



Aspermont

Information for Industry

ABN: 66 000 375 048

Appendix 4E: Preliminary Final Report

For the 12 months ended
30 June 2013

Released 30 August 2013

This report comprises information given to the ASX under listing rule 4.3A

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CORPORATE DIRECTORY

Directors

Andrew Leslie Kent
John Stark
Lewis George Cross
Colm O'Brien
David Nizol
Charbel Nader
Chris Maybury
Alex Kent – alternate director to Andrew Leslie Kent

Company Secretary

John Detwiler

Officers

Colm O'Brien – Chief Executive Officer, Group
John Detwiler – Chief Financial Officer
David Nizol – Chief Executive Officer (UK)
Trish Seeney – General Manager (Australia)
Mark Davies – Group Strategy and Consulting
Ajit Patel – Chief Information Officer, Group
Daniel Kirwin – Executive Director Beacon Events

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**ASPERMONT LIMITED AND CONTROLLED ENTITIES
COMMENTARY ON RESULTS (APPENDIX 4E ITEM 14) FOR THE YEAR ENDED 30 JUNE 2013**

The directors are pleased to report on the preliminary results for the year ended 30 June 2013.

Key points to the year include:

- **Media Business Revenue up \$7.4m (22%) to \$40.1m (2012: \$32.8m), mainly through consolidation of the Beacon business**
- **EBITDA before share option expense from Media Business of A\$2.6m, compared to A\$4.4m in previous year**
- **Further bank debt reduction of A\$0.9m in the year to A\$3.725**
- **Major investment in expansion of conferencing delivering new growth opportunities, ongoing expansion in Online offering**

The 2013 Financial Year has been a mixed one for our business; it began strongly however general trading conditions started to deteriorate in the second quarter and have continued to do so, particular in the Australian market.

The impact of this as reported has been a reduction year on year in our Media earnings before interest, taxes, depreciation and amortisation ("Media EBITDA") of \$1.8m. There is a resulting positive improvement to our net profit with the Group seeing an improvement year on year of \$1.1m. This is primarily the result of a change in the estimated Beacon put option liability and lower taxes for the Group.

There has been continued progress made in bringing a number of initiatives to fruition and we are well progressed in our efforts to integrate our expanded Global Events offering. We now have an established infrastructure, have recruited several key resources and we have determined a strategy for further growth into multiple business to business sectors.

On the publishing side we have also recruited key resources, in particular to drive our online strategy and increase our footprint in the UK. Unlike many media groups Aspermont transitioned to paid online content over 10 years ago, our strategy focus now is to improve the depth of our information, functionality and user experience across all our communities. The cost of this improvement program has been taken to the profit and loss statement, and is represented in the reduction in our Australia-Asia Online Segment Results.

Our media results are illustrated in the following table and further outlined in note 9 of the preliminary financial statements.

ASPERMONT LIMITED AND CONTROLLED ENTITIES
COMMENTARY ON RESULTS (APPENDIX 4E ITEM 14) FOR THE YEAR ENDED 30 JUNE 2013

Comparative year on year results for the media business for the year ended 30 June 2013:

	Revenue Year on Year		Segment Result	
			(before central overheads)	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Print *	\$11,411	\$12,084	\$1,802	\$2,735
Online *	\$4,735	\$4,748	\$36	\$1,136
Conferencing #	\$12,380	\$6,760	\$2,291	\$2,422
Australia-Asia Total:	\$28,526	\$23,592	\$4,129	\$6,293
Print	\$6,146	\$5,901	\$2,777	\$2,174
Online	\$541	\$445	\$183	\$70
Conferencing #	\$4,987	\$2,994	\$754	\$1,510
UK-Europe Total	\$11,674	\$9,340	\$3,714	\$3,754

* 2012 includes only 6 months of print revenue from the WME purchase of \$714K, online revenue of \$39K and net income of \$101K. The comparable full year amounts in 2013 are print revenue of \$1,036K, online revenue of \$114K and a net contribution loss of \$36K.

Conferencing results in 2013 includes the consolidation of Beacon Events Limited.

The investment segment has seen a net loss of \$1.7 million in the current year versus a loss of \$0.7 million in the previous year. This decline is a mixture of realised and unrealised losses from the challenging environment for small cap, resource-related equities. During the year the Group invested into this aspect of the business with a change from a largely passive investment approach to an active early stage investor in key resource projects.

**ASPERMONT LIMITED AND CONTROLLED ENTITIES
COMMENTARY ON RESULTS (APPENDIX 4E ITEM 14) FOR THE YEAR ENDED 30 JUNE 2013**

Outlook for the upcoming 2013/2014 year:

The upcoming financial year will remain difficult with internal forecasting showing a drop in revenue expectations. This is being offset by a reduction in investment activity (both media & non-media), an already implemented cost management plan, and the development of a number of contingency plans should conditions require. The focus of this year and the following year is firmly on returns, and across the board margin improvement. Our efforts to date have given the Group a sustainable revenue depth with revenue diversified across currencies, business sectors and delivery channels.

For the medium term, the underlying Mining industry sector, which represents 65% of Group revenue remains in good order, undoubtedly the junior end of the market will benefit from a round of consolidation, and a more robust criteria for access to capital. With 55-60% of our underlying revenue now booked in either US dollars or UK Sterling the Group will benefit from a weakening Australian dollar, or a stabilisation at the current rate.

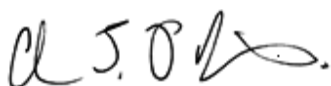
Notwithstanding market conditions the Group continues to put in place selective initiatives and launch innovative products, ranging from new our recent Mining News Brazil, online news service, through to Resourceful Events Europe within the events division. Our online platforms continue to be transformed as we look to deeper analytics to drive our customer knowledge and content shape for the coming years. We have seen success in our social media campaigns, and continue to launch tablet and mobile editions of our successful print mastheads.

There is still much work to be done in optimising and maximising our opportunities but considerable progress has been made and you, our shareholders, will start to see the fruits of this endeavour in the short to medium term.

Going Concern Disclosure

At 30 June 2013 and at the date of this report the Company is negotiating a revised facility agreement with the ANZ. There is a lack of clarity and differences in interpretation on the calculation of the original financial covenants which pre-date the Beacon Events transaction. The company is currently in discussion with the ANZ to define the appropriate financial covenants of the facility and to revise the terms of the facility, with a view to testing any covenants with the finalised audited accounts. As a result of these discussions, the entire loan has been reclassified as a current borrowing at 30 June 2013. There are no matters existing to indicate that the Company will be unable to successfully renegotiate the facility.

Yours sincerely,



Colm O'Brien
Chief Executive Officer, Group

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Preliminary consolidated statement of profit and loss and other comprehensive income for the year ended 30 June 2013

	Note	Consolidated	
		2013 \$000	2012 \$000
Revenue from continuing operations	2	40,179	32,806
Cost of sales	3	(17,942)	(11,971)
Gross profit		22,237	20,835
Distribution expenses		(1,523)	(1,256)
Marketing expenses		(4,165)	(5,069)
Occupancy expenses		(1,534)	(1,049)
Corporate and administration		(6,616)	(5,847)
Finance costs		(1,529)	(1,013)
Share based payments		(243)	(1,215)
Other expenses		(7,557)	(4,134)
		(23,167)	(19,583)
		(930)	1,252
Change in fair value of investments		(125)	(617)
Re-estimation of Beacon put option	3	1,865	-
Other income	2	130	249
Share of net loss in associates	4	(244)	(48)
Impairment of investment in associates	4	(245)	-
Profit/(loss) from continuing operations before income tax expense		451	836
Income tax benefit/(expense) relating to continuing operations		522	(1,094)
Profit/(loss) for the year from continuing operations		973	(258)
Profit/(loss) attributable to:			
Net profit/(loss) attributable to non-controlling interest		1,029	-
Net profit/(loss) attributable to equity holders of the parent entity		(56)	(258)
Other comprehensive income/(loss)			
(Items that will be reclassified to profit or loss)			
Foreign currency translation differences for foreign operations		1,882	(516)
Net change in fair value of equity instruments measured at fair value through other comprehensive income		(109)	(880)
		57	314
Income tax benefit/(expense) relating to other comprehensive income			
Other comprehensive income/ (loss) for the period net of tax		1,830	(1,082)
Total comprehensive income/(loss) for the period (net of tax)		2,803	(1,340)
Total comprehensive income for the period attributable to:			
Non-controlling interest		806	-
Owners of Aspermont Limited		1,997	(1,340)
Basic and diluted earnings/(loss) (cents per share)	10	(0.02)	(0.11)

The accompanying notes form part of these preliminary consolidated financial statements.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Preliminary consolidated statement of financial position as at 30 June 2013

		Consolidated	
		2013	2012
	Note	\$000	\$000
CURRENT ASSETS			
Cash and cash equivalents	8	3,146	4,298
Trade and other receivables		7,632	4,994
Financial assets		175	525
TOTAL CURRENT ASSETS		10,953	9,817
NON-CURRENT ASSETS			
Trade and other receivables		436	32
Financial assets		108	1,019
Investments accounted for using the equity method	4	83	238
Property, plant and equipment		356	363
Deferred tax assets		2,228	927
Intangible assets and goodwill	5	30,216	25,860
TOTAL NON-CURRENT ASSETS		33,427	28,439
TOTAL ASSETS		44,380	38,256
CURRENT LIABILITIES			
Trade and other payables		4,994	4,310
Income in advance		8,769	5,459
Borrowings	6	4,333	1,006
Income tax payable		925	519
Provisions		132	-
TOTAL CURRENT LIABILITIES		19,153	11,294
NON-CURRENT LIABILITIES			
Borrowings	6	4,312	8,661
Deferred tax liabilities		2,931	2,700
Provisions		225	251
Other liabilities	7	8,871	-
TOTAL NON-CURRENT LIABILITIES		16,339	11,612
TOTAL LIABILITIES		35,492	22,906
NET ASSETS		8,888	15,350
EQUITY			
Issued capital		49,292	49,292
Reserves		(13,698)	(7,941)
Accumulated losses		(26,057)	(26,001)
Parent Entity Interest		9,537	15,350
Non-Controlling Interest		(649)	-
TOTAL EQUITY		8,888	15,350

The accompanying notes form part of these preliminary consolidated financial statements.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Preliminary consolidated statement of changes in equity for the year ended 30 June 2013

Consolidated	Ordinary Share Capital	Accumulated Losses	Other Reserves	Share Based Reserve	Currency Translation Reserve	Financial Assets Reserve	Sub-Total	Non- Controlling Interest	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2011	49,125	(25,878)	-	135	(6,148)	(1,926)	15,308	-	15,308
Profit/(loss) for the year	-	(258)	-	-	-	-	(258)	-	(258)
Other comprehensive income									
Foreign currency translation differences for foreign operation:	-	-	-	-	(516)	-	(516)	-	(516)
Transfer to retained earnings/ (accumulated losses)	-	135	-	(135)	-	-	-	-	-
Financial assets reserve movement	-	-	-	-	-	(880)	(880)	-	(880)
Income tax relating to components of other comprehensive income	-	-	-	-	-	314	314	-	314
Total comprehensive loss	-	(123)	-	(135)	(516)	(566)	(1,340)	-	(1,340)
Transactions with owners in their capacity as owners:									
Shares issued (net of issue cost)	167	-	-	-	-	-	167	-	167
Issue of share options (fair value)	-	-	-	1,215	-	-	1,215	-	1,215
Balance at 30 June 2012	49,292	(26,001)	-	1,215	(6,664)	(2,492)	15,350	-	15,350
Balance at 1 July 2012	49,292	(26,001)	-	1,215	(6,664)	(2,492)	15,350	-	15,350
Profit/(loss) for the year	-	(56)	-	-	-	-	(56)	1,029	973
Other comprehensive income									
Foreign currency translation differences for foreign operation:	-	-	-	-	2,105	-	2,105	(223)	1,882
Financial assets reserve movement	-	-	-	-	-	(109)	(109)	-	(109)
Income tax relating to components of other comprehensive income	-	-	-	-	-	57	57	-	57
Total comprehensive income	-	(56)	-	-	2,105	(52)	1,997	806	2,803
Transactions with owners in their capacity as owners:									
Issue of share options (fair value)	-	-	-	243	-	-	243	-	243
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(2,290)	(2,290)
Gain on sale to non-controlling interest (note 11)	-	-	1,901	-	-	-	1,901	-	1,901
Put and call option on non-controlling interest (note 7)	-	-	(9,954)	-	-	-	(9,954)	-	(9,954)
Non-controlling interest contributed assets	-	-	-	-	-	-	-	835	835
Balance at 30 June 2013	49,292	(26,057)	(8,053)	1,458	(4,559)	(2,544)	9,537	(649)	8,888

The accompanying notes form part of these preliminary consolidated financial statements.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Preliminary consolidated statement of cash flows for the year ended 30 June 2013

		Consolidated	
		2013	2012
	Note	\$000	\$000
Cash flows from operating activities			
Cash receipts from customers		40,753	34,507
Cash payments to suppliers and employees		(36,967)	(28,506)
Interest and other costs of finance paid		(565)	(895)
Interest received		18	46
Income tax paid		(468)	(1,092)
Net cash provided by/ (used in) operating activities	8 (b)	2,771	4,060
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	11	538	(337)
(Payments)/proceeds for loans made		(230)	-
Payments for investments		(694)	(800)
Proceeds from sale of equity investments		173	204
Payments for plant and equipment		(50)	(65)
Payment for intangibles		(222)	(222)
Net cash provided by/ (used in) investing activities		(485)	(1,220)
Cash flows from financing activities			
Repayment of borrowings		(1,302)	(1,285)
Dividends paid to minority shareholders		(2,295)	-
Net cash provided by/ (used in) financing activities		(3,597)	(1,285)
Net increase/ (decrease) in cash held		(1,311)	1,555
Cash at the beginning of the year		4,298	2,718
Effects of exchange rate changes on the balance of cash held in foreign currencies		159	25
Cash at the end of the year	8 (a)	3,146	4,298

The accompanying notes form part of these preliminary consolidated financial statements.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES

Notes to the preliminary consolidated financial statements for the year ended 30 June 2013

1. Significant accounting policies

Basis of Preparation

The Appendix 4E – Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. The report has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Where required by accounting standards comparative figures have been adjusted to conform with changes in presentation for the current financial year. The accounting policies have been consistently applied by the consolidated entity and, except where there has been a change in accounting policy, are consistent with those of the previous year.

The preliminary final report does not include full disclosures of the type normally included in the annual financial report. It is recommended that this report be read in conjunction with the annual financial report for the year ended 30 June 2012, 31 December 2012 half year report, and any public announcements made by Aspermont Limited during the financial year.

Accounting Policies

(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 that Aspermont has the power to control the financial and operating policies of so as to obtain benefits from its activities. A list of controlled entities is contained in the notes to the full year 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) 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.

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 where an indicator of impairment exists, and 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 flow.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES

Notes to the preliminary consolidated financial statements for the year ended 30 June 2013

(b) Intangible Assets (continued)

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.

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:	5 years

(c) 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 4)

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.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES

Notes to the preliminary consolidated financial statements for the year ended 30 June 2013

(d) 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.

(e) 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 5 (b).

Key Estimates — Fair Value of intangible assets acquired in a business combination

The Group has identified intangible values for customer contracts and relationships as well as trademarks acquired in line with the requirements of AASB3. These assets will be amortised over a useful life of 5 and 10 years, respectively.

Key Estimates — Re-estimation of put option

The fair 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"). 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 Aspermont's borrowing rate of interest at the reporting date and adjusted for any foreign exchange movements between the underlying US dollar liability and the Australian dollar.

(f) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, 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.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES

Notes to the preliminary consolidated financial statements for the year ended 30 June 2013

(f) Earnings per share (continued)

(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.

(g) 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. 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.

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.

(h) 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 ITS CONTROLLED ENTITIES**Notes to the preliminary consolidated financial statements for the year ended 30 June 2013****2. Revenue**

	Consolidated	
	2013	2012
	\$000	\$000
Continuing operations:		
Sales revenue – subscriptions & advertising	23,043	23,074
Conferencing revenue	17,136	9,732
	40,179	32,806
Other income:		
Interest	18	46
Gain on sale of shares	-	60
Government grants *	77	-
Other income	35	143
	130	249

3. Expenses

Profit from ordinary activities before income tax has been determined after:

	Consolidated	
	2013	2012
	\$000	\$000
(a) Expenses:		
Bad debts written off	68	34
Consulting and accounting services	675	325
Cost of sales	9,210	11,971
Depreciation and amortisation of plant, equip. and intangible assets	907	745
Directors' fees	648	366
Employee benefits expense	18,362	14,746
Interest expense	748	1,013
Legal costs	727	88
Loss on sale of shares	906	-
Rental expense on operating leases	1,325	769
Write-down of non-current investments to recoverable amount	-	149
Write-down of loan receivable	532	-
Change in the fair value of Beacon Put Option:		
Imputed interest expense	781	-
Foreign exchange movements	1,050	-
Change in estimated fair value	(2,915)	-
(b) Remuneration of auditors of the parent entity for:		
Auditing or reviewing the accounts - BDO WA	92	80
Auditing or reviewing the accounts - BDO HKG	52	22
Auditing or reviewing the accounts - BDO UK	2	-
Other services - technical consultation - BDO WA	50	23
Other services - technical consultation - BDO UK	7	6

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES**Notes to the preliminary consolidated financial statements for the year ended 30 June 2013****4. Investment Accounted for Using the Equity Method****(a) Movement in carrying amounts**

	Consolidated	
	2013	2012
	\$000	\$000
Carrying amount at the beginning of the financial year	238	329
Acquisition of associates during the year	334	1,146
Associates becoming a subsidiary during the year	-	(1,189)
Impairment of investment	(245)	-
Share of losses after income tax	(244)	(48)
Carrying amount at the end of the financial year	83	238

(b) 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:

2013	Ownership Interest	Assets	Liabilities	Revenues	Profit/(Loss)
		\$000	\$000	\$000	\$000
Mascus Australia Pty Ltd **	40%	-	-	-	(245)
Kondinin Rural Joint Venture	50%	-	(244)	102	(244)
		-	(244)	102	(489)
2012	Ownership Interest	Assets	Liabilities	Revenues	Profit/(Loss)
		\$000	\$000	\$000	\$000
WME Media Pty Ltd *	30%	-	-	232	21
Mascus Australia Pty Ltd	40%	266	28	26	(69)
		266	28	258	(48)

All of the above associates are incorporated in Australia.

* The Company purchased the remaining 70% of WME Media Pty Ltd in January 2012.

** 100% of the investment in Mascus Australia Pty Ltd was written down in December 2012.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the preliminary consolidated financial statements for the year ended 30 June 2013
5. Intangible assets

	Consolidated	
	2013	2012
	\$000	\$000
Goodwill	21,779	16,262
Software	967	1,063
Purchased mastheads	12,284	12,284
Other acquired intangible assets	1,566	4,670
Foreign exchange reserve movement	(6,380)	(8,419)
	30,216	25,860

(a) Impairment tests for intangible assets

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

	2013 Australia - Asia \$000	2013 Europe \$000	Total \$000	2012 Australia - Asia \$000	2012 Europe \$000	Total \$000
Goodwill						
Conferencing *	5,661	-	5,661	144	-	144
Publishing (print & online)	13,057	3,061	16,118	13,057	3,061	16,118
Foreign exchange reserve	(3,373)	(659)	(4,032)	(3,835)	(841)	(4,676)
	15,345	2,402	17,747	9,366	2,220	11,586
Software						
Cost	2,268	435	2,703	2,515	371	2,886
Accumulated amortisation	(1,327)	(409)	(1,736)	(1,458)	(365)	(1,823)
	941	26	967	1,057	6	1,063
Purchased mastheads						
Mastheads (print & online)	2,324	9,960	12,284	2,324	9,960	12,284
Foreign exchange reserve	-	(2,348)	(2,348)	-	(2,926)	(2,926)
	2,324	7,612	9,936	2,324	7,034	9,358
Other Intangible Assets						
Acquired intangible assets	2,388	2,781	5,169	2,287	2,781	5,068
Accumulated amortisation	(822)	-	(822)	(398)	-	(398)
Segment transfer *	-	(2,781)	(2,781)	-	-	-
Foreign exchange reserve	-	-	-	-	(817)	(817)
	1,566	-	1,566	1,889	1,964	3,853
Total Intangible Assets	20,176	10,040	30,216	14,636	11,224	25,860

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES**Notes to the preliminary consolidated financial statements for the year ended 30 June 2013**

(a) Impairment tests for intangible assets (continued)

* The net movement in conferencing goodwill of \$5,517,000 is the result of the transfer of the events business to Beacon Events Limited ("Beacon") in exchange for 60% of the equity interest in Beacon of \$2,736,000 (refer to note 11). This business combination also resulted in the transfer of \$2,781,000 of other intangible assets to goodwill between the European and Australia-Asia segments.

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

	2013	2013	2012	2012
	Growth	Discount	Growth	Discount
	rate **	rate	rate *	rate
Conferencing	2%	12%	5%	12%
Publishing (print & online) - UK	2%	9%	5%	12%
Publishing (print & online) - Australia	2%	12%	5%	11%

* In 2012 the net average growth rate of 5% was used for EBITDA.

** In 2013 the net average growth rate of 2% was used for EBITDA.

The discount rates used reflect specific risks relating to the relevant segments and the countries in which they operate.

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

(c) Impact of possible changes in key assumptions

Sensitivity analysis indicated that an increase in the discount rate applied of up to 500 basis points, or a zero growth rate for EBITDA would not have any impact on the impairment of the intangible assets.

(d) Amortisation charge

The amortisation charge for the business combinations of Kondinin and Waste Management and Environment Media Pty Ltd (WME) was \$422,985 during 2013. (2012: \$311,770)

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES**Notes to the preliminary consolidated financial statements for the year ended 30 June 2013****6. Borrowings**

	Consolidated	
	2013	2012
	\$000	\$000
Current		
Finance lease liability	142	106
Secured loans from external parties	3,771	900
Payable for acquisition of WME	420	-
	4,333	1,006
Non - Current		
Unsecured Liabilities		
Loans from related parties	4,305	4,479
Payable for acquisition of WME	-	420
Secured Liabilities		
Finance lease liability	7	37
Secured loans from external parties	-	3,725
	4,312	8,661

- a) The carrying amount of the Group's current and non-current borrowings approximates the fair value.
- b) The 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 30 June 2015 with the principal to be fully repaid by this time.

At 30 June 2013 and at the date of this report the Company is negotiating a revised facility agreement with the ANZ. There is a lack of clarity and differences in interpretation on the calculation of the original financial covenants which pre-date the Beacon Events transaction. The company is currently in discussion with the ANZ to define the appropriate financial covenants of the facility and to revise the terms of the facility, with a view to testing any covenants with the finalised audited accounts. As a result of these discussions, the entire loan has been reclassified as a current borrowing at 30 June 2013. There are no matters existing to indicate that the Company will be unable to successfully renegotiate the facility.

- c) Finance lease liabilities are secured by the asset leased.
- d) 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. The loan was extended at 30 June 2013 to 30 September 2014 on the same conditions.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES**Notes to the preliminary consolidated financial statements for the year ended 30 June 2013**

7. Other liabilities

As described in note 11, a put and call option was entered into with the non-controlling shareholder of Beacon Events Limited covering their 40% interest. Our estimate of that discounted future amount adjusted for foreign currency is \$8.8 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 2013 we have recorded interest of \$781,299.

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 balance sheet date using the Aspermont borrowing rate and adjusted for any foreign exchange movements between the underlying US dollar liability and the Australian dollar.

	Consolidated	
	2013	2012
	\$000	\$000
Opening balance	-	-
Beacons intial put and call fair value liability	9,955	-
Imputed interest expense	781	-
Foreign exchange movements	1,050	-
Change in estimated fair value	(2,915)	-
	<u>8,871</u>	<u>-</u>

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES**Notes to the preliminary consolidated financial statements for the year ended 30 June 2013****8. Cash flow information**

	Consolidated	
	2013	2012
	\$000	\$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	3,146	4,298
	<u>3,146</u>	<u>4,298</u>
(b) Reconciliation of operating profit/ (loss) after tax to net cash provided by operating activities		
Profit/ (loss) after income tax	973	(258)
Non-cash flows in profit/ (loss)		
Loss/(profit) on sale of non current assets	906	(60)
Depreciation	907	745
Write-downs to recoverable amount	532	149
Share of associates	(489)	48
Net liabilities acquired excluding cash	-	(6)
Unrealised (gain)/ loss on investments - net of tax	125	1,000
Compensation expense for shares and share option expense	243	1,381
Non-cash movement on put option liability	(1,083)	-
Related party settlement included in finance activities	-	1,436
Gains on cash sales	(71)	(56)
Exchange rate movements	(20)	(19)
Change in assets and liabilities:		
(Increase) decrease in receivables	(2,667)	168
Increase (Decrease) in creditors & accruals	663	(269)
Increase (decrease) in unearned revenue	3,310	333
Increase (decrease) in provisions	106	(41)
Increase (decrease) in income taxes payable	406	(114)
(Decrease) Increase in deferred taxes payable	(1,070)	(377)
Net cash provided/ (used in) operating activities	<u>2,771</u>	<u>4,060</u>

Non-cash financing for 2012 included \$80,468 (2013: nil) related to a finance lease.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
Notes to the preliminary consolidated financial statements for the year ended 30 June 2013
9. Segment information

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

	Print		Online		Conferencing		Investments	Total
2013	Australia - Asia \$'000	Europe \$'000	Australia - Asia \$'000	Europe \$'000	Australia - Asia \$'000	Europe \$'000	Australia - Asia \$'000	\$'000
Revenue								
Sales	11,404	6,146	4,735	541	12,366	4,987	-	40,179
Other revenue	7	-	-	-	14	-	1,360	1,381
Total segment revenue	11,411	6,146	4,735	541	12,380	4,987	1,360	41,560
Result								
Segment result	1,802	2,777	(32)	183	2,291	754	(1,669)	6,106

	Print		Online		Conferencing Restated		Investments	Total
2012	Australia - Asia \$'000	Europe \$'000	Australia - Asia \$'000	Europe \$'000	Australia - Asia \$'000	Europe \$'000	Australia - Asia \$'000	\$'000
Revenue								
Sales	12,028	5,901	4,701	445	6,737	2,994	-	32,806
Other revenue	56	-	47	-	23	-	(557)	(431)
Total segment revenue	12,084	5,901	4,748	445	6,760	2,994	(557)	32,375
Result								
Segment result	2,735	2,174	1,136	70	2,422	1,510	(730)	9,317

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES**Notes to the preliminary consolidated financial statements for the year ended 30 June 2013****9. Segment information (continued)**

Reconciliation of reportable segment profit or loss:

	Consolidated	
	2013	2012
	\$000	\$000
Total profit for reportable segments	6,106	9,317
Other income	1,347	62
Overheads	(5,473)	(7,530)
Interest	(1,529)	(1,013)
Consolidated profit/(loss) before income tax from continuing operations	451	836

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.

The segments derive revenue from the following products and services:

- The print division derives subscription and advertising revenues from traditional print publications across a number of trade sectors including mining, contracting, energy and the resources sector.
- The internet media segment develops and maintains web sites and daily news services covering various sectors including mining, energy, construction. Revenue is derived from subscription, advertising and sponsorships.
- The conferencing division derives revenues from running events and holding conferences in various locations and across a number of sectors.
- The investment division receives revenue from advisory fees and general investment income including fair value gains/losses on share investments held.

These segments are the basis on which the Group reports its segment information.

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 inter-segment transactions at this time.

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES**Notes to the preliminary consolidated financial statements for the year ended 30 June 2013****10. Earnings per share (EPS)**

	Consolidated	
	2013	2012
	\$000	\$000
(a) Basic earnings/ (loss) per share (cents per share)	(0.02)	(0.11)
(b) Diluted earnings/ (loss) per share (cents per share)	(0.02)	(0.11)
(c) Earnings/ (loss) used in calculating earnings per share		
Profit/ (loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share	(56)	(257)
Profit/ (loss) attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	(56)	(257)
(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	238,710,493	237,877,616
Options	-	-
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted earnings per share	238,710,493	237,877,616
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.		

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES**Notes to the preliminary consolidated financial statements for the year ended 30 June 2013****11. Business combinations****(a) Summary of acquisition – Beacon Events Limited**

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. This has been effected through a disposal of 40% of the worldwide events business which resulted in a gain of \$1.9 million. This gain has been recognised in equity as a transaction with the non-controlling interest.

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 an adjusted gross profit. Our preliminary estimate of that discounted future amount was \$10 million (adjusted for foreign currency movements) which is recorded as a liability of the Group (see note 7) and a provision for purchase of the non-controlling interest in the equity section. In addition, we will record interest expense on that amount until the option is exercised or expires. For the year ended 30 June 2013 we have recorded interest of \$781,299. The provisional accounting applied to this transaction is provided below.

(b) Purchase consideration – Beacon Events Limited

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

	Provisional \$'000
Purchase consideration:	
Non cash consideration	2,737
Total purchase consideration	2,737
Fair value of net identifiable assets acquired:	
Net book value of Beacons Events business	-
Goodwill in worldwide Events business	2,737
	2,737
	Provisional \$'000
Outflow of cash to acquire subsidiary:	
Cash balance acquired	538
Net increase in cash	538

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES**Notes to the preliminary consolidated financial statements for the year ended 30 June 2013**

(c) Assets and liabilities acquired - Beacon Events Limited

The assets and liabilities arising from the acquisition are as follows:

	Fair Value Net Assets Provisional \$'000
Cash	538
Trade receivables	1,862
Other current assets	637
Property, plant & equipment	93
Trade payables and accruals	(885)
Income in advance	(2,245)
Net assets	-

(d) Non-controlling interests

In accordance with accounting policy set out in note 1(g), the Group elected to recognise the non-controlling interest at its proportion share of the net identifiable assets of Beacons.

(e) Revenue and profit contribution

The acquired business contributed revenues of \$17,151 and net profit of \$2,574 to the Group for the period to 30 June 2013.