2017

ANNUAL REPORT

QUESTE COMMUNICATIONS LTD

A.B.N 58 081 688 164

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Queste's 2017
Corporate Governance Statement
can be found at the following URL on the Company's website:
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CORPORATE DIRECTORY

BOARD
Farooq Khan (Chairman and Managing Director)
Victor Ho (Executive Director)
Yaqoob Khan (Non-Executive Director)

COMPANY SECRETARY
Victor Ho

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COMPANY UPDATE

Capital Management – Proposed Equal Access Off-Market Share Buy-Back

In an on-going review of capital management initiatives having regard to the Company's financial position and the lack of liquidity in trading of Queste shares, the Company proposes to conduct an equal access scheme off-market share buy-back (the **Buy-Back**).[1]

The Board believes that it is in the best interests of shareholders for the proposed Buy-Back to be put to shareholders for approval at the upcoming Annual General Meeting (**AGM**) and that it is appropriate to allow shareholders an opportunity to realise their investment in the Company in a highly illiquid market for Queste shares at a price (in respect of the fully paid ordinary shares) at a premium to the current bid share price for Queste shares on ASX.

The proposed Buy-Back is an "Equal-Access Scheme" share buy-back under which a company seeks to buy back shares, with shareholders having an equal opportunity to participate in proportion to their holdings.

The Buy-Back will be open to all shareholders on an equal basis. Participation by shareholders is entirely voluntary. It is a cost-effective way for shareholders to dispose of their interests, as there are no brokerage costs associated with an off-market buy-back.

Shareholders are referred to the Company's 2017 AGM Information Memorandum[1] for further details of the terms of the proposed Buy-Back and the advantages and disadvantages of voting for the scheme and of participating in it if it is approved.

The proposed Buy-Back will operate in the following manner:

(a) Subject to a maximum Buy-Back consideration of $300,000 (**Buy-Back Cap**):

  (i) Queste will offer to buy back the fully paid ordinary shares in the Company of each shareholder at a price of 5 cents per share (**FPO Price**); and

  (ii) Queste will offer to buy back the partly paid ordinary shares in the Company from the holder thereof at a price of 0.25 cent per share (**PPO Price**);

(b) The Buy-Back consideration of up to $300,000 will be satisfied by payment of cash and the undertaking of an in-specie distribution of ASX-listed shares in another company held by Queste, as follows:

  (i) **Cash Component**: As to one-third (by value) – payment of up to $100,000 cash; and

  (ii) **Scrip Component**: As to two-thirds (by value) – distribution of fully paid ordinary shares in Bentley Capital Limited ABN 87 008 108 218 (ASX:BEL) (**Bentley** or **BEL**) held by Queste up to the value of $200,000; and

(c) If the value of Buy-Back acceptances exceeds the Buy-Back Cap ($300,000) Queste will scale back the number of shares to be bought back on a pro-rata basis (including as between the cash and scrip consideration components) determined by reference to the value of the Buy-Back consideration in respect of acceptances received for fully paid and partly paid ordinary shares (the **Scale-Back**).

The maximum total Buy-Back consideration has been set at $300,000 (the Buy-Back Cap), comprising:

(a) **Cash Component**: up to $100,000 cash; and

(b) **Scrip Component**: up to $200,000 attributable to the value of 1,300,000 shares in Bentley Capital Limited (ASX:BEL), being equivalent to a value of 15.3846 cents per BEL.

Queste notes that Bentley's (pre and post-tax) NTA backing per share was:

- 15.43 cents (audited) as at 30 June 2017[2]; and
- 14.30 cents (unaudited) as at 30 September 2017[3].

1 Refer QUE's Annual General Meeting Info Memorandum released on ASX on 31 October 2017

2 Refer Bentley's 2017 Full Year Report released on ASX on 1 September 2017 and 2017 Annual Report released on ASX on or about 31 October 2017

3 Refer Bentley's ASX announcement dated 12 October 2017: NTA Backing as at 30 September 2017

COMPANY UPDATE

The Buy-Back consideration will be satisfied as follows:

(a) **Cash Component**: One-third (by value) of an accepting shareholder's Buy-Back consideration will be satisfied by Queste paying cash; and

(b) **Scrip Component**: Two-thirds (by value) of an accepting shareholder's Buy-Back consideration will be satisfied by Queste distributing shares in Bentley based on a deemed value of 15.3846 cents per BEL share (rounded to the nearest whole share in BEL).

It is proposed that the Cash Component under the Buy-Back will be funded from existing net cash reserves - as at 20 October 2017, Queste had cash of approximately $0.156 million and held the following investments:

	No Shares/Units	% Interest	Last Bid Price	Market Value
Shares in Orion Equities Limited (ASX:OEQ)	9,367,653	59.86%	$0.165	$1,545,663
Shares in Bentley Capital Limited (ASX:BEL)	1,300,000	1.71%	$0.110	$143,000
Other ASX-listed shares	various		various	$2
TOTAL				**$1,688,665**

Queste controls ASX-listed investment company, Orion Equities Limited (ASX:OEQ) (**Orion**) (holding 59.86% of Orion's total issued share capital). Orion had net tangible assets (**NTA**) of $4.921 million as at 30 September 2017 (or $0.3145 per Orion share)[4]. As such, Queste's investment in Orion has a value of $2.946 million based on Orion's NTA backing (as at 30 September 2017).

The Directors have commissioned BDO Corporate Finance (WA) Pty Ltd (**BDO** or the **Independent Expert**) to prepare an independent expert's report (**IER**) on the Buy-Back, which is included in the 2017 AGM Information Memorandum.

Subject to receipt of shareholder approval at the 30 November 2017 AGM, a separate Buy-Back Offer and Buy-Back Acceptance Form (the **Offer Document**) will be sent to all shareholders, which will contain further details on how to accept the Buy-Back Offer.

Please refer to 2017 AGM Information Memorandum for an indicative Timetable.

4 Refer Orion's ASX announcement dated 12 October 2017: Net Tangible Asset Backing – 30 September 2017

DIRECTORS' REPORT

The Directors present their report on Queste Communications Ltd ABN 58 081 688 164 (**Company** or **QUE**) and its controlled entities (**Queste** or the **Consolidated Entity**) for the financial year ended 30 June 2017 (**Balance Date**).

QUE is a public company limited by shares that is incorporated and domiciled in Western Australia and has been listed on the Australian Securities Exchange (**ASX**) since November 1998. (ASX Code: QUE)

Queste's results incorporate the results of controlled entity, ASX-listed investment company, Orion Equities Limited ABN 77 000 742 843 (**Orion** or **OEQ**). The Company has a 59.86% (9,367,653 shares) shareholding interest in Orion (30 June 2016: 59.86% (9,367,653 shares)).

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was the management of its assets.

The principal activities of controlled entity, Orion, during the financial year were the management of its investments, including investments in listed and unlisted securities, real estate held for development and resale, and an olive grove operation.

FINANCIAL POSITION

COMPANY	2017 $	2016 $
Cash and cash equivalents	27,774	112,251
Current investments - equities	3	6,582
Investment in Associate entity (BEL)	57,487	93,073
Investment in controlled entity (OEQ)	1,405,148	1,498,824
Receivables	8,245	8,116
Deferred tax assets	523,632	495,529
Other assets	53,757	140,716
Total Assets	**2,076,046**	**2,355,091**
Tax liabilities (current and deferred)	-	-
Other payables and liabilities	(154,391)	(118,391)
Net Assets	**1,921,655**	**2,236,700**
Issued capital	6,149,888	6,149,888
Reserves	2,138,012	2,138,012
Accumulated losses	(6,366,245)	(6,051,200)
Total Equity	**1,921,655**	**2,236,700**

OPERATING RESULTS

COMPANY	2017 $	2016 $
Total revenues	13,737	38,915
Share of Associate entity's profit/(loss)	(79,013)	16,321
Other Expenses	(249,769)	(373,647)
Loss before tax	**(315,045)**	**(318,411)**
Income tax expense	-	-
Loss for the year	**(315,045)**	**(318,411)**

DIRECTORS' REPORT

Queste's share of Associate entity's loss of $1.32 million relates to the investment in Bentley Capital Limited (ASX:BEL) – Queste notes that the 30 June 2017 consolidated carrying value of the BEL investment (comprising 1,300,000 shares held by QUE and 20,513,783 shares held by Orion) was 9.2 cents per share (worth $2 million), which compares with BEL's closing bid price of 11 cents (worth $2.4 million) and BEL's 30 June 2017 net tangible asset backing (**NTA**) of 15.43 cents (worth $3.37 million) (both as at 30 June 2017).

Queste accounts for BEL as an Associate entity, which means that Queste is required to recognise a share of BEL's net profit or loss in respect of the financial year based on Queste's (28.654% as at 30 June 2017) direct and indirect shareholding interest in BEL (this is known as the equity method of accounting for an associate entity). Accordingly, as BEL incurred a net loss of $3.679 million for the year, Queste is required to recognise a 28.654% share of this loss (calculated as at each month end through the course of the year), being $1.324 million, in Queste's own accounts for the year. This share of BEL's net loss is the primary contributor to Queste's net loss for the year, rather than as a consequence of Queste's own direct activities or operations.

In a similar manner, BEL has accounted for its 19.96% shareholding interest in Associate entity, Keybridge Capital Limited (ASX:KBC), under the equity method. This has resulted in BEL recognising $1.374 million as a share of KBC's overall net loss of $6.446 million incurred for the year. This share of KBC's net loss is a primary contributor to BEL's net loss for the year.

Thus, KBC's net loss position has a flow on effect up to BEL and in turn, up to Orion/Queste, in circumstances which has caused a significant net loss being incurred at the BEL and Orion/Queste levels, which is unrelated to BEL's and Orion/Queste's direct activities or operations.

Queste notes that KBC has incurred a net loss for the year due largely to a significant provision for impairment made in respect of a legacy loan receivable asset held by KBC. As outlined in KBC's ASX announcement dated 25 August 2017: Update – Private Equity Loan Receivable:

- KBC Directors reduced the carrying value of the loan receivable from US$5.01 million to US$0.394 million (A$0.511 million) in light of an assessment of the underlying value of the security provided for the loan, which resulted in KBC recognising a US$4.611 million (A$5.996 million) provision for impairment expense for the year;
- The loan receivable relates to a US$4.3m limited recourse promissory note (**Note**) secured (via collateral pledged) over a private equity fund which holds investments in US-based manufacturing/distribution businesses (**Fund**);
- The Note arose out of a restructure in April 2013 where, as part of arrangements to exit legacy aviation investments (made whilst KBC was known as Mariner Bridge Investments Limited in 2006/2007) for US$29.7 million cash, KBC sold its interest in the Fund for US$4.3 million fully funded by a KBC loan with recourse only to that asset sold (i.e. the Note) – in both instances, well before the current Board of KBC were appointed as Directors;
- In August 2017, KBC received the Fund's 30 June 2017 Quarterly Report which disclosed a significant reduction in the Fund's gross asset position as well as notice from the Noteholder advising that it is 'highly unlikely that the Note will be satisfied on or before its scheduled maturity' (on 29 December 2017) and proposing a 3-year extension of the Note term or a 'buy-out' (retirement) of the Note for US$0.394 million;
- In light of these matters, the KBC Board reduced the carrying value of the Note (receivable) to US$0.394 million pending a review of its position vis a vis the correspondence received and the terms of the Note.

LOSS PER SHARE

CONSOLIDATED ENTITY	2017	2016
Basic and diluted loss per share (cents)	(5.11)	(2.35)
Weighted average number of fully paid ordinary shares in the Company outstanding during the year used in the calculation of basic and diluted earnings per share	27,017,599	29,693,976

The Company's 5,770,000 (2016: 5,770,000) partly paid ordinary shares, to the extent that they have been paid (1.5225 cents per share) have been included in the determination of the basic loss per share.

DIRECTORS' REPORT

DIVIDENDS

The Company's Directors have not declared a dividend.

Orion's Directors have declared payment of a fully-franked special dividend as follows:

Dividend Rate	Record Date	Expected Payment Date	Franking
0.90 cent per share	22 September 2017	29 September 2017	100% franked

The Company's entitlement to the Orion dividend will be $84,309.

CAPITAL MANAGEMENT

(a) Securities in The Company

At the Balance Date, the Company has the following securities on issue:

(a) 27,155,358 listed fully paid ordinary shares (2016: 26,578,358 fully paid ordinary shares); and

(b) 5,193,000 unlisted partly paid ordinary shares[1]; each paid to 1.5225 cents with 18.4775 cents per partly paid ordinary share outstanding (representing the equivalent of 395,317 voting shares[2]) (2016: 5,770,000 unlisted partly paid ordinary shares representing the equivalent of 439,241 voting shares),

making a total of 27,550,675 voting shares on issue (2016: 27,017,599 voting shares).

Save for the conversion of party paid shares (the subject of calls made by the Company as outlined below), there were no securities issued or granted by the Company during or since the financial year.

(b) Small Holding (Unmarketable Parcel) Share Sale Facility

On 6 October 2016, the Company initiated a 'Small Holding (Unmarketable Parcel) Share Sale Facility'[3] in respect of small parcel shareholdings (unmarketable parcels) valued at $500 or less.

The Company refers to its ASX market announcement entitled "Small Holding (Unmarketable Parcel) Share Sale Facility" dated 6 October 2016 for further details in relation to this capital management initiative.

As at the date of this report, the Company has not yet completed the sale of the aggregated small parcel shareholdings. Once completed, affected small holders will receive a formal Sale Notice advising of the sale details along with a proceeds cheque.

1 The terms of issue of the partly paid shares are disclosed in the Prospectus for the initial public offering of shares in the Company dated 6 August 1998 and also more recently, in the Company's Share Buy-Back Offer Booklet dated 24 March 2016 and released on ASX on 31 March 2016

2 Each partly paid share is treated for voting purposes as being a proportion of a fully paid share, equal to the proportion to which it has been paid up - 1.5225 cents per share, representing 7.61% of the $0.20 issue price

3 Refer Queste's ASX announcement dated 6 October 2016: Small Holding (Unmarketable Parcel) Share Sale Facility

DIRECTORS' REPORT

REVIEW OF OPERATIONS

1. Orion Equities Limited (ASX: OEQ)

1.1. Current Status of Investment in Orion

Orion is a investment entity.

The Company holds 9,367,653 shares in Orion, being 59.86% of its issued ordinary share capital (2016: 9,367,653 shares and 59.86%). Orion has been recognised as a controlled entity and included as part of the Queste's results since 1 July 2002.

Queste shareholders are advised to refer to the 30 June 2017 Full Year Report and monthly NTA disclosures lodged by Orion for further information about the status and affairs of the company.

Information concerning Orion may be viewed from its website: www.orionequities.com.au

Orion's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "OEQ".

Sections 1.2 and 1.3 below contain information extracted from Orion's public statements.

1.2. Orion's Portfolio Details as at 30 June 2017

Asset Weighting

	% of Net Assets 2017	% of Net Assets 2016
Australian equities	48%	55%
Agribusiness [4]	30%	27%
Property held for development and resale	24%	18%
Net tax liabilities (current-year and deferred tax assets/liabilities)	-	-
Net cash/other assets and provisions	(2)%	<1%
TOTAL	**100%**	**100%**

Major Holdings in Securities Portfolio

Equities	Fair Value $'million	% of Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited	2.26	43.38%	BEL	Diversified
Strike Resources Limited	0.42	8.07%	SRK	Materials
CBG Australian Equities Fund (Wholesale) (**CBG Fund**)	0.07	1.43%	N/A	Diversified
TOTAL	**2.75**	**52.88%**		

4 Agribusiness net assets include olive grove land, olive trees, buildings and plant and equipment.

DIRECTORS' REPORT

1.3. Orion's Assets

(a) Bentley Capital Limited (ASX: BEL)

Bentley is a listed investment company.

Queste holds 1.72% (1,300,000 shares) of Bentley's issued ordinary share capital with Orion holding 26.95% (20,513,783 shares) of Bentley's issued ordinary share capital (2016: Queste held 1,300,000 shares (1.72%) and Orion held 20,513,783 shares (27.20%)).

Bentley's asset weighting as at 30 June 2017 was 93.5% Australian equities (2016: 89%), 1.7% intangible assets (2016: 3.7%) and 4.8% net cash/other assets (2016: 7.2%).

Bentley had net assets of $11.95 million as at 30 June 2017 (2016: $16.29 million) and incurred an after-tax net loss of $3.679 million for the financial year (2016: $0.526 million after-tax net profit).

Bentley paid two 0.50 cent fully franked dividends that were distributed on September 2016 and March 2017 at a total cost of $0.756 million (2016 distributions: two 0.50 cent fully franked dividend totalling $0.749 million).

Orion received $205,138 distributions from Bentley during the financial year (2016: $205,138).

Queste received $13,000 distributions from Bentley during the financial year (2016: $17,406).

Subsequent to 30 June 2017, Bentley announced its intention to pay a fully-franked dividend of 0.50 cent per share. Orion's and Queste's entitlement from the fully franked dividend is expected to be $102,569 and $6,500 respectively.

Bentley has a long distribution track record, as illustrated below:

Rate per share	Nature	Queste's Entitlement	Orion's Entitlement	Payment Date
0.50 cent	Dividend	$6,500	$102,569	31 August 2017
0.50 cent	Dividend	$6,500	$102,569	31 March 2017
0.50 cent	Dividend	$6,500	$102,569	29 September 2016
0.50 cent	Dividend	$8,703	$102,569	18 March 2016
0.50 cent	Dividend	$8,703	$102,569	25 September 2015
0.55 cent	Dividend	$9,573	$112,826	20 March 2015
0.95 cent	Dividend	$16,535	$194,881	26 September 2014
One cent	Dividend	$17,406	$205,138	21 March 2014
One cent	Return of capital	$17,406	$205,138	12 December 2013
One cent	Return of capital	$17,406	$205,138	18 April 2013
One cent	Return of capital	$17,406	$205,138	30 November 2012
One cent	Return of capital	$17,406	$205,138	19 April 2012
5.0 cents	Return of capital	$87,031	$1,025,689	14 October 2011
2.4 cents	Dividend (Special)	$41,775	$492,331	26 September 2011
One cent	Dividend	$17,406	$205,138	26 September 2011

Note: Bentley has paid a distribution to shareholders every year (save on 4 occasions in its 32 year history) since its admission to ASX in 1986. Refer to Bentley's website for full distribution history

Shareholders are advised to refer to the 30 June 2017 Full Year Report and monthly NTA disclosures lodged by Bentley for further information about the status and affairs of the company.

Information concerning Bentley may be viewed from its website: www.bel.com.au.

Bentley's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "BEL".

DIRECTORS' REPORT

(b) Strike Resources Limited (ASX: SRK)

Strike owns the high grade Apurimac Magnetite Iron Ore Project and Cusco Magnetite Iron Ore Project in Peru and is currently developing its Burke Graphite Project in Queensland and lithium exploration tenements in Western Australia; Strike also retains relatively strong cash reserves of ~$5.3 million (as at 30 June 2017)[5].

During the year, SRK shares traded on ASX within a range of 4 to 7.8 cents with a closing price of 4.1 cents (and $5.96 million market capitalisation) as at 30 June 2017 and a current closing price of 4 cents (as at 30 August 2017).

Orion holds 10,000,000 Strike shares (6.88%) (30 June 2016: 10,000,000 shares (6.88%)) while Bentley holds 52,553,493 Strike shares (36.16%). Therefore Orion has a deemed relevant interest in 62,553,493 Strike shares (43.041%[6]).

Information concerning Strike may be viewed from its website: www.strikeresources.com.au

Strike's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "SRK".

(c) Other Assets

Orion also owns:

- a 143 hectare commercial olive grove operation (currently on care and maintenance) with approximately 64,500, 18 year old olive tree plantings located in Gingin, Western Australian; and
- a property held for redevelopment or sale but currently rented out located in Mandurah, Western Australia.

2. Queste's Other Assets

In addition to the investment in controlled entity, Orion, Queste has:

(a) a direct share investment in Associate entity, Bentley, being 1,300,000 shares (or 1.72% of Bentley's issued ordinary share capital) (2016: 1,300,000 shares and 1.72%).

The Company notes that it lodges Monthly and Quarterly Cash Flow Reports on ASX, which may be may be viewed and downloaded from the Company's website: www.queste.com.au or the ASX website (www.asx.com.au) under ASX Code: "QUE".

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year not otherwise disclosed in this Directors' Report or the Consolidated Financial Statements.

FUTURE DEVELOPMENTS

The Consolidated Entity intends to continue its investment activities in future years. The results of these investment activities depend upon the performance of the underlying companies and securities in which the Consolidated Entity invests. The investments' performances depend on many economic factors and also industry and company specific issues. In the opinion of the Directors, it is not possible or appropriate to make a prediction on the future course of markets, the performance of the Consolidated Entity's investments or the forecast of the likely results of the Consolidated Entity's activities.

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5 Refer SRK's ASX Announcement dated 28 July 2017: June 2017 Quarterly Report

6 Refer Orion's Change in Substantial Holding Notice dated 4 September 2016

DIRECTORS' REPORT

ENVIRONMENTAL REGULATION

The Consolidated Entity is not subject to any particular or significant environmental regulation under Australian Commonwealth or State legislation.

DIRECTORS

Information concerning Directors in office during or since the financial year:

Farooq Khan	**Executive Chairman and Managing Director**
Appointed	10 March 1998
Qualifications	BJuris, LLB (*Western Australia*)
Experience	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sectors. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
Relevant interest in shares	5,344,872 shares[7]
Other current directorships in listed entities	(1) Executive Chairman of Bentley Capital Limited (ASX:BEL) (since 2 December 2003) (2) Executive Chairman of Orion Equities Limited (ASX:OEQ) (since 23 October 2006) (3) Chairman (appointed 18 December 2015) of Strike Resources Limited (ASX:SRK) (Director since 1 October 2015)
Former directorships in other listed entities in past 3 years	None

Victor P. H. Ho	**Executive Director and Company Secretary**
Appointed	Executive Director since 3 April 2013; Company Secretary since 30 August 2000
Qualifications	BCom, LLB (*Western Australia*), CTA
Experience	Mr Ho has been in Executive roles with a number of ASX listed companies across the investments, resources and technology sectors over the past 17+ years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the investment management of listed investment companies (as an Executive Director and or a member of the Investment Committee), the structuring and execution of a number of corporate, M&A and international joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.
Relevant interest in shares	17,500 shares[8]
Other current positions held in listed entities	(1) Executive Director and Company Secretary of Orion Equities Limited (ASX:OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003) (2) Director and Company Secretary of Strike Resources Limited (ASX:SRK) (Director since 24 January 2014 and Company Secretary since 1 October 2015) (3) Company Secretary of Bentley Capital Limited (ASX:BEL) (since 5 February 2004) (4) Company Secretary of Keybridge Capital Limited (ASX:KBC) (since 13 October 2016)
Former positions in other listed entities in past 3 years	Company Secretary of Alara Resources Limited (ASX:AUQ) (4 April 2007 to 31 August 2015)

7 Refer Farooq Khan's Change of Director's Interest Notice dated 7 June 2016

8 Refer Victor Ho's Initial Director's Interest Notice dated 3 April 2013

DIRECTORS' REPORT

Yaqoob Khan	**Non-Executive Director**
Appointed	10 March 1998
Qualifications	BCom (*Western Australia*), Master of Science in Industrial Administration (*Carnegie Mellon*)
Experience	After working for several years in the Australian Taxation Office, Mr Khan completed his postgraduate Masters degree and commenced work as a senior executive responsible for product marketing, costing systems and production management. Mr Khan has been an integral member of the team responsible for the pre-IPO structuring and IPO promotion of a number of ASX floats and has been involved in the management of such companies. Mr Khan brings considerable international experience in key aspects of corporate finance and the strategic analysis of listed investments.
Relevant interest in shares	68,345 shares[9]
Other current directorships in listed entities	Non-Executive Director of Orion Equities Limited (ASX:OEQ) (since 5 November 1999).
Former directorships in other listed entities in past 3 years	None

At the Balance Date, Yaqoob Khan is a resident overseas.

At the Company's 2016 AGM[10]:

- Victor Ho retired as a Director (by rotation) pursuant to the Company's Constitution and was re-elected a Director at that AGM.

DIRECTORS' MEETINGS

The following table sets out the numbers of meetings of the Company's Directors held during the financial year (including Directors' circulatory resolutions), and the numbers of meetings attended by each Director of the Company:

Name of Director	Meetings Attended	Maximum Possible Meetings
Farooq Khan	7	7
Yaqoob Khan	7	7
Victor Ho	7	7

There were no meetings of committees of the Board of the Company.

Board Committees

During the financial year and as at the date of this Directors' Report, the Company did not have separate designated Audit or Remuneration Committees. In the opinion of the Directors, in view of the size of the Board and nature and scale of the Queste's activities, matters typically dealt with by an Audit or Remuneration Committee are dealt with by the full Board.

9 Refer Yaqoob Khan's Change of Director's Interest Notice dated 6 September 2011

10 Refer Queste's ASX announcement dated 29 November 2016: Results of 2016 Annual General Meeting

REMUNERATION REPORT

This Remuneration Report details the nature and amount of remuneration for each Director and Company Executive (being a company secretary or senior manager) (**Key Management Personnel**) of Queste.

The information provided under headings (1) to (5) below has been audited for compliance with section 300A of the *Corporations Act 2001 (Cth)* as required under section 308(3C).

(1) Remuneration Policy

The Board determines the remuneration structure of all Key Management Personnel having regard to the Company's strategic objectives, scale and scope of operations and other relevant factors, including experience and qualifications, length of service, the duties and accountability of Key Management Personnel, the frequency of Board meetings, market practice (including available data concerning remuneration paid by other listed companies and in particular, companies of comparable size and nature) and the objective of maintaining a balanced Board which has appropriate expertise and experience, at a reasonable cost to the Company.

Corporate Governance Principles: The Company's Corporate Governance Statement (**CGS**) also addresses matters pertaining to the Board, Senior Management and Remuneration. The latest version of the CGS may be downloaded from the Company's website: http://queste.com.au/corporate-governance

Fixed Cash Short Term Employment Benefits: The Key Management Personnel of the Company are paid a fixed amount per annum plus applicable employer superannuation contributions. The Non-Executive Directors of the Company are paid a maximum aggregate base remuneration of $75,000[15] per annum inclusive of minimum employer superannuation contributions where applicable, to be divided as the Board determines appropriate.

The Board has determined the following fixed cash remuneration for current Key Management Personnel during the year as follows:

Executive Director

(1) Mr Farooq Khan (Executive Chairman and Managing Director) - a base salary of $31,250 (previously voluntarily reduced from $62,500 to $31,250 (with effect on 1 April 2016) and from $125,000 to $62,500 (with effect on 1 April 2013) to assist the Company in reducing its corporate overheads) per annum plus employer superannuation contributions; and

(2) Mr Victor Ho (Executive Director and Company Secretary) - a base salary of $22,500 (previously voluntarily reduced from $45,000 to $22,500 (with effect on 1 April 2016) to assist the Company in reducing its corporate overheads) per annum plus employer superannuation contributions. Mr Ho also agreed to join the Board as an Executive Director on 3 April 2013 at no further cost to the Company.

Non – Executive Director

(3) Mr Yaqoob Khan (Non-Executive Director) - a base fee of $15,000 per annum.

Key Management Personnel can also opt to "salary sacrifice" their cash fees/salary and have them paid wholly or partly as further employer superannuation contributions or benefits exempt from fringe benefits tax.

15 As approved by shareholders at the Annual General Meeting held on 30 November 1999; refer Queste's ASX announcement dated 30 November 1999: Results of Annual General Meeting of Shareholders

REMUNERATION REPORT

Special Exertions and Reimbursements: Pursuant to the Company's Constitution, each Director is entitled to receive:

(a) Payment for reimbursement of all travelling, hotel and other expenses reasonably incurred by a Director for the purpose of attending meetings of the Board or otherwise in and about the business of the Company; and

(b) In respect of Non-Executive Directors, payment for the performance of extra services or the making of special exertions for the benefit of the Company (at the request of and with the concurrence of the Board).

Short-Term Benefits: The Company does not have any short-term incentive (**STI**) cash bonus schemes (or equivalent) in place for Key Management Personnel.

Long-Term Benefits: The Company does not have any long-term incentive (**LTI**) cash bonus schemes (or equivalent) in place for Key Management Personnel.

Equity Based Benefits: The Company does not presently have any equity (shares or options) based remuneration arrangements for any personnel pursuant to any executive or employee share or option plan or otherwise.

Post-Employment Benefits: The Company does not presently provide retirement benefits to Key Management Personnel. Other than early termination benefits disclosed in 'Employment Agreement' below, Key Management Personnel also have no right to termination payments save for payment of accrued unused annual and long service leave (where applicable) (these accrued employee entitlements are not applicable in respect of Non-Executive Directors). The Company notes that shareholder approval is required where a Company proposes to make a "termination payment" (for example, a payment in lieu of notice, a payment for a post-employment restraint and payments made as a result of the automatic or accelerated vesting of share based payments) in excess of one year's "base salary" (defined as the average base salary over the previous 3 years) to a director or any person who holds a managerial or executive office.

Performance-Related Benefits and Financial Performance of Company: The Company does not presently provide short- or long-term incentive/performance based benefits related to the Company's performance to Key Management Personnel, including payment of cash bonuses. The current remuneration of Key Management Personnel is fixed, is not dependent on the satisfaction of a performance condition and is unrelated to the Company's performance.

The Board does not believe that it is appropriate at this time to implement an equity-based benefit scheme or a performance related/variable component to Key Management Personnel remuneration or remuneration generally linked to the Company's performance but reserves the right to implement these remuneration measures if appropriate in the future (subject to prior shareholder approval where applicable).

In considering the Company's performance and its effects on shareholder wealth, Directors have had regard to the data set out below for the latest financial year and the previous four financial years.

	2017	**2016**	**2015**	**2014**	**2013**
Loss Before Income Tax ($)	(2,122,392)	(896,730)	(1,055,911)	(1,209,082)	(3,453,436)
Basic Earnings/(Loss) per Share (cents)	(5.11)	(2.35)	(2.52)	(5.24)	(6.73)
Dividends Paid ($)	-	-	-	-	-
VWAP Share Price on ASX for financial year (cents)	7	7	0	14	9
Closing Bid Share Price at 30 June (cents)	7	5	6	14	9

REMUNERATION REPORT

(2) Employment Agreement

Details of the material terms of an employment agreement entered by the Company with a Key Management Personnel are as follows:

Key Management Personnel and Position(s) Held	Relevant Date(s)	Base Salary/Fees per annum	Other Material Terms
Victor Ho Company Secretary (since 30 August 2000) Executive Director (since 3 April 2013)	25 January 2000 (date of employment agreement) 2009/2010 (date of effect of current remuneration)	$45,000 plus employer superannuation contributions (currently 9.5% of base salary)	• The agreement has no fixed term or fixed rolling terms of service. • Standard annual leave (20 days) and personal/sick leave (10 days paid) entitlements plus entitlement to long service leave of 60 days after 7 years of service with an additional 5 days after each year of service thereafter. • One month's notice of termination by the Company or employee. Immediate termination without notice if employee commits any serious act of misconduct.

The Company does not presently have formal service agreements or employment agreements with any other Key Management Personnel.

(3) Details of Remuneration of Key Management Personnel

Details of the nature and amount of each element of remuneration of each Key Management Personnel of the Company paid or payable by the Consolidated Entity during the financial year are as follows:

Paid by the Company (Queste) to its Key Management Personnel

2017	Performance related	Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	
Key Management Person	%	Cash, salary and commissions $	Non-cash benefit $	Superannuation $	Long service leave $	Shares & Options $	Total $
Executive Directors:							
Farooq Khan	-	31,249	-	1,425	-	-	32,674
Victor Ho	-	22,500	-	2,138	-	-	24,638
Non-Executive Director:							
Yaqoob Khan	-	15,000	-	-	-	-	15,000

2016	Performance related	Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	
Key Management Person	%	Cash, salary and commissions $	Non-cash benefit $	Superannuation $	Long service leave $	Shares & Options $	Total $
Executive Directors:							
Farooq Khan	-	51,562	-	5,149	2,644	-	59,355
Victor Ho	-	38,074	-	3,741	-	-	41,815
Non-Executive Director:							
Yaqoob Khan	-	15,000	-	-	-	-	15,000

REMUNERATION REPORT

Paid by Orion to Key Management Personnel (who are also KMP of Queste)

2017		Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	
Key Management Personnel	Performance related %	Cash, salary and commissions $	Non-cash benefit $	Superannuation $	Long service leave $	Shares & Options $	Total $
Executive Directors:							
Farooq Khan	-	186,834	-	17,749	-	-	204,583
Victor Ho	-	97,499	-	9,262	-	-	106,761
Non-Executive Director:							
Yaqoob Khan	-	25,000	-	-	-	-	25,000

2016		Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	
Key Management Personnel	Performance related %	Cash, salary and commissions $	Non-cash benefit $	Superannuation $	Long service leave $	Shares & Options $	Total $
Executive Directors:							
Farooq Khan	-	206,618	-	19,629	-	-	226,247
Victor Ho	-	78,562	-	7,481	-	-	86,043
Non-Executive Director:							
Yaqoob Khan	-	25,000	-	-	-	-	25,000

Victor Ho is also Company Secretary of Queste and Orion.

The tables above may be aggregated to arrive at the aggregate amount of each element of remuneration of each Key Management Personnel paid or payable by the Queste and Orion during the financial year.

(4) Other Benefits Provided to Key Management Personnel

No Key Management Personnel has during or since the end of the financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed above, by reason of a contract made by the Company or a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

(5) Engagement of Remuneration Consultants

The Company has not engaged any remuneration consultants to provide remuneration recommendations in relation to Key Management Personnel during the year. The Board has established a policy for engaging external Key Management Personnel remuneration consultants which includes, inter alia, that the Non-Executive Directors on the Remuneration Committee be responsible for approving all engagements of and executing contracts to engage remuneration consultants and for receiving remuneration recommendations from remuneration consultants regarding Key Management Personnel. Furthermore, the Company has a policy that remuneration advice provided by remuneration consultants be quarantined from Management where applicable.

REMUNERATION REPORT

(6) Shares held by Key Management Personnel

The number of ordinary shares in the Company held by Key Management Personnel is set below:

Key Management Personnel	Balance at 30 June 2016	Additions	Received as part of remuneration	Disposals	Balance at 30 June 2017
Executive Directors:					
Farooq Khan	5,612,972	-	-	-	5,612,972
Victor Ho	17,500	-	-	-	17,500
Non-Executive Director:					
Yaqoob Khan	68,345	-	-	-	68,345

Note: The disclosures of shareholdings above are in accordance with the accounting standards which require disclosure of shares held directly, indirectly or beneficially by each key management person, a close member of the family of that person, or an entity over which either of these persons have, directly or indirectly, control, joint control or significant influence (as defined under Accounting Standard AASB 124 Related Party Disclosures).

(7) Voting and Comments on the Remuneration Report at the 2016 AGM

At the Company's most recent (2016) AGM, a resolution to adopt the prior year (2016) Remuneration Report was put to the vote and passed unanimously on a show of hands with the proxies received also indicating majority 85.21% [16] support in favour of adopting the Remuneration Report. No comments were made on the Remuneration Report that was considered at the AGM.

This concludes the audited Remuneration Report.

16 Refer Queste's ASX announcement dated 29 November 2016: Results of 2016 Annual General Meeting

DIRECTORS' REPORT

DIRECTORS' AND OFFICERS' INSURANCE

The Company and Orion each insure Directors and Officers against liability they may incur in respect of any wrongful acts or omissions made by them in such capacity (to the extent permitted by the *Corporations Act 2001 (Cth))* (**D&O Policy**). Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

DIRECTORS DEEDS

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the *Corporations Act 2001 (Cth)*), the Company has also entered into a deed with each of the Directors and the Company Secretary (**Officer**) to regulate certain matters between the Company and each Officer, both during the time the Officer holds office and after the Officer ceases to be an officer of the Company, including the following matters:

(a) The Company's obligation to indemnify an Officer for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the *Corporations Act 2001 (Cth)*); and

(b) Subject to the terms of the deed and the *Corporations Act 2001 (Cth)*, the Company may advance monies to the Officer to meet any costs or expenses of the Officer incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any legal proceedings brought against the Officer.

LEGAL PROCEEDINGS ON BEHALF OF CONSOLIDATED ENTITY

No person has applied for leave of a court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of such proceedings. The Consolidated Entity was not a party to any such proceedings during and since the financial year.

AUDITORS

Details of the amounts paid or payable to the Auditors for audit and non-audit services (tax services) provided during the financial year are set out below:

Auditor	Consolidated Entity			Company		
	Audit & Review Fees $	Non-Audit Services $	Total $	Audit & Review Fees $	Non-Audit Services $	Total $
Rothsay Auditing	36,000	-	36,000	14,000	-	14,000

The Board is satisfied that the provision of non-audit services by the auditor during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001 (Cth)*. The Board is satisfied that the nature of the non-audit services disclosed above did not compromise the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants: Professional Independence, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

Rothsay Auditing continues in office in accordance with section 327B of the *Corporations Act 2001 (Cth)*.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001 (Cth)* forms part of this Directors Report and is set out on page 19. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

DIRECTORS' REPORT

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any other matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report (in particular, in Review of Operations) or the financial statements or notes thereto (in particular Note 26, that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.

Farooq Khan	Victor Ho
Chairman	Company Secretary

31 August 2017

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Queste Communications Ltd
Level 2 23 Ventnor Ave
West Perth WA 6005

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2017 financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the review.

Graham Swan FCA (Lead auditor)

Rothsay Auditing

Dated 31 August 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Note	2017 $	2016 $
Revenue	2	48,621	55,604
Other			
Share of Associate entity's profit		-	163,526
Net gain on financial assets at fair value through profit or loss		29,156	-
Other revenue		61	1,159
Total revenue		**77,838**	**220,289**
Expenses	3		
Net loss on financial assets at fair value through profit or loss		-	(78,076)
Share of Associate entity's loss		(1,324,263)	-
Olive grove operation expenses		(37,913)	(60,763)
Land operation expenses		(140,470)	(15,156)
Personnel expenses		(479,847)	(655,039)
Occupancy expenses		(34,615)	(56,666)
Corporate expenses		(53,800)	(53,815)
Finance expenses		(4,645)	(4,180)
Administration expenses		(124,677)	(193,324)
Loss before income tax		**(2,122,392)**	**(896,730)**
Income tax expense	5	(125,927)	-
Loss for the year		**(2,248,319)**	**(896,730)**
Other comprehensive income			
Revaluation of assets, net of tax		-	-
Total comprehensive loss for the year		**(2,248,319)**	**(896,730)**
Loss attributable to:			
Owners of Queste Communications Ltd		(1,380,272)	(698,370)
Non-controlling interest		(868,047)	(198,360)
		(2,248,319)	**(896,730)**
Total comprehensive loss for the year is attributable to:			
Owners of Queste Communications Ltd		(1,380,272)	(698,370)
Non-controlling interest		(868,047)	(198,360)
		(2,248,319)	**(896,730)**
Basic and diluted loss per share (cents) attributable to the ordinary equity holders of the Company	6	**(5.11)**	**(2.35)**

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Note	2017	2016
Current assets		**$**	**$**
Cash and cash equivalents	**7**	235,476	191,039
Financial assets at fair value through profit or loss	**8**	494,360	729,027
Receivables	**11**	41,216	42,345
Other current assets		6,573	7,865
Total current assets		**777,625**	**970,276**
Non current assets			
Receivables	**11**	22,010	21,774
Property held for development or resale	**12**	1,220,000	1,350,000
Investment in Associate entity	**22**	2,003,264	3,545,665
Property, plant and equipment	**13**	1,528,324	1,968,179
Olive trees	**14**	65,500	65,500
Deferred tax asset	**5**	61,206	116,782
Total non current assets		**4,900,304**	**7,067,900**
Total assets		**5,677,929**	**8,038,176**
Current liabilities			
Payables	**15**	343,714	151,617
Provisions	**16**	134,229	107,396
Total current liabilities		**477,943**	**259,013**
Non current liabilities			
Deferred tax liability	**5**	61,206	116,782
Total non current liabilities		**61,206**	**116,782**
Total liabilities		**539,149**	**375,795**
Net assets		**5,138,780**	**7,662,381**
Equity			
Issued capital	**17**	6,149,888	6,149,888
Reserves	**18**	3,182,215	3,270,684
Accumulated losses		(6,281,531)	(4,769,667)
Parent interest		**3,050,572**	**4,650,905**
Non-controlling interest	**19**	2,088,208	3,011,476
Total equity		**5,138,780**	**7,662,381**

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2017

	Issued capital $	Reserves $	Accumulated losses $	Non-controlling interest $	Total $
Balance at 1 July 2015	**6,268,445**	**3,200,408**	**(4,057,596)**	**3,313,099**	**8,724,356**
Loss for the year	-	-	(698,370)	(198,360)	**(896,730)**
Profit reserve transfer	-	13,701	(13,701)	-	
Other comprehensive income	-	-	-	-	**-**
Total comprehensive loss for the year	**-**	**13,701**	**(712,071)**	**(198,360)**	**(896,730)**
Transactions with owners in their capacity as owners:					
Partly paid shares	-	56,575	-	(103,263)	(46,688)
Transactions with	(299,998)	-	-	-	(299,998)
non-controlling interest	181,441	-	-	-	181,441
Balance at 30 June 2016	**6,149,888**	**3,270,684**	**(4,769,667)**	**3,011,476**	**7,662,381**
Balance at 1 July 2016	**6,149,888**	**3,270,684**	**(4,769,667)**	**3,011,476**	**7,662,381**
Loss for the year	-	-	(1,380,272)	(868,047)	**(2,248,319)**
Profit reserve	-	131,592	(131,592)	-	**-**
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**131,592**	**(1,511,864)**	**(868,047)**	**(2,248,319)**
Transactions with owners in their capacity as owners:					
Transactions with non-controlling interest	-	(220,061)	-	(55,221)	(275,282)
Balance at 30 June 2017	**6,149,888**	**3,182,215**	**(6,281,531)**	**2,088,208**	**5,138,780**

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Receipts from customers		111,674	46,491
Dividends received		215,959	227,047
Interest received		1,917	5,769
Payments to suppliers and employees		(547,085)	(1,003,389)
Interest paid		(68)	(48)
Sale of financial assets at fair value through profit or loss		269,576	973,442
Purchase of financial assets at fair value through profit or loss		(5,753)	(156,671)
Net cash provided by operating activities	**7**	**46,220**	**92,641**
Cash flows from investing activities			
Purchase of plant and equipment		(1,783)	(6,164)
Net cash used in investing activities		**(1,783)**	**(6,164)**
Cash flows from financing activities			
Queste off-market share buy-back		-	(299,998)
Proceeds from calls on partly paid shares		-	181,441
Orion on-market share buy back		-	(46,686)
Net cash used in financing activities		**-**	**(165,243)**
Net increase /(decrease) in cash held		**44,437**	**(78,766)**
Cash and cash equivalents at beginning of financial year		191,039	269,805
Cash and cash equivalents at end of financial year	**7**	**235,476**	**191,039**

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

1. ABOUT THIS REPORT

1.1 Background

This financial report covers the consolidated financial statement of the consolidated entity consisting of Queste Communications Ltd, its subsidiary and investment in its associate (the **Consolidated Entity** or **Queste**). The financial report is presented in the Australian currency.

Queste Communications Ltd (the **Company**) is a company limited by shares, incorporated in Western Australia, Australia and whose shares are publicly traded on the Australian Securities Exchange (**ASX**).

These financial statements have been prepared on a streamlined basis where key information is grouped together for ease of understanding and readability. The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Consolidated Entity.

Information is considered material and relevant if, for example:

(a) the amount in question is significant because of its size or nature;

(b) it is important for understanding the results of the Consolidated Entity;

(c) it helps to explain the impact of significant changes in the Consolidated Entity's business – for example, acquisitions; or

(d) it relates to an aspect of the Consolidated Entity's operations that is important to its future performance.

The notes are organised into the following sections:

(a) **Key Performance**: Provides a breakdown of the key individual line items in the statement of comprehensive income that the Directors consider most relevant to understanding performance and shareholder returns for the year:

Notes

2 Revenue
3 Expenses
4 Segment information
5 Tax
6 Loss per share

(b) **Financial Risk Management**: Provides information about the Consolidated Entity's exposure and management of various financial risks and explains how these affect the Consolidated Entity's financial position and performance:

Notes

7 Cash and cash equivalents
8 Financial assets at fair value through profit or loss
9 Financial risk management
10 Fair value measurement of financial instruments

(c) **Other Assets and Liabilities**: Provides information on other balance sheet assets and liabilities that do not materially affect performance or give rise to material financial risk:

Notes

11 Receivables
12 Property held for resale
13 Property, plant and equipment
14 Olive trees
15 Payables
16 Provisions

(d) **Capital Structure:** This section outlines how the Consolidated Entity manages its capital structure and related financing costs, as well as capital adequacy and reserves. It also provides details on the dividends paid by the Company:

Notes

17 Issued capital
18 Reserves
19 Non-controlling interest

(e) **Consolidated Entity Structure**: Provides details and disclosures relating to the parent entity of the Consolidated Entity, controlled entities, investments in associates and any acquisitions and/or disposals of businesses in the year. Disclosure on related parties is also provided in the section:

Notes

20 Parent entity information
21 Investment in controlled entity
22 Investment in associate entity
23 Related party transactions

(f) **Other:** Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however, are not considered significant in understanding the financial performance or position of the Consolidated Entity:

Notes

24 Auditors' remuneration
25 Contingencies
26 Events occurring after the reporting period

Significant and other accounting policies that summarise the measurement basis used and presentation policies and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

1.2. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australia Accounting Interpretations and the *Corporations Act 2001 (Cth)*, as appropriate for for-profit entities.

Compliance with IFRS

The consolidated financial statements of the Consolidated Entity also comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

Reporting Basis and Conventions

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

1.3. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Queste Communications Ltd as at 30 June 2017 and the results of its subsidiary for the year then ended. Queste Communications Ltd and its subsidiary are referred to in this financial statement as the Consolidated Entity.

The controlled entity has a June financial year-end. All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

1.4. Comparative Figures

Certain comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.5. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1.6. Impairment of Assets

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7. Dividends Policy

Provision is made for the amount of any dividend declared; being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at the Balance Date.

1.8. New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not mandatory have not been early adopted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

1.9. Summary of Accounting Standards Issued but not yet Effective

The following new Accounting Standards and Interpretations (which have been released but not yet adopted) have been considered and is expected to have limited material impact on the Consolidated Entity's financial statements or the associated notes therein.

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date
AASB 9, and relevant amending standards	Financial Instruments	AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement. Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Debt instruments are subsequently measured at fair value through profit or loss (**FVTPL**), amortised cost, or fair value through other comprehensive income (**FVOCI**), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (**FVO**) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (**OCI**) without subsequent reclassification to profit or loss. For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO. The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.	Annual reporting periods beginning on or after 1 January 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

1.9 Summary of Accounting Standards Issued but not yet Effective (continued)

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. AASB 2015-10 defers the mandatory effective date (application date) of AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016.	Annual reporting periods beginning on or after 1 January 2018
AASB 2016-5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	This Standard amends AASB 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: • The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments • Share-based payment transactions with a net settlement feature for withholding tax obligations • A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	Annual reporting periods beginning on or after 1 January 2018
AASB 15, and relevant amending standards	Revenue from Contracts with Customers	AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB Interpretation 13 *Customer Loyalty Programmes*, AASB Interpretation 15 *Agreements for the Construction of Real Estate*, AASB Interpretation 18 *Transfers of Assets from Customers* and AASB Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 *Leases*, once applied). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps: • Step 1: Identify the contract(s) with a customer • Step 2: Identify the performance obligations in the contract • Step 3: Determine the transaction price • Step 4: Allocate the transaction price to the performance obligations in the contract • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation	Annual reporting periods beginning on or after 1 January 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

1.9 Summary of Accounting Standards Issued but not yet Effective (continued)

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date
AASB 2017-1	Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and Other Amendments	The amendments clarify certain requirements in: • AASB 1 First-time Adoption of Australian Accounting Standards –deletion of exemptions for first-time adopters and addition of an exemption arising from AASB Interpretation 22 Foreign Currency Transactions and Advance Consideration • AASB 12 Disclosure of Interests in Other Entities – clarification of scope • AASB 128 Investments in Associates and Joint Ventures – measuring an associate or joint venture at fair value • AASB 140 Invest*ment Property* – change in use.	Annual reporting periods beginning on or after 1 January 2018
AASB Interpretation 22	Foreign Currency Transactions and Advance Consideration	The Interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.	Annual reporting periods beginning on or after 1 January 2018
AASB 16	Leases	AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to re-measure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.	Annual reporting periods beginning on or after 1 January 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

2. REVENUE

The Consolidated Entity's operating loss before income tax includes the following items of revenue:

	2017	2016
Revenue	**$**	**$**
Rental revenue	44,200	44,200
Dividend revenue	2,504	5,635
Interest revenue	1,917	5,769
	48,621	55,604
Other		
Share of Associate entity's profit	-	163,526
Net gain on financial assets at fair value through profit or loss	29,156	-
Other revenue	61	1,159
	77,838	**220,289**

Accounting policy
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. All revenue is stated net of the amount of Goods and Services Tax (**GST**) except where the amount of GST incurred is not recoverable from the Australian Tax Office. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of financial assets, goods and other assets
Revenue from the sale of financial assets, goods or other assets is recognised when the Consolidated Entity has passed control of the financial assets, goods or other assets to the buyer.

(b) Interest revenue
Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(c) Dividend revenue
Dividend revenue is recognised when the right to receive a dividend has been established. The Consolidated Entity brings dividend revenue to account on the applicable ex-dividend entitlement date

(d) Other revenues
Other revenues are recognised on a receipts basis.

3. EXPENSES

The Consolidated Entity's operating loss before income tax includes the following items of expenses:	2017 $	2016 $
Net loss on financial assets at fair value through profit or loss	-	78,076
Share of Associate entity's loss	1,324,263	-
Olive grove operations		
Depreciation of olive grove assets	32,863	41,071
Other expenses	5,050	19,692
Land operations		
Impairment loss on property held for development or resale	130,000	-
Other expenses	10,470	15,156
Salaries, fees and employee benefits	479,847	655,039
Occupancy expenses	34,615	56,666
Finance expenses	4,645	4,180
Corporate expenses		
ASX fees	33,456	34,166
Share registry	15,279	13,423
Other corporate expenses	5,065	6,226

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

3. EXPENSES (continued)

	2017	2016
Administration expenses	$	$
Professional fees	21,837	35,532
Audit fees	36,000	34,800
Legal fees	6,902	24,954
Depreciation	7,566	7,666
Other administration expenses	52,372	90,372
	2,200,230	**1,117,019**

4. SEGMENT INFORMATION

2017	**Investments**	**Olive grove**	**Corporate**	**Total**
Segment revenues	**$**	**$**	**$**	**$**
Revenue	48,621	-	-	48,621
Other	29,156	-	61	29,217
Total segment revenues	**77,777**	**-**	**61**	**77,838**
Personnel expenses	-	(10,915)	479,847	468,932
Finance expenses	-	190	4,715	4,905
Administration expenses	1,324,263	5,139	86,074	1,415,476
Depreciation expenses	-	32,862	7,088	39,950
Other expenses	135,564	10,637	124,766	270,967
Total segment loss	**(1,382,050)**	**(37,913)**	**(702,429)**	**(2,122,392)**
Segment assets				
Cash and cash equivalents	-	3,392	232,085	235,477
Financial assets	494,360	-	-	494,360
Property held for development or resale	1,220,000	-	-	1,220,000
Investment in associate	2,003,266	-	-	2,003,266
Property, plant and equipment	-	933,987	21,036	955,023
Other assets	-	638,759	131,044	769,803
Total segment assets	**3,717,626**	**1,576,138**	**384,165**	**5,677,929**
2016				
Segment revenues				
Revenue	55,604	-	-	55,604
Other	163,526	-	1,159	164,685
Total segment revenues	**219,130**	**-**	**1,159**	**220,289**
Personnel expenses	-	-	655,039	655,039
Finance expenses	-	(86)	4,897	4,811
Administration expenses	-	8,075	130,347	138,422
Depreciation expenses	-	41,071	7,667	48,738
Other expenses	94,375	11,703	163,931	270,009
Total segment profit/(loss)	**124,755**	**(60,763)**	**(960,722)**	**(896,730)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

4. SEGMENT INFORMATION (continued)

2016	**Investments**	**Olive grove**	**Corporate**	**Total**
Segment assets	**$**	**$**	**$**	**$**
Cash and cash equivalents	-	3,117	187,922	191,039
Financial assets	729,027	-	-	729,027
Property held for development or resale	1,350,000	-	-	1,350,000
Investment in associate	3,545,665	-	-	3,545,665
Property, plant and equipment	-	1,941,359	26,820	1,968,179
Other assets	-	66,139	188,127	254,266
Total segment assets	**5,624,692**	**2,010,615**	**402,869**	**8,038,176**

Accounting policy

The operating segments are reported in a manner consistent with the internal reporting provided to the "Chief Operating Decision Maker" (**CODM**). The Consolidated Entity's CODM is the Board of Directors who is responsible for allocating resources and assessing performance of the operating segments.

The Board has considered the business and geographical perspectives of the operating results and determined that the Consolidated Entity operates only within Australia, with the main segments being Investments and Olive Grove. Corporate items are mainly comprised of corporate assets, office expenses and income tax assets and liabilities.

Description of segments

(a) Investments comprise equity investments in companies listed on the Australian Securities Exchange (**ASX** unlisted managed funds and liquid financial assets;

(b) Olive grove is in relation to the olive grove farm in Gingin;

(c) Corporate items comprise corporate assets and operations

Liabilities

Liabilities are not reported to the Board of Directors by segment. All liabilities are assessed at a consolidated entity level.

5. TAX

	2017	**2016**
The components of tax expense comprise:	**$**	**$**
Current tax	125,927	-
Deferred tax	-	-
	125,927	**-**
(a) The prima facie tax on operating loss before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on operating loss before income tax at 27.5% (2016: 28.5%)	**(583,658)**	**(255,568)**
Adjust tax effect of:		
Other assessable income	85,992	92,699
Non-deductible expenses	1,434	11,432
Share of net (profit)/loss of associate	364,172	(46,605)
Current year tax losses not brought to account	132,060	198,042
Prior year's deferred tax assets recognition reversal	125,927	-
Income tax attributable to entity	**125,927**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

5. TAX (continued)

	2017	2016
(b) Deferred tax assets	**$**	**$**
Employee benefits & accruals	-	43,515
Fair value losses	61,206	73,267
	61,206	**116,782**
Deferred tax liabilities		
Fair value gains	61,206	116,782
	61,206	**116,782**

(i) Movements - deferred tax assets	**Employee benefits**	**Fair value losses**	**Total**
	$	**$**	**$**
At 1 July 2015	**53,890**	**162,484**	**216,374**
(Credited)/charged to income statement	(10,375)	(89,217)	(99,592)
At 30 June 2016	**43,515**	**73,267**	**116,782**
At 1 July 2016	**43,515**	**73,267**	**116,782**
(Credited)/charged to income statement	(43,515)	(12,061)	(55,576)
At 30 June 2017	**-**	**61,206**	**61,206**

(ii) Movements - deferred tax liabilities	**Fair value gains**	**Total**
	$	**$**
At 1 July 2015	**216,374**	**216,374**
Charged/(Credited) to the profit and loss	(99,592)	(99,592)
At 30 June 2016	**116,782**	**116,782**
At 1 July 2016	**116,782**	**116,782**
Charged/(Credited) to the profit and loss	(55,576)	(55,576)
At 30 June 2017	**61,206**	**61,206**

(iii)

	2017	2016
Deferred tax recognised directly in Other Comprehensive Income		
Revaluations of land & intangible assets	**125,926**	**-**
Unrecognised deferred tax balances		
Unrecognised deferred tax asset - revenue losses	3,847,565	3,888,490
Unrecognised deferred tax asset - capital losses	277,958	35,241
Unrecognised deferred tax asset - timing differences	1,554,693	1,399,976
	5,680,216	**5,323,707**

Critical accounting judgement and estimate

The above deferred tax assets have not been recognised in respect of the above items because it is not probable that future taxable profit will be available against which the Consolidated Entity can utilise the benefits. Revenue and capital tax losses are subject to relevant statutory tests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

5. TAX (continued)

Accounting policy
The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each taxing jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses (if applicable).

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each taxing jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The amount of deferred tax assets benefits brought to account or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

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

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

Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income or equity are also recognised directly in other comprehensive income or equity.

6. LOSS PER SHARE	**2017**	**2016**
Basic and diluted loss per share (cents)	**(5.11)**	**(2.35)**
The following represents the loss and weighted average number of shares used in the loss)per share calculations:		
Loss after income tax attributable to Owners of Queste Communications Ltd ($)	(1,380,272)	(698,370)
	Number of shares	
Weighted average number of ordinary shares	27,017,599	29,693,976

Under AASB 133 Earnings per Share, potential ordinary shares such as partly paid shares will only be treated as dilutive when their conversion to ordinary shares would increase the earnings/(loss) per share. Diluted earnings/(loss) per share is not calculated as it does not increase the earnings/(loss) per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2017

6. LOSS PER SHARE (continued)

Accounting policy

Basic earnings per share is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial period.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial period.

Under AASB 133 Earnings per Share, potential ordinary shares such as partly paid shares will only be treated as dilutive when their conversion to ordinary shares would increase the loss per share. Diluted loss per share is not calculated as it does not increase the loss per share.

7. CASH AND CASH EQUIVALENTS

	2017	2016
	$	$
Cash at bank	235,476	191,039

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts (if any) are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

Reconciliation of operating loss after income tax to net cash used in operating activities		
Loss after income tax	**(2,248,319)**	**(896,730)**
Add non-cash items:		
Depreciation	40,429	48,737
Net loss/(gain) on financial assets at fair value through profit or loss	(29,156)	78,076
Loss on land held for development or resale	130,000	-
Share of net loss/(profit) of Associate	1,324,263	(163,526)
Changes in assets and liabilities:		
Financial assets at fair value through profit or loss	263,824	716,242
Receivables	893	6,172
Other current assets	1,292	552
Investments accounted for using the equity method	218,138	323,073
Payables	192,097	(10,340)
Provisions	26,832	(9,615)
Deferred tax	125,927	-
	46,220	**92,641**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017	2016
	$	$
Listed securities at fair value	420,004	462,777
Unlisted managed fund at fair value	74,356	266,250
	494,360	**729,027**

Accounting policy
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, financial assets at fair value through profit and loss acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments will recognise its realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date which is the current bid price. The fair value of the unlisted managed fund is determined from unit price information provided by investment manager. The Consolidated Entity's investment portfolio is accounted for as a "financial assets at fair value through profit and loss" and is carried at fair value.

9. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist of deposits with banks, accounts receivable and payable, investments in listed securities, and other unlisted securities. The principal activity of the Consolidated Entity is the management of these investments - "financial assets at fair value" (refer to Note 8). The Consolidated Entity's investments are subject to market (which includes interest rate and price risk), credit and liquidity risks.

The Board of Directors is responsible for the overall internal control framework (which includes risk management) but no cost-effective internal control system will preclude all errors and irregularities. The system is based, in part, on the appointment of suitably qualified management personnel. The effectiveness of the system is continually reviewed by management and at least annually by the Board.

The financial receivables and payables of the Consolidated Entity in the table below are due or payable within 30 days. The financial investments are held for trading and are realised at the discretion of the Board of Directors.

The Consolidated Entity holds the following financial assets and liabilities:

		2017	2016
	Note	$	$
Cash and cash equivalents	7	235,476	191,039
Financial assets at fair value through profit or loss	8	494,360	729,027
Receivables	11	41,216	42,345
		771,052	**962,411**
Payables	15	(343,714)	(151,617)
Net financial assets		**427,338**	**810,794**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk

Market risk is the risk that the fair value and/or future cash flows from a financial instrument will fluctuate as a result of changes in market factors. Market risk comprises of price risk from fluctuations in the fair value of equities and interest rate risk from fluctuations in market interest rates.

(i) *Price risk*

The Consolidated Entity is exposed to equity securities price risk. This arises from investments held by the Consolidated Entity and classified in the Statement of Financial Position at fair value through profit or loss. The Consolidated Entity is not exposed to commodity price risk, save where this has an indirect impact via market risk and equity securities price risk.

The value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market. By its nature as an investment company, the Consolidated Entity will always be subject to market risk as it invests its capital in securities that are not risk free - the market price of these securities can and will fluctuate. The Consolidated Entity does not manage this risk through entering into derivative contracts, futures, options or swaps.

Equity price risk is minimised through ensuring that investment activities are undertaken in accordance with Board established mandate limits and investment strategies.

The Consolidated Entity has performed a sensitivity analysis on its exposure to market price risk at balance date. The analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. The ASX All Ordinaries Accumulation Index was utilised as the benchmark for the unlisted and listed share investments which are financial assets available-for-sale or at fair value through profit or loss.

	Impact on post-tax profit		Impact on other components components of equity	
ASX All Ordinaries Accumulation Index	**2017 $**	**2016 $**	**2017 $**	**2016 $**
Increase 15%	(27,204)	29,562	(27,204)	29,562
Decrease 15%	27,204	(29,562)	27,204	(29,562)

(ii) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing instruments. The average interest rate for the year for the table below is 1.35% (2016: 1.35%). The revenue exposure is immaterial in terms of the possible impact on profit or loss or total equity.

	2017 $	**2016 $**
Cash at bank and in hand	235,476	191,039

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty under a financial instrument will default (in whole or in part) on its contractual obligations resulting in financial loss to the Consolidated Entity. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, including outstanding receivables and committed transactions. Concentrations of credit risk are minimised primarily by undertaking appropriate due diligence on potential investments, carrying out all market transactions through approved brokers, settling non-market transactions with the involvement of suitably qualified legal and accounting personnel (both internal and external), and obtaining sufficient collateral or other security (where appropriate) as a means of mitigating the risk of financial loss from defaults. The Consolidated Entity's business activities do not necessitate the requirement for collateral as a means of mitigating the risk of financial loss from defaults.

The credit quality of the financial assets are neither past due nor impaired and can be assessed by reference to external credit ratings (if available with Standard & Poor's) or to historical information about counterparty default rates. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised below:

	2017	2016
Cash and cash equivalents	**$**	**$**
AA-	234,523	150,287
A-	59	38,857
	234,582	**189,144**
Receivables (due within 30 days)		
No external credit rating available	**41,216**	**42,345**

The Consolidated Entity measures credit risk on a fair value basis. The carrying amount of financial assets recorded in the financial statements, net any provision for losses, represents the Consolidated Entity's maximum exposure to credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will encounter difficulty in meeting obligations associated with financial liabilities. The Consolidated Entity has no borrowings. The Consolidated Entity's non-cash investments can be realised to meet trade and other payables arising in the normal course of business. The financial liabilities disclosed in the above table have a maturity obligation of not more than 30 days.

10. FAIR VALUE MEASUREMENT 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:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

	Level 1	Level 2	Level 3	Total
2017	**$**	**$**	**$**	**$**
Financial assets at fair value through profit or loss:				
Listed securities at fair value	420,004	-	-	420,004
Unlisted managed fund at fair value	-	74,356	-	74,356
Land at independent valuation	-	-	1,340,455	1,340,455
Olive trees	-	-	65,500	65,500
Total	**420,004**	**74,356**	**1,405,955**	**1,900,315**
2016				
Financial assets at fair value through profit or loss:				
Listed securities at fair value	462,777	-	-	462,777
Unlisted managed fund at fair value	-	266,250	-	266,250
Land at independent valuation	-	-	1,741,664	1,741,664
Olive trees	-	-	65,500	65,500
Total	**462,777**	**266,250**	**1,807,164**	**2,536,191**

There have been no transfers between the levels of the fair value hierarchy during the financial year.

Accounting policy

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the Balance Date. The quoted market price used for financial assets held by the Consolidated Entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, including but not limited to recent arm's length transactions, reference to similar instruments and option pricing models. The Consolidated Entity may use a variety of methods and makes assumptions that are based on market conditions existing at each Balance Date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for other financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Consolidated Entity for similar financial instruments.

The Consolidated Entity's investment portfolio (comprising listed and unlisted securities) is accounted for as "financial assets at fair value through profit and loss" and is carried at fair value based on the quoted last bid prices at the reporting date (refer Note 8).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Valuation techniques

The fair value of the listed securities traded in active markets is based on closing bid prices at the end of the reporting period. These investments are included in Level 1.

The fair value of any assets that are not traded in an active market are determined using certain valuation techniques. The valuation techniques maximise the use of observable market data where it is available, or independent valuation and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The fair value of the unlisted managed fund investment is valued at the audited unit price published by the investment manager and as such this financial instrument is included in Level 2.

At Level 3, the land was valued by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) as at 15 June 2017. These assets have been valued based on similar assets, location and market conditions or Direct Comparison or Comparative Sales Approach. The land value per hectare based on rural land sold in the general location provided a rate which included ground water licence. A 4% change would increase or decrease the land's fair value by approximately $54,000. There has been no unusual circumstances that may affect the value of the trees.

At Level 3 the olive trees' value was assessed as at 30 June 2017 by the Directors. The fair value of the trees is at the Orion Directors' valuation having regard to, amongst other matters, replacement cost and the trees commercial production qualities. The significant unobservable input is the replacement cost of 18 year old fruiting trees. There are no age limits to the commercial viability of an olive grove. A 1% change in the replacement cost would result in an increase or decrease by $3,500. There has been no unusual circumstances that may affect the value of the property.

(b) Level 3 assets

	Land	Olive trees	Total
	$	$	$
At 1 July 2015	**1,741,664**	**65,500**	**1,807,164**
Addition/(Disposal)	-	-	-
At 30 June 2016	**1,741,664**	**65,500**	**1,807,164**
Revaluation	(401,209)	-	(401,209)
At 30 June 2017	**1,340,455**	**65,500**	**1,405,955**

(c) Fair values of other financial assets and liabilities

	2017	2016
	$	$
Cash and cash equivalents	235,476	191,039
Receivables	41,216	42,345
	276,692	**233,384**
Payables	(343,714)	(151,617)
	(67,022)	**81,767**

Due to their short-term nature, the carrying amounts of cash, current receivables and current payables is assumed to approximate their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

11. RECEIVABLES

	2017	2016
Current	**$**	**$**
Deposit	27,500	27,500
GST receivable	8,583	8,647
Other receivables	3,242	4,207
Receivable from related parties	1,891	1,991
	41,216	**42,345**
Non current		
Bonds and guarantees	**22,010**	**21,774**

Accounting policy
Receivables are recorded at amounts due less any provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when considered non-recoverable.

Risk exposure
The Consolidated Entity's exposure to credit and interest rate risks is discussed in Note 9.
Impaired trade receivables
None of the Consolidated Entity's receivables are impaired or past due.

12. PROPERTY HELD FOR RESALE

	2017	2016
	$	**$**
Property held for development or resale	3,797,339	3,797,339
Revaluation of property	(2,577,339)	(2,447,339)
	1,220,000	**1,350,000**

Critical accounting judgement and estimate
Property held for development or resale was last valued by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) as at 9 June 2017. The impairment loss of $130,000 has been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Accounting policy
Property held for resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

13. PROPERTY, PLANT AND EQUIPMENT

	Cost	Revaluation	Accumulated Depreciation	Total
2017	**$**	**$**	**$**	**$**
Freehold land	1,117,889	222,566	-	1,340,455
Buildings	124,867	-	(65,779)	59,088
Plant and equipment	1,388,593	-	(1,259,812)	128,781
	2,631,349	**222,566**	**(1,325,591)**	**1,528,324**
2016				
Freehold land	1,117,889	623,775	-	1,741,664
Buildings	124,867	-	(60,988)	63,879
Plant and equipment	1,386,810	-	(1,224,174)	162,636
	2,629,566	**623,775**	**(1,285,162)**	**1,968,179**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in carrying amounts	Freehold land $	Buildings $	Plant and equipment $	Total $
At 1 July 2015	1,741,664	69,059	200,029	2,010,752
Additions	-	-	6,164	6,164
Depreciation expense	-	(5,180)	(43,557)	(48,737)
At 30 June 2016	**1,741,664**	**63,879**	**162,636**	**1,968,179**
At 1 July 2016	**1,741,664**	**63,879**	**162,636**	**1,968,179**
Revaluation	(401,209)	-	-	(401,209)
Additions	-	-	1,783	1,783
Depreciation expense	-	(4,791)	(35,638)	(40,429)
At 30 June 2017	**1,340,455**	**59,088**	**128,781**	**1,528,324**

Critical accounting judgement and estimate
Land was valued by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) as at 15 June 2017. The revaluation loss of $401,209 has been recognised in the Asset Revaluation Reserve (refer to Note 18).

In assessing the recoverable amount of the groups farm property, plant and equipment, management monitors the worldwide olive oil prices annually in determining if the Gingin olives should be harvested. As such the property, plant and equipment is carried at its written down value and continues to be depreciated as it is in a condition to be used to generate economic benefits to the group at such time as required and the assets are maintained in fair condition and therefore their recoverable amount has been assessed to be in excess of their carrying values at reporting date.

Accounting policy
All plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Freehold land is not depreciated. Increases in the carrying amounts arising on revaluation of land are recognised, net of tax, in other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. It is shown at fair value, based on periodic valuations by external, independent valuers.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset’s employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining the recoverable amount.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Accounting policy (continued)
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Class of Fixed Asset	Rate	Method
Buildings	7.50%	Diminishing Value
Plant and Equipment	5-75%	Diminishing Value

14. OLIVE TREES

	2017	2016
	$	$
Olive trees - at cost	300,000	300,000
Revaluation	(234,500)	(234,500)
	65,500	**65,500**

Critical accounting judgement and estimate
There are approximately 64,500 18 year old olive trees on Orion's 143 hectare Olive Grove located in Gingin, Western Australia. The fair value of the trees is at the Directors' valuation having regard to, amongst other matters, replacement cost and the trees commercial production qualities.

Accounting policy
Biological assets are initially, and subsequent to initial recognition, measured at their fair value less any estimated point-of-sale costs. Gains or losses arising on initial or subsequent recognition are accounted for via the profit or loss for the period in which the gain or loss arises. Agricultural produce harvested from the biological assets is measured at its fair value less estimated point-of-sale costs at the point of harvest.

15. PAYABLES

	2017	2016
Current	$	$
Trade payables	6	67,787
Dividend payable	-	-
GST payable	14,931	10,880
Other payables and accrued expenses	86,053	72,950
Directors' fees and entitlements	242,724	-
	343,714	**151,617**

Accounting policy
These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Risk exposure
The Consolidated Entity's exposure to risks arising from current payables is set out in Note 9.

16. PROVISIONS

	2017	2016
	$	$
Current		
Employee benefits - annual leave	15,014	12,752
Employee benefits - long service leave	119,215	94,644
	134,229	**107,396**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

16. PROVISIONS (continued)

Accounting policy
Short-term obligations
Provision is made for the Consolidated Entity's liability for employee benefits arising from services rendered by employees to the Balance Date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year from the Balance Date have been measured at the present value of the estimated future cash outflows to be made for those benefits. Employer superannuation contributions are made by the Consolidated Entity in accordance with statutory obligations and are charged as an expense when incurred.

Other long-term employee benefit obligations
The liability for long-service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

(a) Amounts not expected to be settled within 12 months
The provision for annual leave and long service leave is presented as current since the Consolidated Entity does not have an unconditional right to defer settlement for any of these employee benefits. Long service leave covers all unconditional entitlements where employees have completed the required period of service and also where employees are entitled to pro-rata payments in certain circumstances.

Based on past experience, the employees have never taken the full amount of long service leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months:

	2017 $	2016 $
Leave obligations expected to be settled after 12 months	119,215	94,644

17. ISSUED CAPITAL	2017 Number	2016 Number	2017 $	2016 $
Fully paid ordinary shares	26,578,358	26,578,358	5,935,679	5,935,679
Partly paid ordinary shares	5,770,000	5,770,000	214,209	214,209
			6,149,888	6,149,888

Accounting policy
Ordinary shares are classified as equity. Fully paid ordinary shares carry one vote per share and the right to dividends. At any meeting, each shareholder present in person or by proxy, attorney, or representative has one vote for each fully paid ordinary share held either upon a show of hands or by a poll. Holders of partly paid ordinary shares have a fraction of a vote for each partly paid share held, with the fractional vote of each share being equivalent to the proportion of the total amount paid and payable (excluding amounts credited) that has actually been paid (not credited) for each share. Amounts paid in advance of a call are ignored when calculating proportions. The holder of a partly paid ordinary share is not entitled to vote at a meeting in respect of those shares on which calls are outstanding.

The profits of the Consolidated Entity, which the Directors may from time to time determine to distribute to shareholders by way of dividends, will be divisible amongst the shareholders in proportion to the amounts paid on the shares. An amount paid in advance of a call is not to be included as an amount paid on a share for the purposes of calculating an entitlement to dividends.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

17. ISSUED CAPITAL (continued)

Movement in fully paid ordinary shares	Date of issue	Number of shares	Issue price $	$
At 1 July 2015		28,817,316		**6,029,170**
Issue of shares	11-Dec-15	900,000	0.20	180,000
Equal access share buy-back - refer (a)	27-May-16	(3,220,914)	0.09	(289,882)
Issue of shares	30-Jun-16	81,956	0.20	16,391
At 30 June 2016		26,578,358		**5,935,679**
At 1 July 2016		26,578,358		**5,935,679**
At 30 June 2017		26,578,358		**5,935,679**

Movement in partly paid ordinary shares				
At 1 July 2015		9,000,000		**239,275**
Call on partly paid shares - refer (b)		-		166,298
Partly paid shares cancelled	03-Dec-15	(900,000)	0.20	(180,000)
Equal access share buy-back - refer (a)	27-May-16	(2,248,044)		(10,116)
Call on partly paid shares - refer (b)		-		15,143
Partly paid shares cancelled	30-Jun-16	(81,956)	0.20	(16,391)
At 30 June 2016		5,770,000		**214,209**
At 1 July 2016		5,770,000		**214,209**
At 30 June 2017		5,770,000		**214,209**

(a) Equal access share buy-back

On 26 May 2016, the Company's Off-Market Equal Access Share Buy-Back (approved by shareholders at the General Meeting held on 17 March 2016) (**Buy-Back**) closed with the following shares being bought-back and cancelled:

(i) 3,220,914 fully paid ordinary shares were bought back for 9 cents per share at a cost of $289,882; and

(ii) 2,248,044 partly paid ordinary shares were bought back for 0.45 cent per share at a total cost of $10,116, with the total cost of the Buy-Back being $299,998.

(b) Call on partly paid ordinary shares

On 3 December 2015 and 30 June 2016, there was a conversion of 900,000 and 81,956 partly paid shares respectively into fully paid shares upon payment of a call made by the Company in relation to 100% of the outstanding balance (being $0.184775 each or $181,441 in total) due and payable in respect of these 981,956 partly paid shares.

(c) Capital risk management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders.

The Board will consider capital management initiatives as is appropriate and in the best interests of the Company and shareholders from time to time, including undertaking capital raisings, share Buy-backs, capital reductions and the payment of dividends.

The Consolidated Entity has no external borrowings. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

18. RESERVES

	2017	2016
	$	$
Option premium reserve	**2,138,012**	**2,138,012**
Asset revaluation reserve		
Revaluations of freehold land	222,566	623,775
Deferred tax on revaluations	(61,206)	(187,132)
Non-controlling interest	(64,770)	(175,267)
	96,590	**261,376**
Other reserve		
Dilution movement	1,071,663	1,071,663
Non-controlling Interest	(269,343)	(214,068)
	802,320	**857,595**
Profit Reserve	**145,293**	**13,701**
	3,182,215	**3,270,684**

The Asset Revaluation Reserve relates to the revaluation of Orion's Olive Grove Land, as assessed by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) as at 15 June 2017. (Refer to Note 13)

Other Reserve relates the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

Profits Reserve increase will arise when the Company or its subsidiaries generates a net profit (after tax) for a relevant financial period (i.e. half year or full year) which the Board determines to credit to the company's Profits Reserve. Dividends may be paid out of (and debited from) the company's Profits Reserve, from time to time.

19. NON-CONTROLLING INTEREST

	2017	2016
	$	$
Issued capital	7,549,512	7,549,512
Asset revaluation reserve	64,770	175,267
Other reserve	269,343	214,068
Accumulated losses	(5,795,417)	(4,927,371)
	2,088,208	**3,011,476**

The non-controlling interest is a 40.14% (2016: 40.14%) equity holding in Orion Equities Limited (not held by the Company).

Accounting policy
The Consolidated Entity treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Consolidated Entity. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve (refer to Note 18) within equity attributable to owners of Queste Communications Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

20. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Queste Communications Ltd, as at 30 June 2017.

	2017	2016
Statement of profit or loss and other comprehensive income	**$**	**$**
Loss for the year	(315,045)	(318,411)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(315,045)**	**(318,411)**
Statement of financial position		
Current assets	36,022	130,030
Non current assets	2,040,024	2,225,061
Total assets	**2,076,046**	**2,355,091**
Current liabilities	154,391	118,391
Total liabilities	**154,391**	**118,391**
Net assets	**1,921,655**	**2,236,700**
Issued capital	6,149,888	6,149,888
Option premium reserve	2,138,012	2,138,012
Accumulated losses	(6,366,245)	(6,051,200)
Equity	**1,921,655**	**2,236,700**

21. INVESTMENT IN CONTROLLED ENTITY

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interest:

Ownership Interest		**Parent**		**Non-Controlling Interest**	
	Incorporated	**2017**	**2016**	**2017**	**2016**
Orion Equities Limited	Australia	59.86%	59.86%	40.14%	40.14%

Summarised financial information of the subsidiary with non-controlling interests that are material to the consolidated entity are set out below:

Summarised statement of profit or loss and other comprehensive income	**2017**	**2016**
	$	**$**
Revenue	78,019	198,781
Expenses	(1,976,940)	(742,734)
Loss before income tax expense	**(1,898,921)**	**(543,953)**
Income tax expense	(125,927)	-
Loss after income tax expense	**(2,024,848)**	**(543,953)**
Other comprehensive income	(275,283)	-
Total comprehensive loss for the year	**(2,300,131)**	**(543,953)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

21. INVESTMENT IN CONTROLLED ENTITY (continued)

	2017	2016
Summarised Statement of Financial Position	**$**	**$**
Current assets	725,358	826,409
Non-current assets	4,861,645	6,933,370
Total Assets	**5,587,003**	**7,759,779**
Current liabilities	323,466	140,535
Non-current liabilities	61,206	116,782
Total Liabilities	**384,672**	**257,317**
Net Assets	**5,202,331**	**7,502,462**
Statement of cash flows		
Net cash from operating activities	129,038	(14,226)
Net cash used in investing activities	(123)	(1,107)
Net cash used in financing activities	-	(46,686)
Net increase/(decrease) in cash and cash equivalents	**128,915**	**(62,019)**
Other financial information		
Profit/(Loss) attributable to non-controlling interest	(868,047)	(198,360)
Accumulated non-controlling interest at the end of the year	2,088,208	3,011,476

Accounting policy
Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases. The controlled entity has a June financial year-end. All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

Changes in Ownership Interests
When the Consolidated Entity ceases to have control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Consolidated Entity has directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

22. INVESTMENT IN ASSOCIATE ENTITY

	Ownership Interest		Carrying Amount	
	2017	**2016**	**2017**	**2016**
			$	**$**
Bentley Capital Limited (ASX:BEL)	28.66%	28.93%	**2,003,264**	**3,545,665**

Accounting policy

Associates are all entities over which the Consolidated Entity 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 in the consolidated financial statements are accounted for using the equity method of accounting. On initial recognition investment in associates are recognised at cost, for investments which were classified as fair value through profit or loss, any gains or losses previously recognised are reversed through profit or loss. Under this method, the Consolidated Entity's share of the post-acquisition profits or losses of associates are recognised in the consolidated Statement of Profit or Loss and Other 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 from associates are recognised in the Company's Statement of Profit or Loss and Other Comprehensive Income, while in the consolidated financial statements they reduce the carrying amount of the investment. When the Consolidated Entity's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Consolidated Entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Consolidated Entity and its associates are eliminated to the extent of the Consolidated Entity'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 Consolidated Entity. The associated entity has a June financial year-end.

Changes in ownership interests

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

	2017	**2016**
Movements in carrying amounts	**$**	**$**
Opening balance	3,545,665	3,705,212
Sale of BEL shares	-	(100,529)
Share of net loss after tax	(1,324,263)	163,526
Dividends received	(218,138)	(222,544)
Closing balance	**2,003,264**	**3,545,665**
Fair value (at market price on ASX) of investment in Associate entity	**2,399,516**	**2,944,861**
Net asset backing value of investment in Associate entity	**3,425,714**	**4,712,038**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

22. INVESTMENT IN ASSOCIATE ENTITY (continued)

	2017 $	2016 $
Summarised statement of profit or loss and other comprehensive income		
Revenue	190,401	3,258,497
Expenses	(3,868,917)	(2,732,417)
Profit/(Loss) before income tax	**(3,678,516)**	**526,080**
Income tax expense	-	-
Profit/(Loss) after income tax	**(3,678,516)**	**526,080**
Other comprehensive income	-	-
Total comprehensive income	**(3,678,516)**	**526,080**
Summarised statement of financial position		
Current assets	8,107,288	13,159,280
Non-current assets	4,063,419	3,430,002
Total assets	**12,170,707**	**16,589,282**
Current liabilities	209,628	291,726
Non-current liabilities	9,015	9,835
Total liabilities	**218,643**	**301,561**
Net assets	**11,952,064**	**16,287,721**

23. RELATED PARTY TRANSACTIONS

The Company has control of Orion Equities Limited (**Orion**) as it holds 59.86% (9,367,653 shares) of Orion's issued capital (2016: 59.86% and 9,367,653 shares). During the year there were transactions between the Company, Orion and Associate Entity, Bentley Capital Limited (ASX:BEL), pursuant to shared office and administration expense arrangements. There were no outstanding amounts at the reporting date.

	2017 $	2016 $
Bentley Capital Limited		
Dividends Received	**13,000**	**17,406**

(b) Transactions with key management personnel

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Consolidated Entity's KMP for the year ended 30 June 2017. The total remuneration paid to KMP of the Consolidated Entity during the year is as follows:

	2017 $	2016 $
Directors		
Short-term employment benefits	192,249	417,460
Post-employment benefits	12,921	36,000
	205,170	**453,460**

During the year, the Consolidated Entity generated $44,200 rental income from a KMP/close family member of KMP (the KMP being Director, Farooq Khan), pursuant to a standard form residential tenancy agreement in respect of Property Held for Resale (held by Orion subsidiary, Silver Sands Developments Pty Ltd).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

24. AUDITORS' REMUNERATION

During the year the following fees were paid for services provided by the auditor of the parent entity:

	2017	2016
Rothsay Auditing	**$**	**$**
Audit and Review of Financial Statements	36,000	36,000
BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	-	550
Taxation services	-	2,901
Other services	-	12,565
	36,000	**52,016**

25. CONTINGENCIES

(a) Directors' Deeds

The Company has entered into Deeds of Indemnity with each of its Directors indemnifying them against liability incurred in discharging their duties as Directors/Officers of the Consolidated Entity. At the end of the financial period, no claims have been made under any such indemnities and accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

(b) Tenement Royalties

The Consolidated Entity is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from the Paulsens East (Iron Ore) Project tenement (currently a Retention Licence RL 47/7) in Western Australia currently held by Strike Resources Limited (ASX:SRK).

26. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) Associate entity, Bentley Capital Limited (ASX:BEL), announced its intention to pay a fully-franked dividend of 0.5 cent per share on 31 August 2017. The Company’s entitlement to such dividend would be $6,500. Orion's entitlement to such dividend would be $102,569.

(b) Controlled entity, Orion Equities Limited (ASX:OEQ), has declared payment of a fully-franked special dividend of 0.9 cent per share in September 2017. The Company’s entitlement to such dividend would be $84,309.

No other matter or circumstance has arisen since the end of the financial year that significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

(1) The financial statements, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes as set out on pages 20 to 50 are in accordance with the *Corporations Act 2001 (Cth)* and:

   (a) comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting; and

   (b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and of its performance for the year ended on that date;

(2) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(3) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001 (Cth)* by the Executive Chairman/Managing Director (the person who, in the opinion of the Directors, performs the Chief Executive Officer function) and Company Secretary (the person who, in the opinion of the Directors, performs the Chief Financial Officer function); and

(4) The Company has included in the notes to the Financial Statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001 (Cth).*

Farooq Khan
Chairman

Victor Ho
Company Secretary

31 August 2017

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF QUESTE COMMUNICATIONS LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Queste Communications Ltd ("the Company") and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Consolidation

The majority of the Group's assets and liabilities are held by the subsidiary and whilst we do not believe the consolidation to be at a high risk of significant misstatement or to be subject to a significant level of judgement, due to the materiality of the consolidation in the context of the Group financial statements as a whole, it is considered to be the area which had the greatest effect on our overall strategy and allocation of resources in planning and completing our audit.

Our procedures over the completeness and accuracy of the consolidation included but were not limited to:

- Documenting and assessing the processes and controls in place to record transactions and value the subsidiary's assets and liabilities;
- Agreeing the recorded value of assets and liabilities to the audited accounts of the subsidiary;
- Agreeing the mathematical accuracy of the consolidation worksheet; and
- Assessing the appropriateness of the disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatementt, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2017.

In our opinion the remuneration report of Queste Communications Ltd for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay

Rothsay Auditing
Dated 31st August 2017

Graham Swan FCA
Partner

SECURITIES INFORMATION
as at 24 October 2017

DISTRIBUTION OF LISTED ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	12	7,372	0.027%
1,001	-	5,000	48	135,915	0.501%
5,001	-	10,000	59	537,749	1.980%
10,001	-	100,000	95	2,604,646	9.592%
100,001	-	and over	25	23,869,676	87.900%
Total			**239**	**27,155,358**	**100%**

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	9,615	78	271,307	0.999%
9,616	-	over	161	26,884,051	99.001%
TOTAL			**239**	**27,155,358**	**100%**

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 9,615 shares or less, being a value of $500 or less in total, based upon the Company's last sale price on ASX as at 24 October 2017 of $0.052 per share.

DISTRIBUTION OF UNLISTED PARTLY PAID ORDINARY SHARES

Name	No. of Partly Paid Shares	% Voting Power
Chi Tung Investments Ltd	5,193,000	1.435%

These 5,193,000 ordinary shares were issued at a price of 20 cents per share and have been partly paid to 1.5225 cent each and have an outstanding amount payable of 18.4775 cents per share. These shares carry voting rights proportional to the amount paid up per share. This is equivalent to 395,317 total voting shares.

Total Voting Power is equivalent to the total number of fully paid ordinary shares on issue (27,155,358) plus the equivalent voting shares associated with the partly paid shares on issue based on the amount paid up per partly paid share (395,317), being a total of 27,550,675 voting shares.

SECURITIES INFORMATION
as at 24 October 2017

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Registered Fully Paid Shareholding	Registered Partly Paid Shareholding	Voting Shares	Total Voting Shares	% Voting Power[6]
Azhar Chaudhri, Renmuir Holdings Limited and Chi Tung Investments Ltd[1]	Renmuir Holdings Ltd	3,277,780	-	3,277,780	8,718,054	31.644%
	Chi Tung Investments Ltd	3,608,956	-	3,608,956		
	Mr Azhar Chaudhri	1,436,001	-	1,436,001		
	Chi Tung Investments Ltd		5,193,000	395,317[2]		
Bell IXL Investments Limited and associates[3]	Cleod Pty Ltd	1,985,684	-	1,985,684	5,347,329	19.409%
	Bell IXL Investments Limited	1,444,745	-	1,444,745		
	Cellante Securities Pty Limited	1,916,900	-	1,916,900		
Farooq Khan and associates[4]	Island Australia Pty Ltd	3,668,577	-	3,668,577	5,344,872	19.400%
	Farooq Khan	1,676,295	-	1,676,295		
Manar Nominees Pty Ltd and Zelwar Superannuation Pty Ltd[5]	Manar Nominees Pty Ltd	1,617,910	-	1,617,910	1,748,315	6.346%
	Zelwar Superannuation Pty Ltd	130,405	-	130,405		

Notes:

(1) Based on the substantial shareholding notice filed by Azhar Chaudhri and associates dated 23 October 2017

(2) Voting shares attributable to 5,193,000 partly paid ordinary shares (issued at a price of 20 cents per share) which have been partly paid to 1.5225 cents each

(3) Based on the substantial shareholding notice filed by Bell IXL Investments Limited dated 28 January 2014 (updated to reflect current registered shareholdings and percentage voting power)

(4) Based on the Change of Interests of Substantial Holder notice filed by Farooq Khan and associates dated 20 November 2014 (updated to reflect current registered shareholdings and percentage voting power)

(5) Based on the substantial shareholding notice filed by Manar Nominees Pty Ltd dated 29 December 2003 (updated to reflect current registered shareholdings and percentage voting power)

(6) Total Voting Power is equivalent to the total number of fully paid ordinary shares on issue (27,155,358) plus the equivalent voting shares associated with the partly paid shares on issue based on the amount paid up per partly paid share (395,317), being a total of 27,550,675 voting shares.

(7) Movements of less than 1% in voting power are not required to be disclosed to ASX via an updated substantial shareholding notice and accordingly, there may be variances between the shareholdings recorded in the table above and the most recent substantial shareholding notices lodged on ASX. Current registered shareholdings have been disclosed (where applicable).

SECURITIES INFORMATION
as at 24 October 2017

TOP 20 ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Shares Held	Total Shares	% Issued Capital	% Voting Power*
1	RENMUIR HOLDINGS LTD	3,277,780			
	CHI TUNG INVESTMENTS LTD	3,608,956			
	MR AZHAR AMIN CHAUDHRI	1,436,001			
		Sub-total	8,322,737	30.649%	30.209%
2	CLEOD PTY LTD	1,985,684			
	BELL IXL INVESTMENTS LIMITED	1,444,745			
	CELLANTE SECURITIES PTY LIMITED	1,916,900			
		Sub-total	5,347,329	19.692%	19.409%
3	ISLAND AUSTRALIA PTY LTD	3,668,577			
	FAROOQ KHAN	1,676,295			
		Sub-total	5,344,872	19.683%	19.400%
4	MANAR NOMINEES PTY LTD	1,617,910			
	ZELWER SUPERANNUATION PTY LTD	130,405			
		Sub-total	1,748,315	6.438%	6.346%
5	COWOSO CAPITAL PTY LTD		830,834	3.060%	3.016%
6	J P MORGAN NOMINEES AUSTRALIA LIMITED		341,075	1.256%	1.238%
7	MS ROSANNA DE CAMPO		268,100	0.987%	0.973%
8	GLENVIEW SERVICES PTY LTD		250,000	0.921%	0.907%
9	GIBSON KILLER PTY LTD		220,000	0.810%	0.799%
10	MR AYUB KHAN		215,000	0.792%	0.780%
11	MRS AFIA KHAN		215,000	0.792%	0.780%
12	MR SIMON KENNETH CATO & MRS KAYE LOUISE HOPKINS	118,000			
	ROSEMONT ASSET PTY LTD	75,000			
		Sub-total	193,000	0.711%	0.701%
13	GA & AM LEAVER INVESTMENTS PTY LTD		191,400	0.705%	0.695%
14	TOMATO 2 PTY LTD		185,019	0.681%	0.672%
15	MR JOHN CHENG-HSIANG YANG & MS PEGA PING PING MOK		136,125	0.501%	0.494%
16	MR ANTHONY NEALE KILLER & MRS SANDRA MARIE KILLER		130,000	0.479%	0.472%
17	MR EUGENE RODRIGUEZ		110,000	0.405%	0.399%
18	MRS MARY THERESE CAMILLERI		100,000	0.368%	0.363%
19	MRS LINDA ANN OATES		100,000	0.368%	0.363%
20	DR SIEW AM UN		87,500	0.322%	0.318%
Total			**24,336,306**	**89.619%**	**88.333%**

* Total Voting Power is equivalent to the total number of fully paid ordinary shares on issue (27,155,358) plus the equivalent voting shares associated with the partly paid shares on issue based on the amount paid up per partly paid share (395,317), being a total of 27,550,675 voting shares

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