100	100	250	250	-	-
					250	250	-	-

NOTE: The investments in all subsidiary companies have been provided for in full and are written down to \$Nil with the exception of Regal Focus Pty Ltd which was acquired on 1 March 2000 for a purchase consideration of \$250,000.

CONSOLIDATED
2003 **2002**
\$000 **\$000**

RESULTS OF ASSOCIATES

Share of associate's profit/(loss) before income tax - (4)

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

	CONSOLIDATED		THE COMPANY	
	2003	2002	2003	2002
	\$000	\$000	\$000	\$000
16. AMOUNTS PAYABLE/RECEIVABLE IN FOREIGN CURRENCIES				
The Australian dollar equivalents of unhedged amounts payable or received in foreign currencies, calculated at year end exchange rates, are as follows:				
<i>United States dollars</i>				
Amounts receivable non-current (net of provision for doubtful debts)	104	271	104	271
17. OUTSIDE EQUITY INTERESTS				
Ordinary share capital of controlled entities issued to outside equity interests is:				
Darling Downs TV Ltd.	1,949	1,949		
Interest in reserves Darling Downs TV Ltd	13,909	13,909		
Interest in Accumulated Losses at end of year				
■ Darling Downs TV Ltd	(15,911)	(15,911)		
■ International Intellectual Capital Pty Ltd	(161)	(161)		
	(16,072)	(16,072)		
Total outside equity interests	(214)	(214)		
18. CASH FLOW INFORMATION				
(a) Reconciliation of Cash				
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:				
Cash at bank and on deposit	1,166	1,409	1,166	1,409
Bank Overdraft	-	-	-	-
	1,166	1,409	1,166	1,409
(b) Reconciliation of Operating Profit/(Loss) after tax to net cash provided by operating activities				
Profit/(Loss) from ordinary activities after income tax	(1,663)	(401)	(1,663)	(392)
• Loss/(Profit) on sale of non current assets	(54)	44	(54)	44
• Depreciation	88	108	88	108
• Amortisation of goodwill on consolidation	-	-	-	-
• Write downs to recoverable amount	192	15	192	15
• Prov for dim value not required	(34)	(92)	(34)	(92)
• Loan Forgiven	-	(93)	-	(93)
• Shares issued in lieu of expense payments	737	-	737	-

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

	CONSOLIDATED		THE COMPANY	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
18. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)				
Change in assets and liabilities:				
(Increase)/decrease in accounts receivable	(80)	(28)	(80)	(28)
(Decrease)/increase in creditors	59	(98)	59	(107)
(Decrease)/increase in borrowings	176	-	176	-
Increase/(decrease) in current provisions	49	95	49	95
(Decrease)/Increase in non-current provisions	30	-	30	-
Nett cash provided by (used in) operating activities	(500)	(450)	(500)	(450)

(c). Non-cash Financing and Investing Activities

During the year the company issued 14,750,000 fully paid shares at an issue price of 5c in lieu of the payment of directors and consultants fees.

19. RETAINED PROFITS

Retained profits at the beginning of the financial year	(32,148)	(31,775)	(50,514)	(50,122)
Net profit attributable to the members of the parent entity	(1,663)	(397)	(1,663)	(392)
De-consolidation /adjustments	(1)	24	-	-
Retained profits at the end of the financial year	(33,812)	(32,148)	(52,177)	(50,514)

20. DIRECTORS' AND EXECUTIVES' REMUNERATION

(a) Remuneration of Directors

Income paid or payable to all directors of the parent entity and each entity in the economic entity by the entities of which they were

Directors and any related parties	587	83	587	83
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Number of parent entity directors whose income from the parent entity or any related parties was within the following bands

	No	No
\$0 - \$ 10,000	1	1
\$10,000 - \$ 19,999	-	1
\$20,000 - \$ 29,999	2	-
\$60,000- \$ 70,000	-	1
\$530,000-\$540,000	1	-

On the 21st November 2002 the board resolved to pay directors fees of \$24,000p.a to Mr John Stark via 480,000 fully paid shares in Aspermont Limited at 5c per share to be issued annually. As at the date of this report no shares have been issued to Mr Stark.

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

20. DIRECTORS' AND EXECUTIVES' REMUNERATION (CONT'D)

(b) Remuneration of Executives

The number of executive officers of the company and of controlled entity's whose remuneration from the Company or related parties was \$100,000 or more	No	No
	1	1
Number of executives whose income from the parent entity or any related parties was within the following bands	No	No
\$100,000- \$110,000	1	1

21. RELATED PARTY TRANSACTIONS

a.) Directors Equity Holdings

The interests of directors of the reporting entity and their director - related entities in shares and options of the consolidated entity at year end are set out below.

Director	Ordinary Shares	Share Options
Andrew Kent	48,000,000	53,978,082
Lewis Cross	1,350,000	Nil
John Stark	16,983,487	Nil

b.) Loans from Director related Entities: 2003 2002

Aggregate of amounts loaned to the company by entities associated with a director, Mr AL Kent

Current	780	780
Non- Current	1,050	1,000

The non-current loans include :-

- June 2005 Convertible Note – \$1,000,000 with an interest rate of 10%.
- June 2006 Term loan with the principal amount of \$50,000 and an interest rate of 12%.

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

21. RELATED PARTY TRANSACTIONS (continued)

c.) Other Transactions: **2003** **2002**

The following fees were paid to CrossCorp Accounting, an accounting practice associated with a director, Lewis Cross - 3 43

The company has a receivable of \$131,032 (2002 - \$127,139) due from Peterson Road Limited (previously a controlled entity of Aspermont Limited). Mr Andrew Kent is a director of Peterson Road Limited.

During the year the company paid expenses on behalf of Mr Kent which are included as receivables due to the company. As at 30th June 2003 the balance owing by Mr Kent is \$12,889

Pursuant to the General meeting of Shareholders on the 11th September 2002 and an authority from Drysdale Investment Limited the following amounts were paid to Mr Kent during the year.

Procurement Fee - \$60,000,
Interest on the 2005 Convertible Note - \$100,000

During July 2002 and pursuant to approval at the general meeting of shareholders on the 21st June 2002, the following shares were issued to companies associated with directors, in lieu of the payment of consultant fees and services.

M&P Services Pty Ltd - John Stark
2,000,000 Ordinary shares fully paid @ 5c per share 100 -

Peterborough Nominees Pty Ltd - Lewis Cross
1,250,000 Ordinary shares fully paid @ 5c per share 62 -

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

22. FINANCIAL INSTRUMENTS :

Interest Rate Exposure

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing			
	2003	2002	2003	2002	Within 1 Year		1 to 5 Years	
	%	%	\$	\$	\$	\$	\$	\$
Financial assets								
Cash at bank	4.25	4.22	1,166	1,409	0	0	0	0
Total financial assets			1,166	1,409	0	0	0	0
Financial liabilities								
Related party loans	12.19	11.90	0	0	780	780	1,050	1,042
Total financial liabilities			0	0	780	780	1,050	1,042

Credit Risk Exposure

The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial statements.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Net Fair Values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and notes to and forming part of the financial statements.

23. AFTER BALANCE DATE EVENTS

Legal Proceedings

The company is the subject of a winding up application in the Federal Court of Australia brought by Lechmere Financial Corporation (Lechmere) on the ground that the company failed to comply with two statutory demands served by Lechmere on 18th January 2002 and 24th July 2002. The total amount demanded by the statutory demands was \$955,500 comprising principal of a loan of \$780,000 and interest on the loan of \$175,500.

Mr Andrew Kent claims against the company that the amounts demanded by Lechmere are due and payable to him. He has commenced proceedings against the company in the Supreme Court seeking an order that the monies demanded by Lechmere are due and payable to him and in those proceedings has obtained an injunction in terms that restrain the company from paying to Lechmere the amounts demanded by the statutory demands.

The winding up application was heard on the 25 August 2003 and, upon the parties filing written submissions, judgement was reserved. It is expected that judgement will be delivered before 21st October 2003.

The company has opposed the application on the basis that it is solvent and is able to pay its debts as and when they become due and payable, including the monies claimed by Lechmere. Further, it maintains that it is ready, willing and able to pay the monies to Lechmere but is restrained from doing so because of the injunction against it in Mr Kent's proceedings in the Supreme Court.

Purchase Option & Repayment Agreement – Peterson Road Ltd

Aspermont has previously provided advice and introductions for the development of the Lahoca gold project in Hungary. During July 2003 Aspermont entered into a purchase, option and repayment agreement whereby its loan investment would be converted into ordinary shares in St Istvan Gold PLC.

The project has now advanced and St Istvan PLC is expected to be listed in London early in the new year. This has been a small but successful investment that offers the opportunity for possible significant future returns to Aspermont shareholders.

ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003

24. SEGMENT INFORMATION.

The economic entity operates solely in the media publishing industry within Australia.

INFORMATION ABOUT BUSINESS SEGMENTS

(All amounts \$ thousand)

	Print Media		Websites		Eliminations		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002
REVENUE								
External sales	3,176	2,974	647	434	-	-	3,823	3,408
Inter-segment sales	-	-	-	-	-	-	-	-
Total sales revenue	3,176	2,974	647	434	-	-	3,823	3,408
Share of net profit or loss/result of associates	-	-	-	-	-	-	-	-
Total segment revenue	3,176	2,974	647	434	-	-	3,823	3,408
RESULT								
Segment result	524	468	(548)	(382)	-	-	(24)	86
Unallocated corporate income							140	172
Unallocated corporate expenses							(1,779)	(655)
Profit/result from ordinary activities before income tax expense							(1,663)	(397)
Income tax expense							-	-
Profit/result from ordinary activities after income tax expense							(1,663)	(397)
Extraordinary items							-	-
Net profit							(1,663)	(397)

	Print Media		Websites		Eliminations		Consolidated	
Segment assets	3,008	3,461	237	148			3,245	3,609
Unallocated corporate assets							1,491	1,427
Consolidated total assets							4,736	5,036
Segment liabilities	414	544	281	207			695	751
Unallocated corporate liabilities							2,312	1,900
Consolidated total liabilities							3,007	2,651
Investment in equity method associates included in segment assets	-	-	-	-			-	-
Acquisition of property, plant and equipment and intangible assets	141	5	34	5			175	10
Depreciation	28	32	60	78			88	110

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

24. SEGMENT INFORMATION (CONTINUED)

Business segments

For management purposes, the Group is organised into two operating divisions within the publishing industry— Print media and Internet media. The divisions are the basis on which the Group reports its primary segment information. The print media segment produces a number of magazines within the mining and resources sector. The Net segment develops and maintains website & daily news services on the Internet. Financial information about business segments is presented in the schedule on the previous page.

Geographical segments:

The Group's two divisions are managed and operated solely within Australia.

Segment revenues and expenses:

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

Segment assets and liabilities:

Segment assets include all assets used by a segment and consist principally of receivables, inventories and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of accounts payable, wages and accrued expenses. Segment assets and liabilities do not include deferred income taxes.

Inter-segment transfers :

There are no inter-segment transactions at this time.

	CONSOLIDATED	
	2003	2002
25. EARNINGS PER SHARE		
Basic earnings per share (cents per share)	(1.67c)	(0.50c)
Diluted earnings per share (cents per share)	(1.30c)	N/A
a. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	99,724,129	79,090,161
b. Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS	119,724,129	N/A

The following potential ordinary shares are not dilutive- 58,434,924 options expiring 20 April 2005 exercisable at 50c per share.

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

	CONSOLIDATED		THE COMPANY	
	2003	2002	2003	2002
26. DIVIDENDS PAID OR PROPOSED				
Proposed final franked ordinary dividend of \$Nil (2002: Nil)	-	-	-	-
Proposed final unfranked ordinary dividend of \$Nil (2002: Nil)	-	-	-	-
	-	-	-	-

As at 30 June 2003, the parent entity's dividend franking account has a balance of \$Nil (2002: Nil) adjusted for franking credits arising from payment of income tax payable, payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years.

27. CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments		
Non-Cancellable Operating Leases contracted for but not capitalised in the financial statements		
Payable:		
— Not later than 1 year	56	70
— Later than 1 year but Not later than 5 years	-	56
	56	126

The company currently has two property leases being

1.) Leederville W.A - Is a non-cancellable lease with a five-year term that commenced on 23 February 1999. Rent is payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease increased in accordance with CPI on the second, third, fifth, sixth, eighth and ninth anniversaries of the commencement date. An option exists to renew the lease at the end of the five-year term for an additional term of five years.

2.) Wembley W.A - Is a non-cancellable lease with a three-year term that commenced on 01st August 2001. Rent is payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease increased on the second and third anniversaries of the commencement date. An option exists to renew the lease at the end of the three-year term for an additional term of three years.

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003**

28. CONTINGENT LIABILITIES

A verbal claim that is subject to formal confirmation has been made by a shareholder, Mr T Klinger, in regard to monies owing to him in connection with the settlement of certain of the US Loans (see note 6.). Should the claim be successful, an amount of \$36,547 will be payable to him in this regard. This amount has not been brought to account in these financial statements.

The company is the subject of a winding up application in the Federal Court of Australia brought by Lechmere Financial Corporation (Lechmere) on the ground that the company failed to comply with two statutory demands served by Lechmere on 18th January 2002 and 24th July 2002. The total amount demanded by the statutory demands was \$955,500 comprising principal of a loan of \$780,000 and interest on the loan of \$175,500.

Mr Andrew Kent claims against the company that the amounts demanded by Lechmere are due and payable to him. He has commenced proceedings against the company in the Supreme Court seeking an order that the monies demanded by Lechmere are due and payable to him and in those proceedings has obtained an injunction in terms that restrain the company from paying to Lechmere the amounts demanded by the statutory demands.

The winding up application was heard on the 25 August 2003 and, upon the parties filing written submissions, judgement was reserved. It is expected that judgement will be delivered before 21st October 2003.

The company has opposed the application on the basis that it is solvent and is able to pay its debts as and when they become due and payable, including the monies claimed by Lechmere. Further, it maintains that it is ready, willing and able to pay the monies to Lechmere but is restrained from doing so because of the injunction against it in Mr Kent's proceedings in the Supreme Court.

29. GOING CONCERN

Although the statement of financial position of the parent entity discloses an excess of liabilities over assets at 30 June 2003 of \$16,423,000 this has arisen in prior years from abnormal write-downs of loans with 100% controlled entities which are not currently trading. These loans eliminate on consolidation and the consolidated statement of financial position discloses an excess of assets over liabilities amounting to \$1,729,000. Accordingly, the parent entity and economic entity do not have a going concern issue at 30 June 2003.


**ASPERMONT LIMITED AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes thereto:
 - (a) comply with accounting standards and the Corporations Act 2001; and
 - (b) give a true and fair view of the financial position as at 30th June 2003 and performance for the year ended on that date of the company and economic entity.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dated this 24th day of September 2003



Andrew Kent
Director



Lewis Cross
Director

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ASPERMONT LIMITED**

Scope

We have audited the financial report of Aspermont Limited and controlled entities for the financial year ended 30 June 2003 as set out on pages 9 to 36.

The financial report includes the consolidated financial statements 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. The Company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian accounting standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's and consolidated entity's financial position and performance as represented by the results of their operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Aspermont Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30th June 2003 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations' Regulations 2001; and
- (b) other mandatory professional reporting requirements.

MSI Marsdens
Perth By



M J Waterson
Partner

Dated at Perth this 24th day of September 2003

**ASPERMONT LIMITED A.C.N. 000 375 048 AND CONTROLLED ENTITIES
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES
(AS AT 31ST AUGUST 2003)**

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies.

Shareholding

Ordinary Share Capital

102,849,129 shares are held by 943 individual holders

All issued ordinary shares carry one vote per share

Distribution of Shareholders Number

Category (size of Holding)	Ordinary shares
1 – 1,000	496
1,001 – 5,000	80
5,001 – 10,000	151
10,001 – 100,000	144
100,001 – and over	72
	<hr/>
	943

The number of shareholdings held with less than a marketable parcel is 727.

Options 50c expiry April 2005 (Unquoted)

58,434,924 options held by 706 individual holders.

Options do not carry a right to vote

Distribution of Options Number

Category (size of Holding)	Options
1 – 1,000	524
1,001 – 5,000	90
5,001 – 10,000	15
10,001 – 100,000	51
100,001 – and over	26
	<hr/>
	706

Options 10c expiry June 2005 (Unquoted)

9,000,000 1

Option Holder Drysdale
Investments Limited (an associate
of the chairman Mr Andrew Kent)

**ASPERMONT LIMITED A.C.N. 000 375 048 AND CONTROLLED ENTITIES
 ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES**

Substantial Shareholders	Number	%
The names of substantial holders as at 31st August 2003 are		
Drysdale Investment Limited	48,000,000	46.67
Mr John Stark and beneficial Interests	16,983,487	16.51

20 Largest Shareholders — Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Drysdale Investments Ltd	48,000,000	46.67
2.	Allandale Holdings Pty Ltd	6,505,000	6.32
3.	Mr John Stark	5,383,487	5.23
4.	Blackroad Pty Ltd (Petrich Super Fund)	2,151,838	2.09
5.	M & P Services Pty Limited	2,105,000	2.05
6.	Mr Thomas George Klinger	2,023,724	1.97
7.	Chepan Pty Ltd	2,010,000	1.95
8.	Lechmere Financial Corporation	1,960,245	1.91
9.	ANZ Nominees Limited	1,899,646	1.85
10.	Hereford Securities and Management SA	1,768,648	1.72
11.	Allandale Real Estate Super Fund	1,400,000	1.36
12.	Peterborough Nominees Pty Ltd	1,250,000	1.21
13.	Alan Cowen	1,250,000	1.21
14.	Jimbart Holdings Pty Ltd	1,000,000	0.97
15.	Locope Pty Ltd	1,000,000	0.97
16.	Rhoderic Whyte	857,218	0.83
17.	National Nominees Limited	822,489	0.80
18.	Barrington Finance Limited	719,202	0.70
19.	Mark & Jennie Smythe	669,337	0.65
20.	Gal Investments Pty Ltd	620,000	0.60
		83,395,834	81.06

**ASPERMONT LIMITED A.C.N. 000 375 048 AND CONTROLLED ENTITIES
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES**

20 Largest Shareholders — 50c Share Options

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. Drysdale Investments Ltd	40,000,000	68.45
2. Mr Andrew Leslie Kent	2,205,245	3.77
3. Mr Thomas George Klinger	2,023,724	3.46
4. Lechmere Financial Corporation	1,960,245	3.35
5. FAI General Insurance Company Limited	1,409,150	2.41
6. Davenham Investments Pty Ltd	894,837	1.53
7. ANZ Nominees Limited	868,245	1.49
8. Anmiss (HK) Trading Company	780,000	1.33
9. Barrington Finance Limited	719,202	1.23
10. Ms Laura Kent	500,000	0.86
11. Ms Jane Kent	500,000	0.86
12. Mr Alexander Kent	500,000	0.86
13. TCC Nominees – In Australia	492,837	0.84
14. Bowyang Nominees Pty Ltd	463,040	0.79
15. Westpac Custodian Nominees	442,822	0.76
16. Mr Neil Bartholomaeus	400,000	0.68
17. Davenham Investments Pty Ltd	314,349	0.54
18. Mr Joseph Lieberfreund	300,000	0.51
19. Mr Stephen Scarr	250,000	0.43
20. Mr Roy McKenzie	250,000	0.43
	55,273,696	94.58

The name of the company secretaries are Mr Russell Hardwick & Mr Lewis Cross

The address of the principal registered office in Australia is Suite 14, Cambridge Forum, 350 Cambridge Street, Wembley WA 6014 (08) 9387 9100

The Register of securities is held at the following address

Advanced Share Registry

Western Australia: Level 7 200 Adelaide Terrace, Perth, WA, 6000

Stock Exchange Listing

Quotation has been granted for all of the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited.