



FULL YEAR REPORT

**ASX Appendix 4E Preliminary Final Report
Directors' Report
Auditor's Independence Declaration
Financial Report
Auditor's Report**

30 June 2021



ASX Code: QUE

Queste Communications Ltd
A.B.N. 58 081 688 164

PRINCIPAL & REGISTERED OFFICE:

Level 2
31 Ventnor Avenue
West Perth, Western Australia 6005

T | (08) 9214 9777
F | (08) 9214 9701
E | info@queste.com.au
W | www.queste.com.au

SHARE REGISTRY:

Advanced Share Registry Limited
Western Australia – Main Office
110 Stirling Highway
Nedlands, Western Australia 6009
PO Box 1156, Nedlands,
Western Australia 6909
Local T | 1300 113 258
T | (08) 9389 8033
F | (08) 6370 4203
E | admin@advancedshare.com.au

New South Wales – Branch Office
Suite 8H, 325 Pitt Street
Sydney, New South Wales 2000
PO Box Q1736, Queen Victoria Building
New South Wales 1230

T | (02) 8096 3502

W | www.advancedshare.com.au

CONTENTS

ASX Appendix 4E Preliminary Final Report, Results for Announcement to the Market	2
Directors' Report	4
Remuneration Report	11
Auditor's Independence Declaration	17
Consolidated Statement of Profit or Loss and Other Comprehensive Income	18
Consolidated Statement of Financial Position	19
Consolidated Statement of Changes in Equity	20
Consolidated Statement of Cash Flows	21
Notes to the Consolidated Financial Statements	22
Directors' Declaration	41
Independent Auditor's Report	42
Securities Information	46

Visit www.queste.com.au for:

- Market Announcements
- Financial Reports
- Corporate Governance
- Forms
- Email subscription

CORPORATE DIRECTORY**BOARD**

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

COMPANY SECRETARY

Victor Ho

PRINCIPAL & REGISTERED OFFICE

Level 2, 31 Ventnor Avenue
West Perth, Western Australia 6005

Telephone: (08) 9214 9777
Facsimile: (08) 9214 9701
Email: info@queste.com.au
Website: www.queste.com.au

AUDITORS

Rothsay Auditing
Level 1, Lincoln House
4 Ventnor Avenue
West Perth, Western Australia 6005
Telephone: (08) 9486 7094
Website: www.rothsay.com.au

STOCK EXCHANGE

Australian Securities Exchange
Perth, Western Australia

ASX CODE

QUE

SHARE REGISTRY**Main Office**

Advanced Share Registry Limited
110 Stirling Highway
Nedlands, Western Australia 6009
Local Telephone: 1300 113 258
Telephone: (08) 9389 8033
Facsimile: (08) 6370 4203
Email: admin@advancedshare.com.au
Investor Web: www.advancedshare.com.au

Sydney Office

Suite 8H, 325 Pitt Street
Sydney, New South Wales 2000
Telephone: (02) 8096 3502

Results for Announcement to the Market

Current Reporting Period:	Financial year ended 30 June 2021
Previous Corresponding Period:	Financial year ended 30 June 2020
Balance Date:	30 June 2021
Company:	Queste Communications Ltd (ASX:QUE) (QUE)
Consolidated Entity:	The Company and controlled entities (Queste), being Orion Equities Limited (ASX:OEQ) (OEQ) and controlled entities of OEQ (Orion).

OVERVIEW OF RESULTS FOR ANNOUNCEMENT TO THE MARKET

COMPANY	2021	2020	Change	Up/Down
	\$	\$	%	
Total revenues	150,882	61,299	146%	Up
Net gain/(loss) on financial assets	2,154,560	(749,413)	387%	Up
Share of Associate entity's profit	48,303	-	N/A	N/A
Other Expenses	(220,417)	(119,143)	85%	Up
Profit/(Loss) before tax	2,133,328	(807,257)	364%	Profit Up
Income tax expense	-	-		
Profit/(Loss) for the year	2,133,328	(807,257)	381%	Profit Up

CONSOLIDATED ENTITY	2021	2020	Change	Up/Down
	\$	\$	%	
Total revenues	267,729	122,375	119%	Up
Net gain/(loss) on financial assets	2,200,000	(1)	N/A	N/A
Share of Associate entity's profit/(loss)	2,859,855	(307,878)	1,029%	Up
Impairment reversal on revaluation of property held for development or resale	650,000	-	N/A	N/A
Other Expenses	(718,343)	(662,479)	8%	Up
Profit/(Loss) before tax	5,259,241	(847,983)	720%	Profit Up
Income tax expense	-	-		
Profit/(Loss) for the year	5,259,241	(847,983)	720%	Profit Up
Net profit/(loss) attributable to non-controlling interest	(2,119,574)	317,160	768%	Up
Profit/(Loss) after tax attributable to owners of the Company	3,139,667	(530,823)	692%	Profit Up
Basic and diluted earnings/(loss) per share (cents)	11.60	(1.96)	692%	Earnings Up
NTA backing per share (cents) (Parent interest)	14.81	2.0	420%	Up

BRIEF EXPLANATION OF RESULTS AND COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

The Consolidated Entity's results incorporate the results of controlled entity, ASX-listed investment company, Orion Equities Limited (**OEQ**) and controlled entities of OEQ (**Orion**).

The Consolidated Entity's overall net profit for the financial year relate principally to Orion's investment portfolio performance, as follows:

- \$2.2 million unrealised gains from Orion's investment in Strike Resources Limited (ASX:SRK), which appreciated in price from 4.5 to 26.5 cents per share during the financial year; and
- \$2.86 million recognised as a share of an Associate entity's net profit – this relates to Orion's investment in Bentley Capital Limited (ASX:BEL); Bentley generated a net profit of \$10.4 million for the financial year.

The Consolidated Entity accounts for Bentley as an Associate entity, which means that Queste is required to recognise a share of Bentley's net profit or loss in respect of the financial year based on Queste's (28.556% as at 30 June 2021 and 30 June 2020) direct and indirect shareholding interest in Bentley (this is known as the equity method of accounting for an associate entity).

Results for Announcement to the Market

Further information about Orion's operations financial position and performance for the financial year ended 30 June 2021 are outlined in Orion's 30 June 2021 Full Year Report.

Further information about Bentley's operations financial position and performance for the financial year ended 30 June 2021 are outlined in Bentley's 30 June 2021 Full Year Report.

Please refer to the attached Directors' Report and Financial Report for further information on a review of the Consolidated Entity's operations and the financial position and performance of the Consolidated Entity and Company for the year ended 30 June 2021.

Notwithstanding the accounting value of the investments of the Company as outlined herein, it is noted that the market value of the share investments as at Balance Date are as follows:

Investment	Shareholding	ASX Market Value ¹	
		30 June 2021	30 June 2020
Orion Equities Limited (ASX:OEQ)	9,367,653	\$2,529,266	\$374,706
Bentley Capital Limited (ASX:BEL)	1,225,752	\$122,575	\$42,901
	Total	\$2,651,842	\$417,607

DIVIDENDS

The Directors have not declared a dividend in respect of the financial year ended 30 June 2021.

ASSOCIATE ENTITY

Orion has accounted for the following share investment at the Balance Date as investments in an Associate entity (on an equity accounting basis):

- (1) 26.946% (20,513,783 shares) interest in ASX-listed Bentley Capital Limited (ASX:BEL) (2020: 26.946% (20,513,783 shares)).

The Company also has a 1.61% (1,225,752 shares) direct interest in Bentley (2020: 1.61% (1,225,752 shares)).

Accordingly, the Consolidated Entity has equity accounted for a 28.556% total interest in Bentley (2020: 28.556%).

CONTROLLED ENTITIES

During the financial year, Orion voluntarily de-registered the following wholly-owned subsidiaries:

- (a) Margaret River Wine Corporation Pty Ltd ACN 094 706 500, with effect on 7 September 2020;
- (b) Margaret River Olive Oil Pty Ltd ACN 094 706 519, with effect on 7 September 2020; and
- (c) Koorian Olives Pty Ltd ACN 120 616 891, with effect on 14 September 2020.

ANNUAL GENERAL MEETING (AGM)

Pursuant to the ASX Listing Rules, the Company gives notice that its 2021 AGM is expected to be held on or about Thursday, 18 November 2021.

For and on behalf of the Directors,



Victor Ho
Executive Director and Company Secretary

Date: 27 August 2021

Telephone: (08) 9214 9777 Email: cosec@queste.com.au

¹ Based on closing bid price on ASX

DIRECTORS' REPORT

The Directors present their report on Queste Communications Ltd ABN 58 081 688 164 (ASX:QUE) (**Company** or **QUE**) and its controlled entities (**Queste** or the **Consolidated Entity**) for the financial year ended 30 June 2021 (**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 (ASX:OEQ) (**Orion** or **OEQ**). The Company has a 59.86% (9,367,653 shares) shareholding interest in Orion (30 June 2020: 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 and real estate held for development and resale.

FINANCIAL POSITION

COMPANY	2021	2020
	\$	\$
Cash and cash equivalents	16,322	57,864
Current investments - equities	3	3
Investment in controlled entity (OEQ)	2,529,266	374,706
Investment in Associate entity (BEL)	48,303	-
Receivables	24,706	96,261
Deferred tax assets	523,632	523,632
Other assets	3,556	5,893
Total Assets	3,145,788	1,058,359
Tax liabilities (current and deferred)	-	-
Loan from controlled entity	(42,597)	(90,130)
Other payables and liabilities	(264,159)	(262,525)
Net Assets	2,839,032	705,704
Issued capital	6,239,370	6,239,370
Reserves	4,480,557	2,347,229
Accumulated losses	(7,880,895)	(7,880,895)
Total Equity	2,839,032	705,704

OPERATING RESULTS

COMPANY	2021	2020
	\$	\$
Total revenues	150,882	61,299
Net gain/(loss) on financial assets	2,154,560	(749,413)
Share of Associate entity's net profit	48,303	-
Other Expenses	(220,417)	(119,143)
Profit/(Loss) before tax	2,133,328	(807,257)
Income tax expense	-	-
Profit/(Loss) for the year	2,133,328	(807,257)

DIRECTORS' REPORT

EARNINGS PER SHARE

CONSOLIDATED ENTITY	2021	2020
Basic and diluted earnings/(loss) per share (cents)	11.60	(1.96)
Weighted average number of fully paid ordinary shares in the Company outstanding during the year used in the calculation of basic and diluted earnings/(loss) per share	27,072,332	27,072,332

DIVIDENDS

The Company's Directors have not declared a dividend in respect of the financial year ended 30 June 2021.

SECURITIES ON ISSUE

At the Balance Date (and currently), the Company had 27,072,332 listed fully paid ordinary shares (2020: 27,072,332 fully paid ordinary shares) on issue.

All such shares are listed on ASX. The Company does not have other securities on issue.

REVIEW OF OPERATIONS

1. Orion Equities Limited (ASX:OEQ)

1.1. Current Status of Investment in Orion

Orion is an investment entity.

The Company holds 9,367,653 shares in Orion, being 59.86% of its issued ordinary share capital (2020: 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.

Quester shareholders are advised to refer to the 30 June 2021 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 2021

Asset Weighting

	% of Net Assets	
	2021	2020
Australian equities	80%	35%
Property held for development and resale	25%	62%
Net tax liabilities (current-year and deferred tax assets/liabilities)	-	-
Net cash/other assets and provisions	(5)%	3%
TOTAL	100%	100%

DIRECTORS' REPORT

Major Holdings in Securities Portfolio

Equities	Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited	2.05	29%	BEL	Diversified
Strike Resources Limited	2.65	38%	SRK	Materials
TOTAL	4.70	67%		

1.3. Orion's Assets

(a) Bentley Capital Limited (ASX:BEL)

Bentley is a listed investment company.

Queste holds 1.61% (1,225,752 shares) of Bentley's issued ordinary share capital with Orion holding 26.95% (20,513,783 shares) of Bentley's issued ordinary share capital (2020: Queste held 1,225,752 shares (1.61%) and Orion held 20,513,783 shares (26.95%)).

Bentley Capital Limited is a listed investment company with a current exposure to Australian equities.

Shareholders are advised to refer to the 30 June 2021 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".

(b) Strike Resources Limited (ASX:SRK)

As at 30 June 2021 and currently, Orion holds 10,000,000 Strike shares (3.70%) (2020: 10,000,000 shares; 4.83%) while Associate entity, Bentley, holds 53,689,857 Strike shares (19.885%²) (2020: 52,553,493 shares; 25.37%). Therefore, Orion has a deemed relevant interest in 63,689,857 Strike shares (23.589%³) (2020: 62,553,493 shares; 30.199%).

Strike Resources Limited is an ASX listed resource company which is developing the 1.5Mtpa Paulsens East Iron Ore Project (Strike 100%) located in the Pilbara, Western Australia. Strike also owns the Apurimac Iron Ore Project (Strike 100%) in Peru, where it has commenced mining of surface deposits and entered into an offtake agreement with an international iron-ore trading firm to export the "Apurimac Premium Lump" DSO product of ~65% Fe. Strike has a 43% shareholding in Lithium Energy Limited (ASX:LEL), which was recently spun-out of Strike under a \$9m IPO. Lithium Energy is developing battery minerals related assets - the Solaroz Lithium Brine Project (LEL 100%) in Argentina and the Burke Graphite Project (LEL 100%) in Queensland.⁴

Orion and Bentley's interest in Strike has diluted during the year as a consequence of equity capital raisings undertaken by Strike:

- On 1 December 2020, Strike raised \$4 million through a placement of 40 million shares.
- On 4 June 2021, Strike raised \$5 million through a placement of 22,865,732 shares - Bentley subscribed for 1,136,364 shares under this placement at a cost of \$250,000 (at \$0.22 per share).

2 Refer Bentley's ASX announcement dated 9 June 2021: Change of Substantial Shareholder Notice in SRK

3 Refer Orion's ASX announcement dated 9 June 2021: Change of Substantial Shareholder Notice in SRK

4 Based on Strike's ASX announcement dated 2 August 2021: Quarterly Activities and Cash Flow Report – 30 June 2021

DIRECTORS' REPORT

Orion is also 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 (Mining Lease M47/1583) owned by Strike. This royalty entitlement stems from Orion's sale of a portfolio of tenements (including the Paulsens East tenement) to Strike in September 2005.⁵

The Company notes the following matters in relation to Strike's Paulsens East Iron Ore Project the subject of Orion's potential royalty entitlement:

- Strike has completed a Feasibility Study on its Paulsens East Iron Ore Project for a 1.5 Million tonnes per annum production rate over an initial 4 year life-of-mine with direct shipping ore (lump and fines) product trucked to Port Hedland for export.⁶
- Strike has secured approval of its Mining Proposal from WA Department of Mines, Industry Regulation and Safety, being the last of the key permits required to commence pre-mining site works at Paulsens East.⁷

Further information about Strike's resource projects and activities are contained in the company's ASX releases, including as follows:

- 2 August 2021: Quarterly Reports – 30 June 2021;
- 13 March 2020: Half Year Report – 31 December 2020; and
- 2 November 2020: Annual Report - 2020.

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: "SRK".

(c) Other Assets

Orion owns 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 direct share investment in Associate entity, Bentley, being 1,225,752 shares (or 1.61% of Bentley's issued ordinary share capital) (2020: 1,225,752 shares and 1.61%).

The Company notes that it lodges Monthly Cash Flow Reports and Quarterly Activities and Cash Flow Reports on ASX, which 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".

5 For further information, please refer to the following ASX Announcements: Orion's announcement dated 23 September 2005: CXL Retains a 25% Free Carried Interest in NT Uranium Tenements and Strike's announcement dated 11 August 2008: Acquisition of Outstanding Interests in Berau Coal and Paulsens East Iron Ore Projects

6 Refer Strike's ASX Announcement dated 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns

7 Refer Strike's ASX Announcement dated 2 August 2021: Mining Proposal Approved for Paulsens East Iron Ore Mine

DIRECTORS' REPORT

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.

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
<i>Appointed</i>	10 March 1998
<i>Qualifications</i>	BJuris, LLB (<i>Western Australia</i>)
<i>Experience</i>	Farooq 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 sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	5,344,872 shares ⁸
<i>Other current directorships in listed entities</i>	(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) Executive Chairman (since 18 December 2015) of Strike Resources Limited (ASX:SRK) (Director since 1 October 2015) (4) Executive Director of Lithium Energy Limited (ASX:LEL) (since 14 January 2021)
<i>Former directorships in other listed entities in past 3 years</i>	Alternate Director of Keybridge Capital Limited (ASX:KBC) (26 June to 18 July 2019)

⁸ Refer Farooq Khan's Change of Director's Interest Notices dated 10 July 2019

DIRECTORS' REPORT

Victor P. H. Ho	Executive Director and Company Secretary
<i>Appointed</i>	Executive Director since 3 April 2013; Company Secretary since 30 August 2000
<i>Qualifications</i>	BCom, LLB (<i>Western Australia</i>), CTA
<i>Experience</i>	Victor Ho has been in Executive roles with a number of ASX-listed companies across the investments, resources and technology sectors over the past 22 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 (Peru, Chile and Argentina), Indonesia and the Middle East (Saudi Arabia and Oman)) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and ASX compliance and investor/shareholder relations.
<i>Relevant interest in shares</i>	17,500 shares ⁹
<i>Other current positions held in listed entities</i>	<ol style="list-style-type: none"> (1) Executive Director and Company Secretary of Orion Equities Limited (ASX:OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003) (2) Executive 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 Lithium Energy Limited (ASX:LEL) (since 14 January 2021)
<i>Former positions in other listed entities in past 3 years</i>	<p>Company Secretary of Keybridge Capital Limited (ASX:KBC) (13 October 2016 to 13 October 2019)</p> <p>Executive Director of Lithium Energy Limited (ASX:LEL) (14 January to 18 March 2021)</p>

Yaqoob Khan	Non-Executive Director
<i>Appointed</i>	10 March 1998
<i>Qualifications</i>	BCom (<i>Western Australia</i>), Master of Science in Industrial Administration (<i>Carnegie Mellon</i>)
<i>Experience</i>	After working for several years in the Australian Taxation Office, Yaqoob 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.
<i>Relevant interest in shares</i>	3,677,301 shares ¹⁰
<i>Other current directorships in listed entities</i>	Non-Executive Director of Orion Equities Limited (ASX:OEQ) (since 5 November 1999).
<i>Former directorships in other listed entities in past 3 years</i>	None

⁹ Refer Victor Ho's Initial Director's Interest Notice dated 3 April 2013

¹⁰ Refer Yaqoob Khan's Change of Director's Interest Notice dated 6 May 2021

DIRECTORS' REPORT

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	6	6
Yaqoob Khan	6	6
Victor Ho	6	6

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.

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 (6) 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 \$75,000¹¹ 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 as follows (as at 30 June 2021):

Executive Director

- (1) Mr Farooq Khan (Executive Chairman and Managing Director) - a base annual salary of \$31,250 (voluntarily reduced from \$125,000) 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 annual salary of \$22,500 (voluntarily reduced from \$45,000) 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 annual 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.

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.

¹¹ 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

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.

	2021	2020	2019	2018	2017
Profit/(Loss) Before Income Tax (\$)	5,259,241	(847,983)	(1,369,019)	(1,151,518)	(2,122,392)
Basic Earnings/(Loss) per Share (cents)	11.60	(1.96)	(3.36)	(2.80)	(5.11)
Dividends Paid (\$)	-	-	-	-	-
VWAP Share Price on ASX for financial year (cents)	4.3	3.1	7	7	7
Closing Bid Share Price at 30 June (cents)	6	2.2	6	7	7

(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 (but voluntarily reduced to \$22,500, as at 30 June 2021) plus employer superannuation contributions	<ul style="list-style-type: none"> 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.

REMUNERATION REPORT

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

Key Management Person	Performance related %	Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	Total \$
		Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares & Options	
		\$	\$	\$	\$	\$	
2021							
Executive Directors:							
Farooq Khan	-	31,250	-	2,969	-	-	34,219
Victor Ho	-	21,136	-	2,137	-	-	23,273
Non-Executive Director:							
Yaqoob Khan	-	15,000	-	-	-	-	15,000

Key Management Person	Performance related %	Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	Total \$
		Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares & Options	
		\$	\$	\$	\$	\$	
2020							
Executive Directors:							
Farooq Khan	-	33,247	-	3,158	-	-	36,405
Victor Ho	-	26,752	-	2,541	-	-	29,293
Non-Executive Director:							
Yaqoob Khan	-	15,000	-	-	-	-	15,000

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

Key Management Personnel	Performance related %	Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	Total \$
		Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares & Options	
		\$	\$	\$	\$	\$	
2021							
Executive Directors:							
Farooq Khan	-	201,250	-	19,119	-	-	220,369
Victor Ho	-	95,750	-	9,263	-	-	105,013
Non-Executive Director:							
Yaqoob Khan	-	25,000	-	-	-	-	25,000

Key Management Personnel	Performance related %	Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	Total \$
		Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares & Options	
		\$	\$	\$	\$	\$	
2020							
Executive Directors:							
Farooq Khan	-	201,250	-	19,119	-	-	220,369
Victor Ho	-	97,500	-	9,262	-	-	106,762
Non-Executive Director:							
Yaqoob Khan	-	25,000	-	-	-	-	25,000

Victor Ho is also Company Secretary of Queste and Orion.

REMUNERATION REPORT

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 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.

(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 2020	Additions	Received as part of remuneration	Disposals	Balance at 30 June 2021
Executive Directors:					
Farooq Khan	5,612,972	-	-	-	5,612,972
Victor Ho	17,500	-	-	-	17,500
Non-Executive Director:					
Yaqoob Khan	68,345	3,608,956	-	-	3,677,301

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 2020 AGM

At the Company's most recent (2020) AGM, a resolution to adopt the prior year (2020) Remuneration Report was put to the vote and passed on a poll (called by the Chair) with 69.2% majority support¹². No comments were made on the Remuneration Report that was considered at the AGM.

This concludes the audited Remuneration Report.

¹² Refer Queste's ASX announcement dated 19 November 2020: Results of 2020 Annual General Meeting

DIRECTORS' REPORT

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	27,950	-	27,950	12,000	-	12,000

Rothsay Auditing did not provide any non-audit services during the year.

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 17. This relates to the Auditor's Independent Review Report, where the Auditor states that they have issued an independence declaration.

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 24, 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.

DIRECTORS' REPORT

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



Farooq Khan
Executive Chairman and
Managing Director



Victor Ho
Executive Director and
Company Secretary

27 August 2021



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.rothsay.com.au

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

As lead auditor of the audit of Quest Communications Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Quest Communications Ltd and the entities it controlled during the year.

Rothsay Auditing

A handwritten signature in black ink, appearing to read 'Dalla', written over a light grey horizontal line.

Daniel Dalla
Partner
27 August 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	2	37,797	40,707
Other			
Share of Associate entity's net profit		2,859,855	-
Net gain on financial assets at fair value through profit or loss		2,200,000	-
Impairment reversal on revaluation of property held for development or resale		650,000	-
Other income		229,932	81,668
Total revenue		5,977,584	122,375
Expenses	3		
Share of Associate entity's net loss		-	(307,878)
Net loss on financial assets at fair value through profit or loss		-	(1)
Land operation expenses		(8,451)	(11,179)
Personnel expenses		(482,062)	(445,469)
Occupancy expenses		(13,789)	(37,213)
Corporate expenses		(51,491)	(60,226)
Finance expenses		(214)	(409)
Administration expenses		(162,336)	(107,983)
Profit/(Loss) before tax		5,259,241	(847,983)
Income tax expense	5	-	-
Profit/(Loss) after income tax		5,259,241	(847,983)
OTHER COMPREHENSIVE INCOME			
Revaluation of assets, net of tax		-	-
Total comprehensive income/(loss) for the year		5,259,241	(847,983)
Profit/(Loss) attributable to:			
Owners of Queste Communications Ltd		3,139,667	(530,823)
Non-controlling interest		2,119,574	(317,160)
		5,259,241	(847,983)
Total comprehensive income/(loss) for the year is attributable to:			
Owners of Queste Communications Ltd		3,139,667	(530,823)
Non-controlling interest		2,119,574	(317,160)
Impairment reversal on revaluation of property held for development or resale		5,259,241	(847,983)
Basic and diluted earnings/(loss) per share (cents) attributable to the ordinary equity holders of the Company	6	11.60	(1.96)

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	7	211,745	352,272
Financial assets at fair value through profit or loss	8	2,650,003	450,003
Receivables	11	16,772	96,261
Total current assets		2,878,520	898,536
Non current assets			
Property held for development or resale	12	1,750,000	1,100,000
Investment in Associate entity	20	3,029,695	169,840
Property, plant and equipment		5,974	9,155
Total non current assets		4,785,669	1,278,995
Total assets		7,664,189	2,177,531
Current liabilities			
Payables	13	240,510	210,470
Provisions	14	218,705	166,948
Total current liabilities		459,215	377,418
Non Current liabilities			
Payables	13	365,092	219,472
Total liabilities		824,307	596,890
Net assets		6,839,882	1,580,641
Equity			
Issued capital	15	6,239,370	6,239,370
Reserves	16		
Profits reserve		8,827,934	2,892,899
Option premium reserve		2,138,012	2,138,012
Other reserve		884,748	567,587
Accumulated losses		(14,081,547)	(11,286,179)
Parent interest		4,008,517	551,689
Non-controlling interest	17	2,831,365	1,028,952
Total equity		6,839,882	1,580,641

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

	Issued capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total \$
Balance at 1 July 2019	6,239,370	5,427,285	(10,780,510)	1,542,479	2,428,624
Loss for the year	-	-	(530,823)	(317,160)	(847,983)
Profits reserve transfer	-	(25,154)	25,154	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	(25,154)	(505,669)	(317,160)	(847,983)
Transactions with owners in their capacity as owners:					
Transactions with non-controlling interest	-	196,367	-	(196,367)	-
Balance at 30 June 2020	6,239,370	5,598,498	(11,286,179)	1,028,952	1,580,641
Balance at 1 July 2020	6,239,370	5,598,498	(11,286,179)	1,028,952	1,580,641
Profit for the year	-	-	3,139,667	2,119,574	5,259,241
Profits reserve transfer	-	5,935,035	(5,935,035)	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	5,935,035	(2,795,368)	2,119,574	5,259,241
Transactions with owners in their capacity as owners:					
Transactions with non-controlling interest	-	317,161	-	(317,161)	-
Balance at 30 June 2021	6,239,370	11,850,694	(14,081,547)	2,831,365	6,839,882

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

		2021	2020
		\$	\$
Cash flows from operating activities			
Receipts from customers		37,700	37,700
Interest received		97	3,007
Payments to suppliers and employees		(407,781)	(620,034)
Interest paid		(10)	-
Other receipts		229,932	81,668
Net cash used in operating activities	7(a)	<u>(140,062)</u>	<u>(497,659)</u>
Cash flows from investing activities			
Purchase of plant and equipment		(465)	(796)
Net cash used in investing activities		<u>(465)</u>	<u>(796)</u>
Cash flows from financing activities			
Orion dividends paid		-	(12)
Net cash used in financing activities		<u>-</u>	<u>(12)</u>
Net increase/(decrease) in cash held		(140,527)	(498,467)
Cash and cash equivalents at beginning of financial year		352,272	850,739
Cash and cash equivalents at end of financial year	7	<u>211,745</u>	<u>352,272</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

1. ABOUT THIS REPORT

1.1 Background

This financial report covers the consolidated financial statements of the consolidated entity consisting of Queste Communications Ltd, its subsidiary (controlled entity, Orion Equities Limited ABN 77 000 742 843 (ASX:OEQ) (**Orion** or **OEQ**) and Orion's controlled entities) and an investment in its associate entity Bentley Capital Limited (ASX:BEL) ABN 87 088 128 218 (**Bentley** or **BEL**) (the **Consolidated Entity** or **Queste**). The financial report is presented in the Australian currency.

Queste Communications Ltd (ASX:QUE) (the **Company** or **QUE**) 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:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Consolidated Entity;
- it helps to explain the impact of significant changes in the Consolidated Entity's business; or
- 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:

- Key Performance:** Provides a breakdown of the key individual line items in the profit or loss 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	Earnings/(Loss) per share

- 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

- 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	Payables
14	Provisions

- 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

15	Issued capital
16	Reserves
17	Non-controlling interest

- 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

18	Parent entity information
19	Investment in controlled entity
20	Investment in associate entity
21	Related party transactions

- 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

22	Auditors' remuneration
23	Contingencies
24	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.

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, Australian 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**).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

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 2021 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. Leases

At the lease commencement, the Consolidated Entity recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Consolidated Entity believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Consolidated Entity's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Consolidated Entity's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Consolidated Entity has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Consolidated Entity recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

1.9. 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. These are not expected to have a material impact on the Consolidated Entity's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

2. REVENUE

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

	2021	2020
Revenue	\$	\$
Rental revenue	37,700	37,700
Interest revenue	97	3,007
	<u>37,797</u>	<u>40,707</u>
Other		
Share of Associate entity's net profit	2,859,855	-
Net gain on financial assets at fair value through profit or loss	2,200,000	-
Impairment reversal on revaluation of property held for development or resale	650,000	-
Other income	229,932	81,668
	<u>5,977,584</u>	<u>122,375</u>

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

	2021	2020
The Consolidated Entity's operating profit/(loss) before income tax includes the following items of expenses:	\$	\$
Share of Associate entity's net loss	-	307,878
Net loss on financial assets at fair value through profit or loss	-	1
Land operations	8,451	11,179
Salaries, fees and employee benefits	482,062	445,469
Occupancy expenses	13,789	37,213
Finance expenses	214	409
Corporate expenses		
ASX and CHESS fees	33,221	33,449
ASIC fees	11,291	17,809
Share registry	5,760	5,806
Other corporate expenses	1,219	3,162

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

3. EXPENSES (continued)	2021	2020
	\$	\$
Administration expenses		
Professional fees	4,446	15,048
Audit fees	27,950	36,000
Legal fees	34	1,505
Depreciation	2,458	5,018
Doubtful debts	96,250	-
Other administration expenses	31,198	50,412
	718,343	970,358

4. SEGMENT INFORMATION

2021	Investments	Corporate	Total
Segment revenues	\$	\$	\$
Revenue	37,700	97	37,797
Other	5,709,855	229,932	5,939,787
Total segment revenues	5,747,555	230,029	5,977,584
Personnel expenses	-	482,062	482,062
Finance expenses	-	214	214
Administration expenses	-	159,876	159,876
Depreciation expenses	-	2,458	2,458
Other expenses	8,451	65,282	73,733
Total segment profit/(loss)	5,739,104	(479,863)	5,259,241
Segment assets			
Cash and cash equivalents	-	211,745	211,745
Financial assets	2,650,003	-	2,650,003
Property held for development or resale	1,750,000	-	1,750,000
Investment in Associate entity	3,029,695	-	3,029,695
Property, plant and equipment	-	5,974	5,974
Other assets	-	16,772	16,772
Total segment assets	7,429,698	234,491	7,664,189
2020			
Segment revenues			
Revenue	37,700	3,007	40,707
Other	-	81,668	81,668
Total segment revenues	37,700	84,675	122,375
Personnel expenses	-	445,469	445,469
Finance expenses	-	409	409
Administration expenses	(3,590)	103,476	99,886
Depreciation expenses	-	5,018	5,018
Other expenses	319,057	100,519	419,576
Total segment loss	(277,767)	(570,216)	(847,983)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

4. SEGMENT INFORMATION (continued)

2020	Investments	Corporate	Total
Segment assets	\$	\$	\$
Cash and cash equivalents	-	352,272	352,272
Financial assets	450,003	-	450,003
Property held for development or resale	1,100,000	-	1,100,000
Investment in Associate entity	169,840	-	169,840
Property, plant and equipment	-	9,155	9,155
Other assets	-	96,261	96,261
Total segment assets	1,719,843	457,688	2,177,531

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 are 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. 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**) and liquid financial assets; and
- (b) 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

The components of tax expense comprise:	2021	2020
	\$	\$
Current tax	-	-
Deferred tax	-	-
	-	-
(a) The prima facie tax on operating profit/(loss) before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on operating profit/(loss) before income tax at 30% (2020: 27.5%)	1,446,291	(233,195)
Adjust tax effect of:		
Other assessable income	1,249	-
Non-deductible expenses	98	403
Non-assessable income	(783,750)	-
Share of Associate entity's (profit)/loss	(786,460)	84,666
Current year tax losses not brought to account	122,572	148,126
Prior year's deferred tax assets recognition reversal	-	-
Income tax attributable to entity	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

5. TAX (continued)

	2021	2020
Unrecognised deferred tax balances	\$	\$
Unrecognised deferred tax asset - revenue losses	4,460,983	4,455,769
Unrecognised deferred tax asset - capital losses	77,890	77,890
Unrecognised deferred tax asset - timing differences	722,475	1,479,748
	5,261,348	6,013,407

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

6. EARNINGS PER SHARE	2021	2020
Basic and diluted earnings/(loss) per share (cents)	<u>11.60</u>	<u>(1.96)</u>

The following represents the profit/(loss) and weighted average number of shares used in the earnings/(loss) per share calculations:

Profit/(Loss) after income tax attributable to Owners of Queste (\$)	3,139,667	(530,823)
	Number of shares	
Weighted average number of ordinary shares	27,072,332	27,072,332

Accounting policy

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

7. CASH AND CASH EQUIVALENTS	2021	2020
	\$	\$
Cash at bank	<u>211,745</u>	<u>352,272</u>

(a) Reconciliation of operating profit/(loss) after income tax to net cash used in operating activities

Profit/(Loss) after income tax	5,259,241	(847,983)
Add non-cash items:		
Depreciation	2,458	5,018
Write off fixed assets	1,189	3,079
Doubtful debts	96,250	-
Share of Associate entity's net (profit)/loss	(2,859,855)	307,878
Net (gain)/loss on financial assets at fair value through profit or loss	(2,200,000)	1
Revaluation of land held for development or resale	(650,000)	-
Changes in assets and liabilities:		
Receivables	(16,760)	(43,359)
Other current assets	-	7,139
Payables	175,659	55,090
Provisions	51,756	15,478
	<u>(140,062)</u>	<u>(497,659)</u>

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021	2020
	\$	\$
Listed securities at fair value	<u>2,650,003</u>	<u>450,003</u>

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 profit or loss 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 Consolidated Entity's investment portfolio is accounted for as "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 are 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:		2021	2020
	Note	\$	\$
Cash and cash equivalents	7	211,745	352,272
Financial assets at fair value through profit or loss	8	2,650,003	450,003
Receivables	11	16,772	96,261
		<u>2,878,520</u>	<u>898,536</u>
Payables	13	(240,510)	(210,470)
Net financial assets		<u>2,638,010</u>	<u>688,066</u>

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(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.

ASX All Ordinaries Accumulation Index	Impact on post-tax profit		Impact on other components of equity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Increase 15%	63,522	4,336	63,522	4,336
Decrease 15%	(63,522)	(4,336)	(63,522)	(4,336)

(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 0.1% (2020: 0.35%). The revenue exposure is immaterial in terms of the possible impact on profit or loss or total equity.

(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 Balance Date is the carrying amount of the financial assets as summarised below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

	2021	2020
Cash and cash equivalents	\$	\$
AA-	210,610	352,272
	<u>210,610</u>	<u>352,272</u>
Receivables (due within 30 days)		
No external credit rating available	16,772	96,261
	<u>16,772</u>	<u>96,261</u>

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).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value through profit or loss:				
Listed securities at fair value				
2021	2,650,003	-	-	2,650,003
2020	450,003	-	-	450,003
	<u>2,650,003</u>	<u>-</u>	<u>-</u>	<u>2,650,003</u>
	<u>450,003</u>	<u>-</u>	<u>-</u>	<u>450,003</u>

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

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(b) Fair values of other financial assets and liabilities		2021	2020
	Note	\$	\$
Cash and cash equivalents	7	211,745	352,272
Receivables	11	16,772	96,261
		228,517	448,533
Payables	13	(240,510)	(210,470)
		(11,993)	238,063

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

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 Balance Date (refer Note 8).

11. RECEIVABLES

	2021	2020
	\$	\$
Current		
Other receivables	16,772	96,261

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.

Accounting policy

AASB 9 (Financial Instruments) requires the Consolidated Entity to adopt an expected credit loss (ECL) impairment model across the Consolidated Entity's financial assets. The Consolidated Entity's receivables balance comprises deposits and GST refunds from the Australian Tax Office.

At each Balance Date, the Consolidated Entity reviews the carrying value of its financial assets based on the ECL model under AASB 9, which proposes three approaches in assessing impairment:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

11. RECEIVABLES (continued)

Accounting policy (continued)

- (i) the simplified approach (which will be applied to most trade receivables) which requires the recognition of lifetime ECLs by considering forward-looking assumptions and information regarding expected future conditions affecting historical customer default rates;
- (ii) the general approach (which will be applied to most loans and debt securities) whereby ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, the Consolidated Entity will provide for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance will arise for credit losses expected over the remaining life of exposure, irrespective of the timing of the default; and
- (iii) For purchased or originated credit-impaired receivables, the fair value at initial recognition already takes into account lifetime expected losses. At each Balance Date, the Consolidated Entity updates its estimated cash flows and adjusts the loss allowance accordingly.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates. The Consolidated Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Consolidated Entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Consolidated Entity has not recognised any additional impairment to its current receivables or non-current receivables as a result of the application of AASB 9. This is due to the fact that the Consolidated Entity does not consider that there are any further ECL to the current carrying values of its current receivables or its non-current receivables.

12. PROPERTY HELD FOR RESALE

	2021	2020
	\$	\$
Property held for development or resale	3,797,339	3,797,339
Revaluation of property	(2,047,339)	(2,697,339)
	<u>1,750,000</u>	<u>1,100,000</u>

Critical accounting judgement and estimate

Property held for development or resale was valued by an independent qualified valuer (a Licensed Valuer of the Australian Property Institute) as at 30 June 2021. The reversal of impairment on the revaluation of \$650,000 has been recognised in profit or loss.

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. PAYABLES

	2021	2020
	\$	\$
Current		
Trade payables	12,928	34,897
Dividend payable	6,727	6,727
GST payable	14,180	13,542
Other payables and accrued expenses	206,675	155,304
	<u>240,510</u>	<u>210,470</u>
Non-current		
Accrued Directors' fees and entitlements	<u>365,092</u>	<u>219,472</u>

Risk exposure

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

13. PAYABLES (continued)

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.

14. PROVISIONS

	2021	2020
	\$	\$
Current		
Employee benefits - annual leave	86,467	44,567
Employee benefits - long service leave	132,238	122,381
	<u>218,705</u>	<u>166,948</u>

(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:

	2021	2020
	\$	\$
Leave obligations expected to be settled after 12 months	<u>132,238</u>	<u>122,381</u>

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 Balance Date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

15. ISSUED CAPITAL

	2021	2020	2021	2020
	Number	Number	\$	\$
Fully paid ordinary shares	27,072,332	27,072,332	<u>6,239,370</u>	<u>6,239,370</u>

There was no movement in the Company's issued capital during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

15. ISSUED CAPITAL (continued)

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.

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.

16. RESERVES

	2021	2020
	\$	\$
Profits reserve	8,827,934	2,892,899
Option premium reserve	2,138,012	2,138,012
Other reserve		
Dilution movement	1,071,663	1,071,663
Non-controlling interest	(186,915)	(504,076)
	884,748	567,587
Total reserves	11,850,694	5,598,498
Movements in Profits reserve		
Opening balance	2,892,899	2,918,053
Profits reserve transfer	5,935,035	(25,154)
Closing balance	8,827,934	2,892,899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

16. RESERVES (continued)

Other Reserve relates to differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control (refer also Note 17).

An increase in the Profits Reserve 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) a company's Profits Reserve, from time to time.

17. NON-CONTROLLING INTEREST

	2021	2020
	\$	\$
Issued capital	7,549,512	7,549,512
Other reserve	186,915	504,076
Accumulated losses	(4,905,062)	(7,024,636)
	2,831,365	1,028,952

The non-controlling interest is a 40.14% (2020: 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 16) within equity attributable to owners of Queste Communications Ltd.

18. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Queste Communications Ltd, as at 30 June 2021.

	2021	2020
	\$	\$
Profit/(Loss) for the year	2,133,328	(807,257)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	2,133,328	(807,257)

Statement of financial position

Current assets	41,028	154,125
Non-current assets	3,104,760	904,234
Total assets	3,145,788	1,058,359
Current liabilities	172,526	222,444
Loan from controlled entity	42,597	90,130
Non-current liabilities	91,633	40,081
Total liabilities	306,756	352,655
Net assets	2,839,032	705,704
Issued capital	6,239,370	6,239,370
Reserves - Profits reserves	2,342,545	209,217
- Option premium reserve	2,138,012	2,138,012
Accumulated losses	(7,880,895)	(7,880,895)
Equity	2,839,032	705,704

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

19. INVESTMENT IN CONTROLLED ENTITY

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

Ownership Interest	Incorporated	Parent		Non-Controlling Interest	
		2021	2020	2021	2020
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	2021	2020
	\$	\$
Revenue	5,783,699	65,618
Expenses	(503,222)	(855,757)
Profit/(Loss) from operations	5,280,477	(790,139)
Income tax expense	-	-
Profit/(Loss) after income tax expense	5,280,477	(790,139)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	5,280,477	(790,139)

Summarised Statement of Financial Position

Current assets	2,888,020	834,538
Non-current assets	4,733,812	1,273,104
Total Assets	7,621,832	2,107,642
Current liabilities	179,799	143,387
Non-current Liabilities	388,279	190,978
Net Assets	7,053,754	1,773,277

Statement of cash flows

Net cash used in operating activities	(151,468)	(434,059)
Net cash used in investing activities	(349)	-
Net cash used in financing activities	52,832	(85,600)
Net increase/(decrease) in cash and cash equivalents	(98,985)	(519,659)

Other financial information

Profit/(Loss) attributable to non-controlling interest	2,119,574	(317,160)
Accumulated non-controlling interest at the end of the year	2,831,365	1,028,952

Accounting policy

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control (also controlled entities). 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 Consolidated Entity. They are deconsolidated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

19. INVESTMENT IN CONTROLLED ENTITY (continued)

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.

20. INVESTMENT IN ASSOCIATE ENTITY

	Ownership Interest		Carrying Amount	
	2021	2020	2021	2020
			\$	\$
Bentley Capital Limited (ASX:BEL)	28.56%	28.56%	3,029,695	169,840

Movements in carrying amounts

Opening balance			169,840	477,718
Share of net profit/(loss) after tax			2,859,855	(307,878)
Closing balance			3,029,695	169,840

Fair value (at market price on ASX) of investment in Associate entity

			2,173,954	760,884
--	--	--	------------------	----------------

Net asset backing value of investment in Associate entity			4,466,878	1,487,913
--	--	--	------------------	------------------

Summarised statement of profit or loss and other comprehensive income

Revenue			12,095,835	475,345
Expenses			(1,661,988)	(1,617,899)
Profit/(Loss) before income tax			10,433,847	(1,142,554)
Income tax expense			-	-
Profit/(Loss) after income tax			10,433,847	(1,142,554)
Other comprehensive income			-	-
Total comprehensive income			10,433,847	(1,142,554)

Summarised statement of financial position

			\$	\$
Current assets			16,942,748	5,743,904
Non-current assets			3,955	4,872
Total assets			16,946,703	5,748,776
Current liabilities			1,304,504	540,424
Total liabilities			1,304,504	540,424
Net assets			15,642,199	5,208,352

Accounting policy

Associates are all entities over which the Consolidated Entity has or is deemed to have significant influence but not control or joint control (generally in which the Consolidated Entity has a shareholding/voting rights of greater than 20% and less than 50%). Investments in Associates in the consolidated financial statements are accounted for using the equity method of accounting. On initial recognition, investments in Associates are recognised at cost - in respect of investments which were classified as fair value through profit or loss, any gains or losses previously recognised are reversed through profit or loss. Under the equity method, the Consolidated Entity's share of the post-acquisition profits or losses of Associates are recognised in profit or loss, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

20. INVESTMENT IN ASSOCIATE ENTITY (continued)

Accounting policy (continued)

A share of an Associate entity's net gain increases the investment (and a share of net loss decreases the investment) and dividend income received from an Associate entity decreases 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.

Where applicable, 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. The accounting policies of Associates are aligned to ensure consistency with the policies adopted by the Consolidated Entity, where practicable.

21. RELATED PARTY TRANSACTIONS

(a) Loan from Controlled Entity

The Company is deemed to have control of Orion Equities Limited (ASX:OEQ) (**OEQ**) as it holds 59.86% (9,367,653 shares) of Orion's issued capital (2020: 59.86% and 9,367,653 shares).

OEQ and the Company have entered into a Loan Agreement for the Company to borrow up to \$200,000 from OEQ (**Loan**). The Loan is unsecured and currently matures on 31 December 2022 and accrues interest at 10% pa in respect of the first \$150,000 advanced and 7.5% pa in respect of \$50,000 advanced thereafter. During the financial year, the OEQ advanced \$10,000 to the Company and the Company repaid \$57,403 to OEQ and incurred interest expenses of \$5,299 under the Loan.

(b) Transactions with Related Parties

During the financial 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 Balance date.

(c) 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 2021. The total remuneration paid to KMP of the Consolidated Entity during the year is as follows:

	2021	2020
	\$	\$
Directors		
Short-term employment benefits	389,386	398,749
Post-employment benefits	33,488	34,080
	422,874	432,829

At Balance Date, the Company and Orion owes its Directors an aggregate \$91,636 and \$273,456 in unpaid salaries respectively (net of PAYG withholding tax remitted to the ATO) (2020: \$94,539 and \$115,431 respectively).

During the year, the Consolidated Entity generated \$37,700 rental income from a family member of Queste and Orion 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) (2020: \$37,700).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

22. AUDITORS' REMUNERATION

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

	2021	2020
Rothsay Auditing	\$	\$
Audit and review of financial statements	<u>27,950</u>	<u>36,000</u>

23. 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

Orion 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 (Mining Lease M47/1583) in Western Australia currently owned by Strike Resources Limited (ASX:SRK). This royalty entitlement stems from Orion's sale of a portfolio of tenements (including the Paulsens East tenement) to Strike in September 2005.

24. EVENTS OCCURRING AFTER THE REPORTING PERIOD

In respect of the Company, no matters or circumstance has arisen since the end of the financial year that significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

In respect of the Consolidated Entity:

- (i) The share price of Strike Resources Limited (ASX:SRK) has decreased since the balance date, from 26.35 cents to a last bid price of 17.5 cents (on 26 August 2021). This translates to an unrealised net loss of \$0.9 million (in respect of 10,000,000 shares held) post-balance date.

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 18 to 40 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 2021 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 Executive Director/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
Executive Chairman and
Managing Director



Victor Ho
Executive Director and
Company Secretary

27 August 2021



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.rothsay.com.au

**INDEPENDENT AUDITOR'S 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 2021, 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 2021 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 (including Independence Standards)* (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.





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUESTE COMMUNICATIONS LTD (continued)

<i>Key Audit Matter - Impairment of Assets</i>	<i>How our Audit Addressed the Key Audit Matter</i>
<p>The Group's portfolio of assets includes:</p> <ul style="list-style-type: none">• Cash and cash equivalents;• Receivables;• Financial assets at fair value through profit or loss;• Property held for development and resale; and• Investment in associates. <p>Given significant judgement is required when assessing impairment this was considered to be a key audit matter.</p>	<p>We considered the inputs into the determination of fair value at year end and compared our assessment with the written down value.</p> <p>We reviewed available information subsequent to year end to assist in identifying any conditions that may be indicative of the recoverable amounts of these assets at year end.</p> <p>We assessed whether the disclosures included in the financial report meet the requirements of Australian Accounting Standards.</p>

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 2021, 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUESTE COMMUNICATIONS LTD (continued)**

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 misstatement, 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 2021.

In our opinion the remuneration report of Queste Communications Ltd for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUESTE COMMUNICATIONS LTD (continued)

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.

A handwritten signature in black ink that reads "Rothsay".

Rothsay Auditing

Dated 27 August 2021

A handwritten signature in black ink that reads "Dalla".

**Daniel Dalla
Partner**

SECURITIES INFORMATION

as at 30 June 2021

DISTRIBUTION OF LISTED ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	18	9,023	0.03%
1,001	-	5,000	43	118,362	0.44%
5,001	-	10,000	57	515,252	1.90%
10,001	-	100,000	79	2,176,767	8.04%
100,001	-	and over	20	24,252,928	89.59%
Total			217	27,072,332	100.00%

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	9,090	80	262,908	0.97%
9,091	-	over	137	26,809,424	99.03%
Total			217	27,072,332	100.00%

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 9,090 shares or less, being a value of \$500 or less in total, based upon the Company's last sale price on ASX as at 30 June 2021 of \$0.055 per share.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Shareholding	Total Shares	% Voting Power ⁶
Farooq Khan and Associate ¹	Mr Farooq Khan & Ms Rosanna De Campo	4,921,295	5,344,872	19.74%
	Island Australia Pty Ltd	423,577		
Azhar Chaudhri and Renmuir Holdings Limited ²	Renmuir Holdings Ltd	3,277,780	4,713,781	17.41%
	Mr Azhar Chaudhri	1,436,001		
Geoff Wilson and Associates ³	Dynasty Peak Pty Ltd	4,391,975	4,391,975	16.22%
Fred Woollard and Samuel Terry Asset Management Pty Ltd ATF Samuel Terry Absolute Return Fund ⁴	Rag & Bone Securities Pty Ltd	5,000	3,739,682	14.41%
	J P Morgan Nominees Australia Limited	3,875,568		
	Frederick Raymond Woollard	21,862		
Yaqoob Khan and Associate ⁵	KYA Pty Ltd	53,325	3,677,301	13.58%
	Mr Yaqoob Khan	3,623,976		

Notes:

- (1) 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) and the Change of Director's Interest Notices filed by Farooq Khan dated 10 July 2019.
- (2) Based on the substantial shareholding notice filed by Azhar Chaudhri and associates dated 6 May 2021.
- (3) Based on the Change of Interests of Substantial Holder Notice filed by Geoff Wilson and associates dated 14 February 2018.
- (4) Based on the Notice of Initial Substantial Holder notice filed by Samuel Terry Asset Management Pty Ltd dated 5 February 2018 (updated to reflect current registered shareholdings and percentage voting power).
- (5) Based on the Notice of Initial Substantial Holder notice filed by Mr Yaqoob Khan dated 30 April 2021.
- (6) 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 30 June 2021

TOP 20 ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Shares Held	Total Shares	% Issued Capital
1	ISLAND AUSTRALIA PTY LTD	423,577		
	MR FAROOQ KHAN + MS ROSANNA DE CAMPO	4,921,295		
		Sub-total	5,344,872	19.74
2	MR AZHAR CHAUDHRI	1,436,001		
	RENMUIR HOLDINGS LTD	3,277,780		
		Sub-total	4,713,781	17.41
3	DYNASTY PEAK PTY LTD		4,391,975	16.22
4	RAG & BONE SECURITIES PTY LTD	5,000		
	MR FREDERICK RAYMOND WOOLLARD	21,862		
	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,875,568		
		Sub-total	3,902,430	14.41
5	KYA CORPORATION PTY LTD	53,325		
	YAQOOB KHAN	3,623,976		
		Sub-total	3,677,301	13.58
6	GLENVIEW SERVICES PTY LTD		380,000	1.40
7	GA & AM LEAVER INVESTMENTS PTY LTD		378,012	1.40
8	GIBSON KILLER PTY LTD		307,500	1.14
9	MS ROSANNA DE CAMPO		268,100	0.99
10	THE ESTATE OF MR AYUB KHAN		215,000	0.79
11	MRS AFIA KHAN		215,000	0.79
12	ROSEMONT ASSET PTY LTD	75,000		
	MR SIMON KENNETH CATO + MRS KAYE LOUISE HOPKINS	118,000		
		Sub-total	193,000	0.71
13	TOMATO 2 PTY LTD		185,019	0.68
14	MR JOHN CHENG-HSIANG YANG + MS PEGA PING MOK		136,125	0.50
15	MR EUGENE RODRIGUEZ		110,000	0.41
16	MRS MARY THERESE CAMILLERI		100,000	0.37
17	MRS LINDA ANN OATES		100,000	0.37
18	MR PAUL GERARD GRAFEN		84,351	0.31
19	MRS WENDY MARGARET BELL		75,000	0.28
20	MANAR NOMINEES PTY LTD		72,247	0.27
Total			24,849,713	91.77%