Aspermont
Information for Industry

ASPERMONT LIMITED

ABN 66 000 375 048

ASX Half-year report: 31 December 2015

Lodged with the ASX under Listing Rule 4.2A.3

Table of contents

CORPORATE DIRECTORY

Directors
Andrew Leslie Kent
Charbel Nader (resigned 29 February 2015)
John Stark
Lewis George Cross (retired 30 November 2015)
Colm O'Brien
Alex Kent
Rhoderic Whyte

Company Secretary
John Detwiler

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

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

Postal Address
PO Box 78
Leederville WA 6902

Solicitors
Williams and Hughes
Level 1, 25 Richardson Street
West Perth WA 6005

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

Share Registry
Advanced Share Registry Services
110 Stirling Hwy
Nedlands WA 6009

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

Australian Stock Exchange Limited
ASX Code : ASP

Website
www.aspermont.com

Dear Fellow Shareholders,

I am pleased to report that Aspermont has been resilient in the currently adverse market conditions. We have cut our costs and continue to invest in developing new products to better serve the global mining community.

Key points for the half year:

- Group revenues declined by circa $3.3m due to lower print and conferencing revenues and from disposal of some non-core products.
- EBITDA loss pre group adjustments of $0.6m, excluding one-off restructuring charges of $0.4m, despite $3.3m reduction in group revenues.
- Overall digital advertising revenue was flat although all products that had successfully moved onto the company's new Project Horizon platform showed double digit revenue growth.
- Subscriptions' revenues increased 2% overall despite significant disruption in the process of transition to the new subscriptions platform. As with digital advertising, all products that successfully moved on to the Project Horizon stack exhibited double digit subscription growth.
- Current forecast are for a continuation of growth over prior years in digital advertising and subscriptions revenue.
- We have seen the cross over point in first half where rising digital advertising and subscriptions revenues exceeded the decline in print revenues. Importantly, growth in digital advertising and subscriptions is moving at a faster pace and size than the decline in print.
- A prudent $6.2 million impairment charge was taken against goodwill for the Publishing and Conferencing businesses.
- Successful circa $1.5m reduction in costs before absorbing $0.4 million one-off restructuring costs in the half year. These savings are expected to be maintained in the second half as the publishing business trends back to positive EBITDA.

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

We are conscious of the need to balance the forward investment needs of new digital products with cash required for working capital. We anticipate cash flow constraints over the next few months but the reduction in the net asset cost base and improved forward bookings should see significantly higher revenues over the next fiscal year with improved gross profit margins. We are also in the process of restructuring our finance costs to enable the business to focus on its return to profitability.

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

Comparative year on year results for the media business for the half-year ended 31 December 2015:

	2015 $000	2014 $000
Revenue		
Advertising - Digital	1,486	1,636
Advertising - Print	3,902	5,426
Subscriptions	2,510	2,469
Conferencing & other revenue	6,360	8,067
Total segment revenue	**14,258**	**17,598**
Result		
Segment result	797	3,345

The reconciliation of statutory earnings to EBITDA is as follows:

	Consolidated 31 December 2015 $000	 2014 $000
Profit from continuing operations before income tax expense	(3,795)	(4,222)
Add back:		
Interest	349	477
Depreciation and amortisation	296	444
Share option expense	-	-
Impairment and gain/ loss on investments	6,206	5,653
Subtract:		
Re-estimation of Beacon put option liability	(3,769)	(1,362)
Other income	(133)	(244)
Net profit attributable non-controlling interest (excluding preferred dividend)	(105)	(667)
EBITDA before share option expense	**(951)**	**79**

Outlook for remainder of the year:

We continue to invest in the restructure of the business and the implementation and optimisation of our marketing systems. Our primary focus is to greatly enhance our global resources platform which generates 85% of our revenues. We have also invested in new management to run our two alternate sectors of agriculture, construction and environment which are now separate operating units within the Group.

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

Publishing

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

Conferencing

- Events may experience a softening to its interim contribution depending on the outcome from Mines & Money, Hong Kong.

Overall we anticipate an EBITDA loss within a range of $1.0 to $1.4 million for the 2015/16 fiscal year excluding one-off restructure and development costs of $0.5m. This shows a significant improvement over 2014/15 EBITDA loss of circa $2.9m despite the revenue reduction. All of this EBITDA improvement has been achieved in the Publishing Business and we anticipate a similar focus on expense management to reverse the decline in the Conferencing over the next few months.

Yours sincerely,

Alex Kent
Managing Director
Aspermont Limited

The directors present their report on the consolidated entity consisting of Aspermont Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

DIRECTORS

The following persons were directors of Aspermont Limited during the whole of the half-year, unless otherwise stated, and up to the date of this report:
A.L Kent
J Stark
L.G Cross (retired 30 November 2015)
C O'Brien
C Nader (resigned 29 February 2015)
A Kent
R Whyte

REVIEW OF OPERATIONS

We continue to invest in the restructure of the business and the implementation and optimisation of our marketing systems. Our primary focus is to greatly enhance our global resources platform which generates 85% of our revenues. We have also invested in new management to run our two alternate sectors of agriculture, construction and environment which are now separate operating units within the Group.

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

- Within Publishing, Print will continue to see some further revenue decline as we manage the ongoing transition of revenue to digital, growing the subscriptions base and the continuous launch of new products while Digital should see further growth from the product investment already undertaken, the increased targeting of database build and a renewed content model.
- Conferencing may experience a softening to its interim contribution depending on the outcome from Mines & Money, Hong Kong.

Overall we anticipate a EBITDA loss within a range of $1.0 to $1.4 million for the 2015/16 fiscal year excluding one-off restructure and development costs of $0.5m.

DIVIDENDS

There were no dividends declared and paid by the Company since the end of the previous financial year.

AUDITORS DECLARATION

The lead auditor's independence declaration is set out on page 9 and forms part of the director's report for the half-year ended 31 December 2015.

ROUNDING OF AMOUNTS

The parent entity referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and director's report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Perth this 29th February 2016

Signed in accordance with a resolution of Directors:

Alex Kent
Managing Director

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY IAN SKELTON TO THE DIRECTORS OF ASPERMONT LIMITED

As lead auditor for the review of Aspermont Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

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

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

Ian Skelton

Director

BDO Audit (WA) Pty Ltd

Perth, 29 February 2016

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

		Consolidated 31 December 2015	
	Note	2015 $000	2014 $000
Revenue from continuing operations		14,258	17,598
Cost of sales		(7,659)	(8,772)
Gross profit		**6,599**	**8,826**
Distribution expenses		(571)	(645)
Marketing expenses		(1,649)	(1,837)
Occupancy expenses		(958)	(953)
Corporate and administration		(3,140)	(2,731)
Finance costs		(349)	(477)
Other expenses		(1,423)	(2,358)
Total expenses		**(8,090)**	**(9,001)**
		(1,491)	**(175)**
Change in fair value of investments		-	(1)
Re-estimation of Beacon put option		3,769	1,362
Other income		133	244
Impairment of loan receivable		(41)	(66)
Impairment of intangible assets	6	(6,165)	(5,586)
Profit/(loss) before income tax expense		**(3,795)**	**(4,222)**
Income tax (expense)/benefit		75	254
Profit/(loss) for the half-year from continuing operations		**(3,720)**	**(3,968)**
Profit/(loss) attributable to:			
Net profit/(loss) attributable to non-controlling interest		447	667
Net profit/(loss) attributable to equity holders of the parent entity		(4,167)	(4,635)
Basic and diluted earnings/(loss) (cents per share)		(0.57)	(1.25)

The accompanying notes form part of these consolidated financial statements

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Consolidated	
	31 December	
	2015	2014
	$000	$000
Profit/(loss) after tax for the year	**(3,720)**	**(3,968)**
Other comprehensive income/(loss)		
(Items that will be reclassified to profit or loss)		
Foreign currency translation differences for foreign operations	(78)	1,373
(Items that will not be reclassified to profit or loss)		
Net change in fair value of equity instruments measured at fair value through other comprehensive income	-	-
Income tax benefit/(expense) relating to other comprehensive income	-	-
Other comprehensive income/ (loss) for the period net of tax	**(78)**	**1,373**
Total comprehensive income/(loss) for the year (net of tax)	**(3,798)**	**(2,595)**
Total comprehensive income/(loss) for the period attributable to:		
Non-controlling interest	279	228
Owners of Aspermont Limited	(4,077)	(2,823)

The accompanying notes form part of these consolidated financial statements

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

		Consolidated	
		31 December	30 June
		2015	2015
	Note	$000	$000
Current Assets			
Cash and cash equivalents		875	1,645
Trade and other receivables		3,453	4,303
Financial assets		3	3
Total Current Assets		**4,331**	**5,951**
Non-Current Assets			
Financial assets		98	68
Property, plant and equipment		194	171
Deferred tax assets		2,961	2,850
Intangible assets and goodwill	6	19,484	25,808
Total Non-Current Assets		**22,737**	**28,897**
Total Assets		**27,068**	**34,848**
Current Liabilities			
Trade and other payables		7,747	6,706
Income in advance		4,568	5,554
Borrowings	7	6,796	7,067
Income tax payable		139	257
Total Current Liabilities		**19,250**	**19,584**
Non-Current Liabilities			
Borrowings	7	297	-
Deferred tax liabilities		2,966	3,019
Provisions		66	196
Other liabilities	8	325	4,087
Total Non-Current Liabilities		**3,654**	**7,302**
Total Liabilities		**22,904**	**26,886**
NET ASSETS		**4,164**	**7,962**
Equity			
Issued capital	9	54,158	54,158
Reserves		(7,986)	(6,862)
Accumulated losses		(41,602)	(38,649)
Parent entity interest		**4,570**	**8,647**
Non-controlling interest		(406)	(685)
TOTAL EQUITY		**4,164**	**7,962**

The accompanying notes form part of these consolidated financial statements

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Consolidated	Issued Capital $000	Accumulated Losses $000	Other Reserves $000	Share Based Reserve $000	Currency Translation Reserve $000	Financial Assets Reserve $000	Sub-Total $000	Non-Controlling Interest $000	Total $000
Balance at 1 July 2014	**49,292**	**(28,091)**	**(8,053)**	**1,458**	**(3,298)**	**(275)**	**11,033**	**(839)**	**10,194**
Profit/(loss) for the year	-	(4,635)	-	-	-	-	(4,635)	667	**(3,968)**
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	-	1,812	-	1,812	(439)	**1,373**
Total comprehensive income	**-**	**(4,635)**	**-**	**-**	**1,812**	**-**	**(2,823)**	**228**	**(2,595)**
Transactions with owners in their capacity as owners:									
Shares issued (net of issue cost)	4,569	-	-	-	-	-	**4,569**	-	**4,569**
Balance at 31 December2014	**53,861**	**(32,726)**	**(8,053)**	**1,458**	**(1,486)**	**(275)**	**12,779**	**(611)**	**12,168**
Balance at 1 July 2015	**54,158**	**(38,649)**	**(8,053)**	**1,458**	**9**	**(276)**	**8,647**	**(685)**	**7,962**
Profit/(loss) for the year	-	(4,167)	-	-	-	-	(4,167)	447	**(3,720)**
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	-	90	-	90	(168)	**(78)**
Total comprehensive income	**-**	**(4,167)**	**-**	**-**	**90**	**-**	**(4,077)**	**279**	**(3,798)**
Transactions with owners in their capacity as owners:									
Shares issued (net of issue cost)	-	-	-	-	-	-	**-**	-	**-**
Reclassification regarding expired share options	-	1,214	-	(1,214)	-	-	**-**	-	**-**
Balance at 31 December 2015	**54,158**	**(41,602)**	**(8,053)**	**244**	**99**	**(276)**	**4,570**	**(406)**	**4,164**

The accompanying notes form part of these consolidated financial statements

ASPERMONT LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Consolidated	
	31 December	
	2015 $000	2014 $000
Cash flows from operating activities		
Cash receipts from customers	13,691	17,011
Cash payments to suppliers and employees	(13,635)	(18,221)
Interest and other costs of finance paid	(361)	(380)
Interest received	-	5
Income tax paid	(170)	(32)
Net cash (used in)/ from operating activities	**(475)**	**(1,617)**
Cash flows from investing activities		
Proceeds for loans made	-	10
Payments for investments	(72)	(106)
Payments for plant and equipment	(76)	(10)
Payment for intangible assets	(65)	(36)
Net cash used in investing activities	**(213)**	**(142)**
Cash flows from financing activities		
Proceeds from issue of shares	-	2,387
Share issue transaction costs	-	(85)
Proceeds of borrowings	499	56
Repayment of borrowings	(477)	(390)
Net cash from/ (used in) financing activities	**22**	**1,968**
Net increase/ (decrease) in cash held	(666)	209
Cash at the beginning of the year	1,645	1,416
Effects of exchange rate changes on the balance of cash held in foreign currencies	(104)	159
Cash at the end of the year	**875**	**1,784**

The accompanying notes form part of these consolidated financial statements

1. Reporting entity

Aspermont Limited (the "Company") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The consolidated financial statements of Aspermont Limited and it's controlled entities (together referred to as the "Group") for the half-year ended 31 December 2015 comprises the Company and its subsidiaries and the consolidated entity's interests in associates and jointly controlled entities.

The consolidated annual financial statements of the consolidated entity as at and for the year ended 30 June 2015 are available on request from the Company's registered office at 613-619 Wellington Street, Perth WA 6000 or at www.aspermont.com.

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

2. Statement of compliance

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

The consolidated half-year financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the consolidated entity as at and for the year ended 30 June 2015.

The consolidated half-year financial statements were approved by the directors on 29th February 2016.

The Company is of a kind referred to in ASIC Class Order 98/100 and in accordance with the Class Order, amounts in the consolidated interim financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Going concern

As at 31 December 2015, the Group had a net current liability position of $14.92 million and for the half-year then ended had cash outflows of $0.66 million. The Group had cash on hand of $0.875 million. At the date of this report the consolidated entity is planning further capital raising activities to add further working capital to the balance sheet. The consolidated entity is targeting a total amount of approximately $2.5 million that will likely be in the form of a rights issue and debt and is continuing to progress cost cutting initiatives.

The funds raised and actions taken will reduce the consolidated entity's debt exposure for the incoming financial year and provide working capital to accelerate the repositioning of the business.

The consolidated entity's bank debt with the Australian and New Zealand Banking Corporation ("ANZ") of $1.93 million is secured by registered company charges and fixed and floating charges over the assets of the consolidated entity. The facility is subject to annual review.

At the current time the consolidated entity is in breach of the financial covenants of the ANZ facility for the calculation of the Senior Debt to EBITDA (earnings before interest, taxes, depreciation and amortisation) ratio and the minimum EBITDA and revenue on a year to date basis and is in discussions with the bank to reconstitute the terms of the senior debt. As a consequence the debt has been classified as current.

3. Going concern (continued)

The consolidated entity is in regular communications with ANZ to restructure the facility. The bank is supportive of the consolidated entity's capital raising activities. There are no matters existing to indicate that the consolidated entity will be unable to successfully restructure the facility.

Other external liabilities are being managed through:

- Upcoming approval from shareholders for convertible debentures to be issued to related parties (refer note 7),
- Directors have not recalled the loans and we are in constant communication regarding repayment terms,
- Working capital will be managed through the capital raising.

Should the consolidated entity not raise the necessary funding through debt or equity, successfully restructure the ANZ debt, receive continued support from its directors and achieve positive operating cashflows from cost reduction initiatives, there would be material uncertainty that casts significant doubt as to whether the consolidated entity would be able to meet its debts as and when they fall due and thus continue as a going concern.

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

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern.

4. Restricted access to records of subsidiary

The Group holds a 60% interest in Beacon Events Limited and its financial results have been included in the consolidated income statement and consolidated statement of comprehensive income for the half-year as well as the consolidated financial position as at 31 December 2015. However, certain restrictions exist regarding accessing all the appropriate records of Beacon Events Limited and the Group is unable to determine at this stage whether any adjustments to the financial results and position are required for the half-year report. The financial results of Beacon Events Limited are disclosed as the Conferencing segment in note 10 and impact the measurement and recognition of the goodwill allocated to Conferencing (refer note 6), the put and call option liability (refer note 8) and the contingent liability in respect of the tax residency of certain companies in the Beacon Group (refer note 12).

As announced to the ASX on 18 January 2016, the Company has entered into arbitration proceedings in this regard against Gainwealth Group Limited the non-controlling interest holder in Beacon Events Limited.

5. Significant accounting policies

Certain new accounting standards and interpretations have been published that are mandatory for 31 December 2015 interim reporting period and these did not result in any changes to the accounting policies or disclosures for the half year.

6. Intangible assets

Consolidated	Goodwill $000	Software $000	Purchased mastheads $000	Other acquired assets $000	Total $000
Gross carrying amount					
Balance at 1 July 2014	18,635	3,044	10,582	2,388	34,649
Additions	-	68	-	-	68
Currency movements	2,764	104	983	-	3,851
Balance at 30 June 2015	**21,399**	**3,216**	**11,565**	**2,388**	**38,568**
Additions	-	65	-	-	65
Currency movements	383	2	42	-	427
Balance at 31 December 2015	**21,782**	**3,283**	**11,607**	**2,388**	**39,060**
Accumulated Amortisation					
Balance at 1 July 2014	-	(2,104)	-	(1,344)	(3,448)
Amortisation expense	-	(345)	-	(423)	(768)
Impairment	(6,132)	-	(1,990)	(334)	(8,456)
Currency movements	-	(86)	(2)	-	(88)
Balance at 30 June 2015	**(6,132)**	**(2,535)**	**(1,992)**	**(2,101)**	**(12,760)**
Amortisation expense	-	(145)	-	(101)	(246)
Impairment	(6,165)	-	-	-	(6,165)
Currency movements	(276)	-	(129)	-	(405)
Balance at 31 December 2015	**(12,573)**	**(2,680)**	**(2,121)**	**(2,202)**	**(19,576)**
Net book value					
As at 30 June 2015	15,267	681	9,573	287	25,808
As at 31 December 2015	9,209	603	9,486	186	19,484

Impairment tests for intangible assets

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

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

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

6. Intangible assets (continued)

	31 December 2015 Total $000	30 June 2015 Total $000
Goodwill		
Conferencing	5,660	5,660
Accumulated conferencing impairment	(4,128)	(1,401)
Publishing	16,118	16,118
Accumulated publishing impairment	(8,446)	(4,731)
Foreign exchange reserve	5	(379)
	9,209	**15,267**
Software		
Cost	3,283	3,216
Accumulated amortisation and impairment	(2,680)	(2,535)
	603	**681**
Purchased mastheads		
Mastheads	12,285	12,285
Accumulated mastheads impairment	(2,121)	(1,992)
Foreign exchange reserve	(678)	(720)
	9,486	**9,573**
Other Intangible Assets		
Acquired intangible assets	2,388	2,388
Acquired intangible assets impairment	(334)	(334)
Accumulated amortisation	(1,868)	(1,767)
	186	**287**
Total Intangible Assets	19,484	25,808
Key assumptions used for value-in-use calculations		
Discount rate		
Conferencing	8.3%	8.7%
Publishing	11.0%	11.3%

6. Intangible assets (continued)

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

- Year 1 cash flows - Based on current management forecast in line with current trending.
- Year 2-5 cash flows:

    - ❖ A revenue decline has been assumed for the publishing print businesses as management expect a cyclical downturn and structural change to continue. Assumptions have been made in line with past performance and management's expectation of market development,
    - ❖ Revenue growth is assumed in the digital businesses based on market maturity of established products, continued roll-out and introduction of new products and services through product extensions and continued channel development,
    - ❖ Continued growth in subscriptions – these assumptions are in line with current performance, industry trends and management's expectation of market development.
    - ❖ A lower expense growth as a result of the digital platform relative to the growth in revenues as the business continues to scale,
    - ❖ Expenses expected to decrease based on announced restructuring initiatives which have already produced a cost saving trend. Future savings are expected to continue in line with the current trend.

- Long Term Growth Rate – a terminal value multiple of 4 times the year 5 cash flows.

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

For the comparative period a one year forecast and an annual growth rate of 2% thereafter for Publishing and 3% for Conferencing was used with a terminal value multiple of 4.

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 intangible assets.

Impact of a reasonably possible change in key assumptions

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

Publishing

- Discount rate – increase from 11% to 12% would result in an impairment of $0.6 million,
- Year 1 to 5 cash flow forecasts – reduction of 10% in EBITDA would result in an impairment of $0.8 million,
- Terminal cash flow forecasts – reduction of 10% would result in an impairment of $0.9 million.

6. Intangible assets (continued)

Conferencing

- Discount rate – increase from 8% to 9% would result in an impairment of $0.2 million,
- Year 1 to 5 cash flow forecasts – reduction of 10% in EBITDA would result in an impairment of $0.5 million,
- Terminal cash flow forecasts – reduction of 10% would result in an impairment of $0.5 million.

7. Borrowings

	Consolidated	
	31 December 2015 $000	**30 June 2015 $000**
Current		
Secured loans from external parties	1,925	2,285
Loans advanced for convertible debentures	-	82
Loans from related parties	3,075	2,908
Convertible debentures - related parties	1,520	1,400
Payable for acquisition of WME	276	392
	6,796	**7,067**
Non - Current		
Secured Liabilities		
Convertible debentures - other	297	-
	297	-

The carrying amount of the Group's borrowings approximates the fair value.

During the reporting period total Group debt remained at a similar level of approximately $7.1 million.

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 is in the process of being renegotiated.

At the current time the Company is in breach of the financial covenants of the facility for the calculation of the debt to EBITDA (earnings before interest, taxes, depreciation and amortisation), ratio, the minimum EBITDA and the minimum sales on a year to date basis. As a consequence the debt has been classified at current.

The Company continues to be in regular communications with ANZ to negotiate a revised facility. There are no matters existing to indicate that the Company will be unable to successfully renegotiate the facility.

Convertible debentures from related parties include $1.52 million (30 June 2015: $1.4 million), which was advanced under the Group's convertible debentures programme. The convertible debentures are still subject to shareholder approval and as a result have been classified as current.

The remaining subordinated related party loan is unsecured at an interest rate of 9.5%. Repayment of this loan is subordinated to the ANZ facility debt.

7. Borrowings (continued)

The principal terms of the convertible debentures include:

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

8. Other liabilities – non current

In July 2012, a put and call option was entered into with the non-controlling shareholder of Beacon Events Limited covering their 40% interest along with a redeemable preference share, redeemable for a total of US$2.5 million. This required a redemption amount of US$250,000 payable in preference to ordinary shareholders upon the declaration of a dividend. The future discounted amount adjusted for foreign currency is estimated at $0.2 million (30 June 2015: $3.9 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 half-year ended 31 December 2015 interest of $6,528 (2014: $132,874) was recognised. The put option is carried as a financial liability at amortised cost.

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 at each reporting period. This amount is then discounted to the current balance sheet date using the original discount rate (as per above) and adjusted for any foreign exchange movements between the underlying US dollar liability and the Australian dollar. The change in estimated value disclosed below mainly relates to the revision of the estimated future cash flow as per the present value calculation of the financial instrument. The liability is classified as level 3 in the fair value hierarchy due to the use of unobservable inputs as discussed above.

	Consolidated	
	31 December 2015 $000	30 June 2015 $000
Liability in respect of Beacons put and call option		
Opening balance	3,937	5,000
Imputed interest expense	7	275
Foreign exchange movements	193	1,187
Change in estimated value	(3,962)	(2,525)
Estimated fair value of the liability	**175**	**3,937**
Other non-current liabilities	150	150
Total non-current liabilities	**325**	**4,087**

9. Issued capital

	Consolidated	
	31 December 2015 $000	30 June 2015 $000
724,918,019 fully paid ordinary shares (30 June 2015: 724,918,019)	54,158	54,158
Ordinary shares		
At the beginning of the reporting period	54,158	49,292
Shares issued during the year:		
238,710,493 fully paid ordinary shares issued as part of rights issue	-	2,387
226,748,700 fully paid ordinary shares issued as part of debt/equity conversion	-	2,268
20,748,333 private placement of fully paid ordinary shares	-	299
Share issue costs	-	(88)
At reporting date	**54,158**	**54,158**

10. Segment reporting

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

2015	**Publishing $'000**	**Conferencing $'000**	**Investments $'000**	**Total $'000**
Revenue				
Advertising - Digital	1,486	-	-	1,486
Advertising - Print	3,902	-	-	3,902
Subscriptions	2,510	-	-	2,510
Conferencing & other revenue	1	6,360	-	6,360
Total segment revenue	7,898	6,360	-	**14,258**
Revenue by Geography				
Australia/ Asia	4,845	2,735	-	7,580
Europe	2,169	3,625	-	5,794
Other	884	-	-	884
Total revenue	7,898	6,360	-	**14,258**
Result				
Segment result	432	405	(40)	797
Impairment of intangible assets	(3,603)	(2,562)	-	(6,165)
Unallocated items:				
Other income				3,364
Overheads				(1,442)
Interest				(349)
Income tax benefit/(expense)				75
Loss for year				**(3,720)**
Segment assets	18,815	4,417	-	**23,232**
Unallocated assets:				
Cash				875
Deferred tax asset				2,961
Total assets				**27,068**
Liabilities	8,123	4,406	177	**12,706**
Unallocated liabilities:				
Provision for income tax				139
Deferred tax liabilities				2,966
Borrowings				7,094
Total liabilities				**22,905**

10. Segment reporting (continued)

2014	Publishing $'000	Conferencing $'000	Investments $'000	Total $'000
Revenue				
Advertising - Digital	1,636	-	-	1,636
Advertising - Print	5,426	-	-	5,426
Subscriptions	2,469	-	-	2,469
Conferencing & other revenue	-	8,061	6	8,067
Total segment revenue	9,531	8,061	6	**17,598**
Revenue by Geography				
Australia/ Asia	6,103	3,717	6	9,826
Europe	2,317	4,344	-	6,661
Other	1,111	-	-	1,111
Total revenue	9,531	8,061	6	**17,598**
Result				
Segment result	2,317	1,089	(61)	3,345
Impairment of intangible assets	(4,185)	(1,401)	-	(5,586)
Unallocated items:				
Other income				1,359
Overheads				(2,996)
Interest				(344)
Income tax benefit/(expense)				254
Loss for year				**(3,968)**
30 June 2015				
Segment assets	23,302	7,051	-	**30,353**
Unallocated assets:				
Cash				1,645
Deferred tax asset				2,850
Total assets				**34,848**
Liabilities	8,005	4,602	3,936	**16,543**
Unallocated liabilities:				
Provision for income tax				257
Deferred tax liabilities				3,019
Borrowings				7,067
Total liabilities				**26,886**

10. Segment reporting (continued)

Description of segments:
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Chief Executive Officer who makes strategic decisions.

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

The segments derive revenue from the following products and services:

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

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

Advisory fees, general investment income, fair value gains/losses on share investments held are disclosed under the Investments segment.

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.

11. Fair value of financial instruments

Fair value hierarchy

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

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

11.Fair value of financial instruments (continued)

Valuation techniques used to derive level 3 fair values

The amount due in respect of convertible debentures per note 7 is classified as a liability at fair value through profit or loss. The fair value of convertible notes not traded in an active market and is determined using an internally prepared valuation utilising a combination of inputs such as the current share price and unobservable inputs such as the discount rate of 10% to calculate the present value of estimated future cash flows. The Group has determined that there is a relationship between the unobservable inputs (discount rate) and the fair value but do not consider it to be material unless there is a change in the terms and conditions of the convertible note. The liability is classified as level 3 in the fair value hierarchy due to the use of unobservable inputs.

Transfers

During the half year ended 31 December 2015, there were no transfers of financial instruments between level 1 and 2 of the fair value hierarchy. There were also no transfers into or out of level 3 during the period.

Fair value of financial instruments not measured at fair value.

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

12.Commitments and contingent liabilities

In the current reporting period the Company has been informed that its application for the residency status for income tax of certain entities of the Beacon Group, of which the Group acquired 60% of in July 2012, has been rejected. The Group has obtained independent advice that the current residency arrangements and resulting obligations for the Group in the respective jurisdictions is reasonable and is currently in the process of reviewing its options in this regard and has appealed against the rejection. As a result no tax has been provided for in this regard.

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

13.After reporting date events

No matters or circumstance have arisen since the end of the half-year, which has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial half-years.

In the opinion of the directors of Aspermont Limited:

1. The financial statements and notes set out on pages 10 to 26 are in accordance with the *Corporations Act 2001* including:
   (a) Giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
   (b) Complying with Australian Accounting Standards, the *Corporations Regulations 2001*, and other mandatory professional requirements.

2. There are reasonable grounds to believe that Aspermont Limited 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 directors.

Dated this 29th February 2016

Alex Kent
Managing Director

BDO

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Aspermont Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Aspermont Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Aspermont Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

BDO

Basis for Qualified Conclusion

Included in Aspermont Limited's consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows are the financial results of Beacon Events Limited, a subsidiary in which Aspermont Limited holds 60% financial interest as disclosed in Note 4. The Directors were unable to provide sufficient appropriate evidence in regards to Beacon Events Limited and its subsidiaries because they were unable to access appropriate records to support the transactions, balances and disclosures of the controlled entity. Consequently, we were unable to determine whether any adjustments to the financial results of Beacon Events Limited were or may have been necessary and thus any impact this may have on the recoverability of conferencing goodwill of $1.532m and the valuation of the put and call option liability of $0.175m.

Qualified Conclusion

Except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Aspermont Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 3 in the financial report, which describes the principle conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

BDO

Ian Skelton
Director

Perth, 29 February 2016