



FULL YEAR REPORT:

**ASX Appendix 4E Preliminary Final Report
Directors' Report
Auditors' Independence Declaration
Financial Report
Audit Report**

30 June 2011



ASX Code: QUE

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

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CORPORATE DIRECTORY**BOARD**

Farooq Khan (Chairman & Managing Director)
Simon Cato (Director)
Azhar Chaudhri (Director)
Yaqoob Khan (Director)

COMPANY SECRETARY

Victor Ho

PRINCIPAL & REGISTERED OFFICE

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STOCK EXCHANGE

Australian Securities Exchange
Perth, Western Australia

ASX CODE

QUE

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OVERVIEW TO THE MARKET

Current Reporting Period:	Financial year ended 30 June 2011
Previous Corresponding Period:	Financial year ended 30 June 2010
Balance Date:	30 June 2011
Company:	Queste Communications Ltd (Queste or QUE)
Consolidated Entity:	Queste and controlled entities, being Orion Equities Limited (ACN 000 742 843) (Orion or OEQ) and controlled entities of Orion.

OVERVIEW OF RESULTS

CONSOLIDATED	2011 \$	2010 \$	% Change	Up/ Down
Total revenues	1,226,091	4,798,785	74%	Down
Total expenses	(4,183,538)	(4,743,171)	12%	Down
Profit/(Loss) before tax	(2,957,447)	55,614	5418%	Down
Income tax benefit/(expense)	(82,211)	694,440	112%	Down
Profit/(Loss) from continuing operations	(3,039,658)	750,054	505%	Down
Net profit/(loss) attributable to non controlling interest	(1,386,384)	578,521	140%	Down
Profit/(Loss) after tax attributable to owners of the Company	(1,653,274)	171,533	1064%	Down
Basic earnings/(loss) per share (cents)	(5.5)	0.6	1064%	Down
Diluted earnings/(loss) per share (cents)	(3.4)	0.4	1064%	Down
Undiluted NTA backing per share (cents)	36	40	11%	Down
Diluted NTA Backing per share (cents)	30	32	8%	Down

BRIEF EXPLANATION OF RESULTS

The Consolidated Entity's results incorporates the results of controlled entity, ASX listed investment company, Orion Equities Limited (**Orion** or **OEQ**).

At the Consolidated Entity level:

Revenues include:

- (1) \$500,186 net gain on sale of investments (2010: \$873,554 loss)
- (2) \$450,027 income from sale of olive oils (2010: \$1,200,987);
- (3) \$181,205 share of Associate entity's profit (net of dividends received from Associate of \$445,089) (2010: \$874,850 net of dividends received from Associate of \$445,089); and
- (4) \$15,332 dividend income (2010: \$14,060).

Expenses include:

- (1) \$1,997,098 net loss in fair value in investments (2010: \$2,572,398 gain);
- (2) \$846,501 personnel expenses (2010: \$932,525);
- (3) \$601,024 olive grove and oils operations (which does not include revaluation and depreciation expenses) (June 2010: \$1,023,130); and
- (4) \$201,041 olive grove and oils operation's revaluation and depreciation expenses (June 2010: \$450,883).

OVERVIEW FOR TO THE MARKET

The principal components of the \$1,997,098 net loss in fair value in securities are:

- (a) \$2.51 million unrealised loss on Orion's investment in ASX listed Strike Resources Limited (SRK), which declined in value from 50 cents to 24.5 cents during the financial year;
- (b) \$1.5 million unrealised gain on Orion's investment in ASX listed Alara Resources Limited (AUQ), which increased in value from 8.7 cents to 36.5 cents during the financial year; and
- (c) \$1 million reversal of net unrealised gain on Orion's share investments sold (and unlisted options in SRK exercised) during the financial year.

DIVIDENDS

The Directors have not declared a dividend in respect of the financial year ended 30 June 2011.

CONTROLLED ENTITIES and ASSOCIATE ENTITIES

The Consolidated Entity did not gain or cease control of any entities during the year.

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

- (1) 28.256% interest in ASX listed Bentley Capital Limited (ACN 008 108 218) (BEL) (30 June 2010: 28.488%).

The Company also has a 2.398% interest in BEL (30 June 2010: 2.417%).

Accordingly, the Consolidated Entity has a total 30.654% interest in BEL (30 June 2010: 30.905%).

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

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 2011.

ANNUAL GENERAL MEETING

Pursuant to the ASX Listing Rules, the Company gives notice that its 2011 Annual General Meeting (AGM) will be held at The Forrest Centre Conference Suites, Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia on Friday, 4 November 2011.

For and on behalf of the Directors,



Victor Ho
Company Secretary
Telephone: (08) 9214 9777

Date: 31 August 2011

Email: info@queste.com.au

DIRECTORS' REPORT

The Directors present their report on Queste Communications Ltd (**Company** or **Queste**) and its controlled entities (the **Consolidated Entity**) for the financial year ended 30 June 2011 (**Balance Date**).

Queste 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.

The Consolidated Entity's results incorporates the results of controlled entity, ASX listed investment company, Orion Equities Limited (**Orion** or **OEQ**). The Company has a 51% shareholding interest in Orion (30 June 2010: 48%).

PRINCIPAL ACTIVITIES

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

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

OPERATING RESULTS

CONSOLIDATED ENTITY	2011 \$	2010 \$
Total revenues	1,226,091	4,798,785
Total expenses	(4,183,538)	(4,743,171)
Profit/(Loss) before tax	(2,957,447)	55,614
Income tax benefit/(expense)	(82,211)	694,440
Profit/(Loss) for the year	(3,039,658)	750,054
Net profit/(loss) attributable to non controlling interest	1,386,384	578,521
Profit/(Loss) after tax attributable to owners of the Company	(1,653,274)	171,533
Basic earnings/(loss) per share (cents)	(5.5)	0.6
Diluted earnings/(loss) per share (cents)	(3.4)	0.4

At the Consolidated Entity level:

Revenues include:

- (1) \$500,186 net gain on sale of investments (2010: \$873,554 loss)
- (2) \$450,027 income from sale of olive oils (2010: \$1,200,987);
- (5) \$181,205 share of Associate entity's profit (net of dividends received from Associate of \$445,089) (2010: \$874,850 net of dividends received from Associate of \$445,089); and
- (3) \$15,332 dividend income (2010: \$14,060).

Expenses include:

- (1) \$1,997,098 net loss in fair value in investments (2010: \$2,572,398 gain);
- (2) \$846,501 personnel expenses (2010: \$932,525);
- (3) \$601,024 olive grove and oils operations (which does not include revaluation and depreciation expenses) (June 2010: \$1,023,130); and
- (4) \$201,041 olive grove and oils operation's revaluation and depreciation expenses (June 2010: \$450,883).

DIRECTORS' REPORT

The principal components of the \$1,997,098 net loss in fair value in securities are:

- (a) \$2.51 million unrealised loss on Orion's investment in ASX listed Strike Resources Limited (SRK), which declined in value from 50 cents to 24.5 cents during the financial year;
- (b) \$1.5 million unrealised gain on Orion's investment in ASX listed Alara Resources Limited (AUQ), which increased in value from 8.7 cents to 36.5 cents during the financial year; and
- (c) \$1 million reversal of net unrealised gain on Orion's share investments sold (and unlisted options in SRK exercised) during the financial year.

EARNINGS/(LOSS) PER SHARE

CONSOLIDATED ENTITY	2011	2010
Basic earnings/(loss) per share (cents)	(5.52)	0.57
Diluted earnings/(loss) per share (cents)	(3.42)	0.35
Weighted average number of fully paid ordinary shares in the Company outstanding during the year used in the calculation of basic earnings per share	29,927,379	29,927,379
Weighted average number of fully paid ordinary shares in the Company outstanding during the year used in the calculation of diluted earnings per share	48,404,879	48,404,879

The Company's 20,000,000 partly paid ordinary shares, to the extent that they have been paid (1.5225 cent per share), have been included in the determination of the basic earnings per share.

DIVIDENDS

The Directors have not declared a dividend in respect of the financial year ended 30 June 2011.

FINANCIAL POSITION

CONSOLIDATED ENTITY	2011 \$	2010 \$
Cash	1,684,644	2,585,981
Current investments - equities	6,475,856	8,629,841
Investments - listed Associate entities	7,571,638	7,835,522
Inventory	2,799,430	2,119,400
Receivables	94,025	211,577
Intangibles	782,058	884,683
Deferred tax assets	1,165,888	2,102,191
Other assets	1,811,166	2,169,180
Total Assets	22,384,705	26,538,375
Tax liabilities (current and deferred)	(1,165,888)	(2,102,191)
Other payables and liabilities	(819,716)	(585,917)
Net Assets	20,399,101	23,850,267
Issued capital	6,192,427	6,192,427
Reserves	2,351,465	2,431,707
Non- controlling interests	8,913,462	10,961,550
Retained earnings	2,941,747	4,264,583
Total Equity	20,399,101	23,850,267

DIRECTORS' REPORT

SECURITIES IN THE COMPANY

At Balance Date and the date of this report, the Company has the following securities on issue:

- (i) 28,404,879 listed fully paid ordinary shares; and
- (ii) 20,000,000 unlisted partly paid ordinary shares, each paid to 1.5225 cent with 18.4775 cents per partly paid ordinary share outstanding (or \$3,695,000 in total).

There were no securities issued or granted by the Company during or since the financial year.

The terms of issue of the partly paid shares are disclosed in the Prospectus for the initial public offering of shares in the Company dated 6 August 1998.

REVIEW OF OPERATIONS

1. Orion Equities Limited (OEQ)

1.1. Current Status of Investment in Orion

Orion Equities Limited is an ASX listed investment entity (ASX Code: OEQ).

The Company holds 9,063,153 shares in Orion, being 50.875% of its issued ordinary share capital (30 June 2010: 8,558,127 shares or 48.041%). Orion has been recognised as a controlled entity and included as part of the Queste Consolidated Entity's results since 1 July 2002.

Queste shareholders are advised to refer to the 30 June 2011 Directors' Report and financial statements and monthly NTA disclosures lodged by Orion for further information about the status and affairs of this 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 to 1.4 below contain information extracted from Orion's public statements.

1.2. Orion's Operating Results for year ended 30 June 2011

ORION EQUITIES LIMITED Consolidated Entity	2011 \$	2010 \$
Total revenues	1,124,813	4,692,025
Total expenses	(3,800,821)	(4,273,059)
Profit/(loss) before tax	(2,676,008)	418,966
Income tax benefit/(expense)	(82,211)	694,440
Profit/(Loss) attributable to members of Orion	(2,758,219)	1,113,406
Basic and diluted earnings/(loss)cents per share	(15.48)	6.25

DIRECTORS' REPORT

ORION EQUITIES LIMITED Consolidated Entity	2011 \$	2010 \$
Net tangible assets (before tax)	17,364,240	20,211,658
Pre-Tax NTA Backing per share	0.975	1.135
Less deferred tax assets and tax liabilities	-	-
Net tangible assets (after tax)	17,364,240	20,211,658
Pre-Tax NTA Backing per share	0.975	1.135
Based on total issued share capital	17,814,389	17,814,389

Orion's revenues include:

- (1) \$496,680 gain on sale of securities (June 2010: \$887,317 loss);
- (2) \$450,027 income from olive grove operations (June 2010: \$1,200,987); and
- (3) \$167,032 share of Associate entity's profit (net of dividends received from Associate of \$410,276) (June 2010: \$890,284 net of dividends received from Associate of \$410,276).

Orion's expenses include:

- (1) \$2,013,636 net loss in fair value in securities (June 2010: \$2,583,275 net gain);
- (2) \$601,024 olive grove and oils operations (which does not include revaluation and depreciation expenses) (June 2010: \$1,023,130);
- (3) \$201,041 olive grove impairment and depreciation expenses (June 2010: \$123,303); and
- (4) \$617,837 personnel costs (including Directors' fees) (June 2010: \$539,042).

The principal components of Orion's \$2,013,636 net loss in fair value in securities are:

- (a) \$2.51 million unrealised loss on a share investment in ASX listed Strike Resources Limited (SRK), which declined in value from 50 cents to 24.5 cents per share during the financial year;
- (b) \$1.5 million unrealised gain on a share investment in ASX listed Alara Resources Limited (AUQ), which increased in value from 8.7 cents to 36.5 cents per share during the financial year; and
- (c) \$1 million reversal of net unrealised gain on share investments sold (and unlisted options in SRK exercised) during the financial year.

1.3. Orion's Dividends

Orion has not declared a dividend in respect of the financial year ended 30 June 2011.

1.4. Orion's Portfolio Details as at 30 June 2011

Asset Weighting

	% of Net Assets	
	2011	2010
Australian equities	75%	75%
Agribusiness ¹	14%	16%
Property held for development and resale	10%	10%
Net tax liabilities (current year and deferred tax assets/liabilities)	-	-%
Net cash/other assets and provisions	1%	(1%)
TOTAL	100%	100%

¹ Agribusiness net assets include olive grove land, olive trees, water licence, buildings, plant and equipment and inventory (bulk and packaged oils)

DIRECTORS' REPORT

Major Holdings in Securities Portfolio

Equities		Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
1.	Bentley Capital Limited	4.51	24.87%	BEL	Diversified Financials
2.	Strike Resources Limited	4.09	22.53%	SRK	Materials
3.	Alara Resources Limited	2.31	12.74%	AUQ	Materials
TOTAL		10.91	60.14%		

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

In the opinion of the Directors, it may prejudice the interests of the Consolidated Entity to provide additional information (beyond that reported in this Directors' Report) in relation to future developments and the business strategies and operations of the Consolidated Entity and the expected results of those operations in subsequent financial years.

Orion has advised that it 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 company invests. The investments' performance depends on many economic factors and also industry and company specific issues. In the opinion of the Orion Directors, it is not possible or appropriate to make a prediction on the future course of markets, the performance of the company's investments or the forecast of the likely results of the company's activities.

ENVIRONMENTAL REGULATION

The Consolidated Entity notes the reporting requirements of both the *Energy Efficiency Opportunities Act 2006 (EEOA)* and the *National Greenhouse and Energy Reporting Act 2007 (NGERA)*. The *Energy Efficiency Opportunities Act 2006* requires affected companies to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the company intends to take as a result. The *National Greenhouse and Energy Reporting Act 2007* requires affected companies to report its annual greenhouse gas emissions and energy use.

The Consolidated Entity has determined that it does not operate a recognised facility requiring registration and reporting under the NGERA and in any event, it would fall under the threshold of greenhouse gas emissions required for registration and reporting. Similarly, the Consolidated Entity's energy consumption would fall under the threshold required for registration and reporting under the EEOA.

The Consolidated Entity is not otherwise subject to any particular or significant environmental regulation under either Commonwealth or State legislation. To the extent that any environmental regulations may have an incidental impact on the Consolidated Entity's operations, the Directors are not aware of any breach by the Consolidated Entity of those regulations.

DIRECTORS' REPORT

DIRECTORS

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

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>	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	6,129,944 shares
<i>Other current directorships in listed entities</i>	Executive Chairman of: (1) Bentley Capital Limited (since 2 December 2003) (2) Orion Equities Limited (since 23 October 2006) Non-Executive Director of: (3) Alara Resources Limited (director since 18 May 2007)
<i>Former directorships in other listed entities in past 3 years</i>	(1) Yellow Brick Road Holdings Limited (formerly ITS Capital Investments Ltd) (27 April 2006 to 18 March 2011) (2) Strike Resources Limited (3 September 1999 to 3 February 2011) (3) Scarborough Equities Limited (merged with Bentley on 13 March 2009 and delisted)

Azhar Chaudhri	Non-Executive Director
<i>Appointed</i>	4 August 1998
<i>Qualifications</i>	Bachelor of Science degree in Maths and Physics and a Masters degree in Economics and postgraduate computer studies
<i>Experience</i>	Mr Chaudhri has considerable expertise in computer systems, analysis and design and advanced programming experience, particularly with respect to business and information technology systems and Data Base computing. In particular Mr Chaudhri has formed and led software development teams creating integrated database and management information systems for utilities, local government land tax departments, hospitals, libraries and oil terminals.
<i>Relevant interest in shares</i>	4,337,780 shares 20,000,000 partly paid shares
<i>Other current directorships in listed entities</i>	None
<i>Former directorships in other listed entities in past 3 years</i>	None

DIRECTORS' REPORT

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, Mr Khan completed his postgraduate Masters degree and commenced work as a senior executive responsible for product marketing, costing systems and production management. Mr Khan has been an integral member of the team responsible for the pre-IPO structuring and IPO promotion of a number of ASX floats and has been involved in the management of such companies. Mr Khan brings considerable international experience in key aspects of corporate finance and the strategic analysis of listed investments.
<i>Relevant interest in shares</i>	68,345 shares
<i>Other current directorships in listed entities</i>	Non-Executive Directors of Orion Equities Limited (since 5 November 1999).
<i>Former directorships in other listed entities in past 3 years</i>	None

Simon K. Cato	Non-Executive Director
<i>Appointed</i>	6 February 2008
<i>Qualifications</i>	B.A. (<i>USYD</i>)
<i>Experience</i>	Mr Simon Cato has had over 25 years capital markets experience in broking, regulatory roles and as director of listed companies. He initially was employed by the ASX in Sydney and in Perth. Over the last 17 years he has been an executive director and/or responsible executive of three stockbroking firms and in those roles he has been involved in many aspects of broking including management issues such as credit control and reporting to regulatory bodies in the securities industry. As a broker he has also been involved in the underwriting of a number of IPO's and has been through the process of IPO listing in the dual role of broker and director. Currently he holds a number of executive and non executive roles with listed companies in Australia.
<i>Relevant interest in shares</i>	193,000 shares
<i>Other current directorships in listed entities</i>	Chairman of: (1) Convergent Minerals Limited (since 25 July 2006) (2) Advanced Share Registry Limited (since 22 August 2007) Non-Executive Director of: (3) Transactions Solutions International Limited (since 24 February 2010) (4) Greenland Minerals and Energy Ltd (since 21 February 2006)
<i>Former directorships in other listed entities in past 3 years</i>	(1) Bentley Capital Limited (5 February 2004 to 29 April 2010) (2) Scarborough Equities Limited (merged with Bentley on 13 March 2009 and delisted)

At the Balance Date, Messrs Azhar Chaudhri and Yaqoob Khan were resident overseas.

DIRECTORS' REPORT

COMPANY SECRETARY

Information concerning the Company Secretary in office during or since the financial year are:

Victor P. H. Ho	Company Secretary
<i>Appointed</i>	30 August 2000
<i>Qualifications</i>	BCom, LLB (<i>Western Australia</i>)
<i>Experience</i>	Mr Ho has been in executive and company secretarial roles with a number of public listed companies since early 2000. Previously, Mr Ho had 9 years experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate transactions, capital raisings and capital management matters and has extensive experience in public company administration, corporations law, stock exchange compliance and shareholder relations.
<i>Relevant interest in shares</i>	17,500 shares
<i>Other current positions held in listed entities</i>	Executive Director and Company Secretary of: <ol style="list-style-type: none"> (1) Orion Equities Limited (Secretary since 2 August 2000 and Director since 4 July 2003) Company Secretary of: <ol style="list-style-type: none"> (2) Bentley Capital Limited (since 5 February 2004) (3) Alara Resources Limited (since 4 April 2007)
<i>Former positions in other listed entities in past 3 years</i>	<ol style="list-style-type: none"> (1) Strike Resources Limited (secretary between 9 March 2000 and 30 April 2010 and director between 12 October 2000 and 25 September 2009) (2) Scarborough Equities Limited (secretary between 29 November 2004 and 13 March 2009)

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	5	5
Simon Cato	8	8
Yaqoob Khan	5	5
Azhar Chaudhri	8	8

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 Consolidated Entity's activities, matters typically dealt with by an Audit or Remuneration Committee are dealt with by the full Board.

DIRECTORS' REPORT

REMUNERATION REPORT

This 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 the Consolidated Entity.

The information provided under headings (1) to (3) below has been audited as required under section 308(3)(C) of the *Corporations Act 2001*.

(1) Remuneration Policy

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

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 \$55,000 per annum inclusive of minimum employer superannuation contributions where applicable, to be divided as the Board determines appropriate.

The Board has determined current Company Key Management Personnel remuneration as follows:

- (a) Mr Farooq Khan (Executive Chairman and Managing Director) – a base salary of \$125,000 per annum plus employer superannuation contributions (currently 9%);
- (b) Mr Azhar Chaudhri (Non-Executive Director) – a base fee of \$15,000 per annum;
- (c) Mr Simon Cato (Non-Executive Director) – a base fee of \$15,000 per annum plus employer superannuation contributions (currently 9%);
- (d) Mr Yaqoob Khan (Non-Executive Director) – a base fee of \$15,000 per annum; and
- (e) Mr Victor Ho (Company Secretary) – a base salary of \$45,000 per annum plus employer superannuation contributions (currently 9%).

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 the performance of extra services or the making of special exertions at the request of the Board and for the purposes of the Company.
- (b) Payment for reimbursement of all reasonable expenses (including traveling and accommodation expenses) incurred by a Director for the purpose of attending meetings of the Company or the Board, on the business of the Company, or in carrying out duties as a Director.

Long Term Benefits: Key Management Personnel have no right to termination payments save for payment of accrued annual leave and long service leave (other than Non-Executive Directors).

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.

DIRECTORS' REPORT

Performance Related Benefits/Variable Remuneration: The Company does not presently provide short or long 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.

Service Agreements: The Company does not presently have formal service agreements or employment contracts with any Key Management Personnel.

Financial Performance of Company: There is no relationship between the Company's current remuneration policy and 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 remunerative measures if appropriate in the future (subject to prior shareholder approval where applicable).

(2) 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

2011	Performance related	Short-term Benefits		Post Employment Benefits	Other Long-term Benefits	Equity Based	
Key Management Person	%	Cash, salary and commissions \$	Non-cash benefit \$	Superannuation \$	Long service leave \$	Shares & Options \$	Total \$
Executive Director:							
Farooq Khan	-	123,798	-	11,142	-	-	134,940
Non-Executive Directors:							
Yaqoob Khan	-	15,000	-	-	-	-	15,000
Azhar Chaudhri	-	15,000	-	-	-	-	15,000
Simon Cato	-	15,577	-	1,402	-	-	16,979
Company Secretary:							
Victor Ho	-	46,731	-	4,206	-	-	50,937

2010	Performance related	Short-term Benefits		Post Employment Benefits	Other Long-term Benefits	Equity Based	
Key Management Person	%	Cash, salary and commissions \$	Non-cash benefit \$	Superannuation \$	Long service leave \$	Shares & Options \$	Total \$
Executive Director:							
Farooq Khan	-	125,000	-	11,250	-	-	136,250
Non-Executive Directors:							
Yaqoob Khan	-	15,000	-	-	-	-	15,000
Azhar Chaudhri	-	15,000	-	-	-	-	15,000
Simon Cato	-	1,731	-	14,619	-	-	16,350
Company Secretary:							
Victor Ho	-	31,998	-	2,960	-	-	34,958

DIRECTORS' REPORT

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

2011 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 \$	
Executive Directors:							
Farooq Khan	-	230,769	-	20,769	-	-	251,538
William Johnson	-	77,885	-	7,010	-	-	84,895
Victor Ho	-	77,885	-	7,010	-	-	84,895
Non-Executive Director:							
Yaqoob Khan	-	25,000	-	-	-	-	25,000

2010 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 \$	
Executive Directors:							
Farooq Khan	-	250,000	-	22,500	-	-	272,500
William Johnson	-	100,962	-	12,087	-	-	113,049
Victor Ho	-	62,018	-	5,582	-	-	67,600
Non-Executive Director:							
Yaqoob Khan	-	25,000	-	-	-	-	25,000

(3) 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.

This concludes the audited remuneration report.

DIRECTORS' AND OFFICERS' INSURANCE

The Company does not have any directors' and officers insurance policy. Orion has a directors' and officers insurance policy; the nature of the liabilities covered or the amount of premiums paid in respect of this policy has not been disclosed as such disclosure is prohibited under the terms of the policy.

DIRECTORS DEEDS

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the Corporations Act), 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:

- (i) 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); and
- (ii) Subject to the terms of the deed and the Corporations Act, 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.

DIRECTORS' REPORT

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.

AUDITOR

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) for audit and non-audit services provided during the financial year are set out below:

Consolidated Entity			Company		
Audit & Review Fees	Non-Audit Services	Total	Audit & Review Fees	Non-Audit Services	Total
\$	\$	\$	\$	\$	\$
64,042	6,850	70,892	27,233	3,000	30,233

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

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327B of the *Corporations Act 2001*.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 forms part of this Directors Report and is set out on page 16. This relates to the Audit Report, where the Auditors state that they have issued an independence declaration.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any 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 Subsequent Events Note 26), that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

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



Farooq Khan
Chairman

31 August 2011



Simon Cato
Director

31 August 2011

The Board of Directors
Queste Communications Ltd
Level 14, The Forrest Centre
221 St Georges Terrace
Perth, Western Australia, 6000

Dear Sirs

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF
QUESTE COMMUNICATIONS LTD

As lead auditor of Queste Communications Ltd for the year ended 30 June 2011, 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
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Queste Communications Ltd and the entities it controlled during the period.



Chris Burton
Director



BDO Audit (WA) Pty Ltd
Perth, Western Australia

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2011

	2011	2010	
	\$	\$	
Revenue from continuing operations			
Other income			
- Net gain on sale of financial assets held at fair value	500,186		
- Net change on financial assets held at fair value through profit or loss	-	2,572,398	
- Share of Associate entity's net profits	181,205	874,850	
- Other	10	408	
	<u>1,226,091</u>	<u>4,798,785</u>	
Expenses			
Net change on financial assets held at fair value through profit or loss	(1,997,098)	-	
Net loss on sale of financial assets held at fair value	-	(873,554)	
Costs of goods sold in relation to olive oils operations	(802,065)	(1,474,013)	
Impairment of property held for development and resale	300,000	(950,000)	
Other costs in relation to land operations	(367,300)	(130,080)	
Occupancy	(112,624)	(67,167)	
Personnel	(846,501)	(932,525)	
Financing	(5,447)	(6,046)	
Borrowing cost	(424)	(2,729)	
Corporate	(133,509)	(189,579)	
Other administration expenses			
- depreciation	(6,403)	(6,656)	
- other	(212,167)	(110,822)	
	<u>(2,957,447)</u>	<u>55,614</u>	
Profit/(Loss) before income tax			
Income tax benefit/(expense)	(82,211)	694,440	
	<u>(3,039,658)</u>	<u>750,054</u>	
Other comprehensive income			
Changes in asset revaluation reserve, net of tax	(80,242)	(13,938)	
Total comprehensive income/(loss), net of tax	<u>(3,119,900)</u>	<u>736,116</u>	
Profit attributable to:			
Owners of Queste Communications Ltd	(1,653,274)	171,533	
Non-controlling interest	(1,386,384)	578,521	
	<u>(3,039,658)</u>	<u>750,054</u>	
Total comprehensive income/(loss) for the year attributable to			
Owners of Queste Communications Ltd	(1,733,516)	157,595	
Non-controlling interest	(1,386,384)	578,521	
	<u>(3,119,900)</u>	<u>736,116</u>	
Basic earnings/(loss) per share	7	(5.5)	0.6
Diluted earnings/(loss) per share	7	(3.4)	0.4

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	8	1,684,644	2,585,981
Financial assets held at fair value through profit and loss	9	6,475,856	8,629,841
Trade and other receivables	10	61,202	178,754
Inventories - Olive Oils	11	999,430	619,400
Other current assets	12	5,057	-
TOTAL CURRENT ASSETS		9,226,189	12,013,976
NON CURRENT ASSETS			
Trade and other receivables	10	32,823	32,823
Inventories - Land	11	1,800,000	1,500,000
Investments in Associate entity	13	7,571,638	7,835,522
Property, plant and equipment	14	1,740,609	2,103,680
Olive trees	15	65,500	65,500
Intangible assets	16	782,058	884,683
Deferred tax assets	19	1,165,888	2,102,191
TOTAL NON CURRENT ASSETS		13,158,516	14,524,399
TOTAL ASSETS		22,384,705	26,538,375
CURRENT LIABILITIES			
Trade and other payables	17	622,237	432,415
TOTAL CURRENT LIABILITIES		622,237	432,415
NON CURRENT LIABILITIES			
Provisions	18	197,479	153,502
Deferred tax liabilities	19	1,165,888	2,102,191
TOTAL NON CURRENT LIABILITIES		1,363,367	2,255,693
TOTAL LIABILITIES		1,985,604	2,688,108
NET ASSETS		20,399,101	23,850,267
EQUITY			
Issued capital	20	6,192,427	6,192,427
Reserves	21	2,351,465	2,431,707
Retained earnings		2,941,747	4,264,583
Parent interest		11,485,639	12,888,717
Non-controlling interest		8,913,462	10,961,550
TOTAL EQUITY		20,399,101	23,850,267

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2011

	Note	Issued Capital \$	Option Premium Reserves \$	Asset Revaluation Reserves \$	Retained earnings \$	Non- controlling Interest \$	Total \$
Balance as at 1 July 2009		6,192,427	2,138,012	307,633	4,093,050	10,398,104	23,129,226
Profit for the year		-	-	-	171,533	578,521	750,054
Changes in asset revaluation reserve		-	-	(13,938)	-	-	(13,938)
Total comprehensive income for the year		-	-	(13,938)	171,533	578,521	736,116
Transactions with owners in their capacity as owners:							
Transactions with non-controlling interest		-	-	-	-	(15,075)	(15,075)
Balance as at 30 June 2010		<u>6,192,427</u>	<u>2,138,012</u>	<u>293,695</u>	<u>4,264,583</u>	<u>10,961,550</u>	<u>23,850,267</u>
Balance as at 1 July 2010		6,192,427	2,138,012	293,695	4,264,583	10,961,550	23,850,267
Loss for the year		-	-	-	(1,653,274)	(1,386,384)	(3,039,658)
Changes in asset revaluation reserve		-	-	(80,242)	-	-	(80,242)
Total comprehensive loss for the year		-	-	(80,242)	(1,653,274)	(1,386,384)	(3,119,900)
Transactions with owners in their capacity as owners:							
Transactions with non-controlling interest		-	-	-	330,438	(661,704)	(331,266)
Balance as at 30 June 2011		<u>6,192,427</u>	<u>2,138,012</u>	<u>213,453</u>	<u>2,941,747</u>	<u>8,913,462</u>	<u>20,399,101</u>

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		450,037	1,149,196
Sale proceeds from trading portfolio		1,321,780	1,059,608
Payments for trading portfolio		(957,857)	-
Payments to suppliers and employees		(2,348,434)	(2,998,989)
Interest received		117,664	118,914
Interest paid		(424)	(2,729)
Income tax paid		-	-
Dividends received		460,421	459,149
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	8 b	(956,813)	(214,851)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(17,987)	(21,302)
Proceeds from disposal of plant and equipment		-	2,593
Payments for investment securities		293,150	(1,046,752)
Proceeds from sale of investment securities		(219,687)	426,205
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		55,476	(639,256)
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD		(901,337)	(854,107)
Cash and cash equivalents at beginning of the financial year		2,585,981	3,440,088
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	1,684,644	2,585,981

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

1. SUMMARY OF ACCOUNTING POLICIES

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statement includes the financial statements for the Consolidated Entity consisting of Queste Communications Ltd and its subsidiary. Queste Communications Ltd is a company limited by shares, incorporated in Western Australia, Australia and whose shares are publicly traded on the Australian Securities Exchange (**ASX**).

1.1. 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, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

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

Reporting Basis and Conventions

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

1.2. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiaries of Queste Communications Ltd as at 30 June 2011 and the results of its subsidiaries for the year then ended. Queste Communications Ltd and its subsidiary are referred to in this financial statement as the Consolidated Entity.

Subsidiaries are all entities over which the Consolidated Entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another entity. Information on the controlled entity is contained in Note 2 to the financial statements.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

All controlled entities have 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.

1.3. Investments in Associates

Associates are all entities over which the Consolidated Entity has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and

50% of the voting rights. Investments in associates in the consolidated financial statements are accounted for using the equity method of accounting, after initially being recognised at cost. Under this method, the Consolidated Entity's share of the post-acquisition profits or losses of associates are recognised in the consolidated Statement of Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment (refer to Note 13).

Dividends receivable from associates are recognised in the Company's Statement of Comprehensive Income, while in the consolidated financial statements they reduce the carrying amount of the investment. When the Consolidated Entity's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Consolidated Entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Consolidated Entity and its associates are eliminated to the extent of the Consolidated Entity's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity. All associated entities have a June financial year-end.

1.4. Operating Segment

The Consolidated Entity has applied AASB 8: Operating Segments which requires that segment information be presented on the same basis as that used for internal reporting purposes.

In this financial year, the operating segments have been determined by the Board, to be investments comprising of investments in shares, land and Associate entity and the olive grove. The Consolidated Entity's segment reporting is contained in Note 22 of the notes to the financial statements.

1.5. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. 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:

Sale of Goods and Disposal of Assets - Revenue from the sale of goods and disposal of other assets is recognised when the Consolidated Entity has passed control of the goods or other assets to the buyer.

Contributions of Assets - Revenue arising from the contribution of assets is recognised when the Consolidated Entity gains control of the asset or the right to receive the contribution.

Interest Revenue - Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

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.

Other Revenues - Other revenues are recognised on a receipts basis.

1.6. Income Tax

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 parent entity 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.

1.7. 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 cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1.8. Employee Benefits

Short term obligations - Provision is made for the Consolidated Entity's liability for employee benefits arising from services rendered by employees to 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 have been measured at the present value of the estimated future cash outflows to be made for those benefits. Employer superannuation contributions are made by the Consolidated Entity in accordance with statutory obligations and are charged as an expense when incurred.

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

1.9. Cash and Cash Equivalents

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.

1.10. Receivables

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

1.11. 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 balance date.

1.12. Investments and Other Financial Assets and Liabilities

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 these instruments are measured as set out below.

Financial assets at fair value through profit and loss - A financial asset is classified in this category if 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*. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise.

Available for sale financial assets - Available for sale financial assets, comprising principally marketable equity securities, are

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

non-derivatives that are either designated in this category or not classified in any other categories. Realised and unrealised gains and losses arising from changes in the fair value of these assets are recognised in equity in the period in which they arise.

Loans and receivables - Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities - Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

At each reporting date, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the profit and loss.

The Consolidated Entity's investment portfolio (comprising listed and unlisted securities) is accounted for as "financial assets at fair value through profit and loss".

1.13. Fair value Estimation

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 a "financial assets at fair value through profit and loss" and is carried at fair value based on the quoted last bid prices at reporting date (refer to Note 9).

1.14. Property held for Resale

Property held for development and sale is valued at 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.

1.15. Property, Plant and Equipment

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

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

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

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

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate	Depreciation Method
Plant and Equipment	15-33.3%	Diminishing Value
Furniture and Equipment	15-20%	Diminishing Value
Leasehold Improvements	15%	Diminishing Value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

1.16. 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2011

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.

1.17. Payables

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

1.18. Provisions

Provisions for legal claims, service warranties and make good obligations has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

1.19. Issued Capital

Ordinary shares are classified as equity. 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, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

1.20. Earnings Per Share

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

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

1.21. Inventories

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. They include the transfer from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing

costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

1.22. Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Consolidated Entity as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

1.23. Intangible Assets

The intangible assets acquired in a business combination are initially measured at its purchase price as its fair value at the acquisition date. The revaluation method states that after the initial recognition, an intangible asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. For the purpose of revaluations under AASB 138: *Intangible Assets*, fair value shall be determined by reference to an active market. Revaluations shall be made with such regularity that at the end of the reporting period the carrying amount of the asset does not differ materially from its fair value.

1.24. Biological Assets

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

1.25. Comparative Figures

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

1.26. Critical accounting judgements and estimates

The preparation of the Consolidated Financial Statements requires Directors to make judgements and estimates and form assumptions that affect how certain assets, liabilities, revenue, expenses and equity are reported. At each reporting period, the Directors evaluate their judgements and estimates based on historical experience and on other various factors they believe to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities (that are not readily apparent from other sources, such as independent valuations). Actual results may differ from these estimates under different assumptions and conditions.

The Consolidated Entity carries its freehold land and intangible assets (water licence) at fair value with changes in the fair values recognised in equity. It also carries inventory (land held for development and resale) and olive trees at fair value with changes in the fair value recognised in the Statement of Comprehensive Income. Independent valuations are obtained for these non-current assets at least annually.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

1.27. Summary Of Accounting Standards Issued Not Yet Effective

The following new Accounting Standards and Interpretations (which have been released but not yet adopted) have no material impact on the Consolidated Entity's financial statements or the associated notes therein.

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. Requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9. These include the requirements relating to: (a) Classification and measurement of financial liabilities; and (b) Derecognition requirements for financial assets and liabilities. However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	Periods beginning on or after 1 January 2013
AASB 2010-4 (issued June 2010)	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]	Not urgent but necessary changes to IFRSs as a result of IASB's 2009 annual improvements project.	Periods commencing on or after 1 January 2011.
AASB 2010-8 (issued December 2010)	Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	For investment property measured using the fair value model, deferred tax assets and liabilities will be calculated on the basis of a rebuttable presumption that the carrying amount of the investment property will be recovered through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. However, this presumption cannot be rebutted for the land portion of investment property which is not depreciable.	Periods commencing on or after 1 January 2012
AASB 2010-9 (issued December 2010)	Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters [AASB 1]	A first-time adopter of Australian Accounting Standards must apply the derecognition requirements in AASB 139 <i>Financial Instruments: Recognition and Measurement</i> prospectively for transactions occurring on or after the date of transition to Australian Accounting Standards, rather than 1 January 2004.	Periods commencing on or after 1 July 2011 (i.e. date of transition would be 1 July 2010)
AASB 124 (issued December 2009)	Related Party Disclosures	Simplifies disclosure requirements for government-related entities and clarifies the definition of a related party.	Annual reporting periods commencing on or after 1 January 2011.
AASB 2010-6 (issued November 2010)	Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets	Additional disclosures required for entities that transfer financial assets, including information about the nature of financial assets involved and the risks associated with them.	Annual reporting periods commencing on or after 1 July 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

1.27 Summary Of Accounting Standards Issued Not Yet Effective (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:
IFRS 10 (issued May 2011)	Consolidated Financial Statements	<p>Introduces a single 'control model' for all entities, including special purpose entities (SPEs), whereby all of the following conditions must be present:</p> <ul style="list-style-type: none"> (a) Power over investee (whether or not power used in practice) (b) Exposure, or rights, to variable returns from investee (c) Ability to use power over investee to affect the entity's returns from investee. <p>Introduces the concept of 'de facto' control for entities with less than a 50% ownership interest in an entity, but which have a large shareholding compared to other shareholders. This could result in more instances of control and more entities being consolidated.</p> <p>Potential voting rights are only considered when determining if there is control when they are substantive (holder has practical ability to exercise) and the rights are currently exercisable. This may result in possibly fewer instances of control.</p> <p>Additional guidance included to determine when decision making authority over an entity has been delegated by a principal to an agent. Factors to consider include:</p> <ul style="list-style-type: none"> (a) Scope of decision making authority (b) Rights held by other parties, e.g. kick-out rights (c) Remuneration and whether commensurate with services provided (d) Decision maker's exposure to variability of returns from other interests held in the investee. 	Annual reporting periods commencing on or after 1 January 2013
IFRS 13 (issued May 2011)	Fair Value Measurement	Currently, fair value measurement requirements are included in several Accounting Standards. IFRS 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements.	Annual reporting periods commencing on or after 1 January 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

2. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Queste Communications Ltd as at 30 June 2011. The information presented here has been prepared using accounting policies outlined in Note 1.

	Company	
	2011	2010
	\$	\$
Statement of Financial Position		
Current assets	1,905,541	2,770,250
Non current assets	3,343,942	3,399,173
Total assets	5,249,483	6,169,423
Current liabilities	151,841	143,106
Non current liabilities	-	132,196
Total liabilities	151,841	275,302
Net assets	5,097,642	5,894,121
Issued capital	6,192,427	6,192,427
Reserves	1,892,657	2,419,637
Accumulated losses	(2,987,442)	(2,717,943)
Total equity	5,097,642	5,894,121
Total comprehensive loss for the year	(269,500)	(475,244)

(a) Current assets

(i) Cash and cash equivalents

Cash at bank	1,363,415	543,179
Term deposit	32,089	1,645,272
Total cash and cash equivalents	1,395,504	2,188,451

(ii) Other current assets

Total current assets	510,037	581,799
	1,905,541	2,770,250

(b) Non current assets

(i) Available for sale financial asset

Shares in controlled entity - at cost	3,069,452	2,849,766
Net change in fair value	(350,506)	402,322
Market value of listed securities	2,718,946	3,252,088

(ii) Other non current assets

Total non current assets	624,996	147,085
	3,343,942	3,399,173

Details of the percentage of ordinary shares held in controlled entity:

Investment in Controlled Entities:

Orion Equities Limited (A.C.N. 000 742 843) (OEO) Incorporated in Australia

Ownership interest

	2011	2010
	50.88%	48.04%

(c) Transactions with related parties

The Company is deemed to control Orion Equities Limited (OEO). During the financial year, there were transactions between the Company, OEO and Associate entity of OEO, Bentley Capital Limited (BEL), pursuant to shared office and administration expense arrangements. Interest is not charged on such outstanding amounts and amounts were fully received/(paid) by balance date. The following transactions also occurred with related parties:

	2011	2010
	\$	\$
Dividends received from:		
Bentley Capital Limited	34,813	410,276
Administration expenses receivable/(payable)		
Bentley Capital Limited	-	560
Orion Equities Limited	-	(2,077)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

2. PARENT ENTITY INFORMATION (continued)

(c) Transactions with related parties (continued)

	2011	2010
	\$	\$
The Company advanced to OEQ \$500,000. The loan facility is unsecured and attracts 10% interest per annum.		
Loan advance to Orion Equities Limited	500,000	-
Interest owed on loan advance	16,712	-
Interest revenue on loan advance	17,945	-

3. CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR

Profit/(Loss) for the year includes the following items of revenue and expenses below.

(a) Revenue from continuing operations

Income from sale of olive oils	450,027	1,200,987
Dividends received	15,332	14,060
Interest received - other	79,331	136,082
	<u>544,690</u>	<u>1,351,129</u>

Other income

Share of Associate entity's profit	181,205	874,850
Net gain on sale of financial assets held at fair value	500,186	-
Net change on financial assets held at fair value through profit or loss	-	2,572,398
Other income	10	408
	<u>681,401</u>	<u>3,447,656</u>
	<u>1,226,091</u>	<u>4,798,785</u>

(b) Expenses from continuing operations

Net change on financial assets held at fair value through profit or loss	1,997,098	-
Net loss on sale of financial assets held at fair value	-	873,554
Costs in relation to olive oil operations		
- Cost of goods sold	582,608	910,006
- Depreciation expenses	201,041	123,303
- Other expenses	18,416	113,124
- Revaluation of trees	-	327,580
Costs in relation to land operations		
- Impairment/(reversal) of property held for development and resale	(300,000)	950,000
- Other expenses	367,300	130,080
Personnel - remuneration and other	881,715	952,452
- employee entitlements	(35,214)	(19,927)
Occupancy expenses	112,624	67,167
Corporate expenses - Consultancy	79,082	92,089
- Other corporate expenses	54,427	97,490
Finance expenses	5,447	6,046
Borrowing cost	424	2,729
Administration expenses		
- Professional fees	78,002	3,014
- Communications	37,212	12,700
- Realisation cost of share portfolio written back	(12,043)	(1,072)
- Brokerage fees	8,735	11,830
- Depreciation expenses - other assets	6,403	6,656
- Write off fixed assets	2,202	2,986
- Write off lapsed options	-	1,200
- Other expenses	98,059	80,164
	<u>4,183,538</u>	<u>4,743,171</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

4. INCOME TAX EXPENSE

	2011	2010
	\$	\$
(a) Income tax expense		
Current tax		
Under/(over) provision in prior years	-	-
Deferred tax		
Current year deferred tax expense/(benefit)	82,211	(694,440)
Total income tax expense/(benefit) per income statement	<u>82,211</u>	<u>(694,440)</u>
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) before income tax	(2,957,447)	55,614
Tax at the Australian tax rate of 30% (2010: 30%)	<u>(887,233)</u>	<u>16,684</u>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other assessable income	192,046	57,593
Other non-deductible items	1,793	4,023
Share of Associate's (profits)/loss	(54,362)	(262,455)
Current year revenue losses not brought to account	195,555	94,524
Derecognition of prior year revenue loss	680,789	-
Derecognition of prior year capital loss	264,268	69,001
Derecognition of deferred taxes on investment in associate	48,642	-
Utilisation of previously unrecognised capital loss	(316,500)	(1,200)
Movement in unrecognised temporary differences	(42,787)	44,057
Excess current year franking credits converted to recognised tax losses	-	(177,011)
Income tax expense attributable to operating loss	<u>82,211</u>	<u>(154,784)</u>
Deferred tax assets not previously brought to account	<u>-</u>	<u>(539,656)</u>
Income tax expense (benefit)	<u>82,211</u>	<u>(694,440)</u>
(c) Deferred tax recognised directly in equity		
Revaluations of land and intangibles	<u>(82,211)</u>	<u>262,006</u>
(d) Deferred tax assets not brought to account at 30%:		
Revenue losses	1,589,972	518,075
Capital losses	246,719	295,802
Temporary differences	48,155	90,942
	<u>1,884,846</u>	<u>904,819</u>

The Deferred Tax Asset not brought to account for the period will only be obtained if:

- i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;
- ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- iii) the Company is able to meet the continuity of ownership and/or continuity of business tests under tax legislation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

5. KEY MANAGEMENT PERSONNEL DISCLOSURES

	2011	2010
	\$	\$
(a) Key management personnel compensation		
Directors		
Short-term employee benefits - cash fees	580,914	532,693
Post-employment benefits - superannuation	47,333	60,456
	<u>628,247</u>	<u>593,149</u>
Other key management personnel		
Short-term employee benefits - cash fees	46,731	94,016
Post-employment benefits - superannuation	4,206	8,542
	<u>50,937</u>	<u>102,558</u>

Detailed remuneration disclosures are provided in the Remuneration Report section of the Directors' Report.

(b) Compensation of other key management personnel

The Consolidated Entity do not have any key executives (other than executive directors).

(c) Options, rights and equity instruments provided as remuneration

There were no options, rights and equity instruments provided as remuneration to key management personnel and no shares issued on the exercise of any such instruments, during the financial year.

(d) Shareholdings of key management personnel

	Balance at	Net Changes	Balance at
	start of the year	during the year	end of the year
2011			
Directors			
Farooq Khan	6,398,044	-	6,398,044
Simon Cato	193,000	-	193,000
Azhar Chaudhri	4,724,280	826,950	5,551,230
Yaqoob Khan	68,345	-	68,345
Other key management personnel			
Victor Ho (Company Secretary)	17,500	-	17,500
2010			
Directors			
Farooq Khan	6,398,044	-	6,398,044
Simon Cato	193,000	-	193,000
Azhar Chaudhri	4,724,280	-	4,724,280
Yaqoob Khan	68,345	-	68,345
Other key management personnel			
Victor Ho (Company Secretary)	17,500	-	17,500

(e) Partly paid shareholding of key management personnel

	Balance at	Net Changes	Balance at
	start of the year	during the year	end of the year
2011			
Directors			
Farooq Khan	-	-	-
Azhar Chaudhri	20,000,000	-	20,000,000
Yaqoob Khan	-	-	-
2010			
Directors			
Farooq Khan	-	-	-
Azhar Chaudhri	20,000,000	-	20,000,000
Yaqoob Khan	-	-	-

The disclosures of equity holdings above are in accordance with the accounting standards which requires a 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). The 2010 comparatives have been restated to reflect the above definition as they were previously incorrectly disclosed based on a previous wider definition under the standard and to correct an incorrect attribution of certain shareholdings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

5. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(f) Option holdings of key management personnel

The Consolidated Entity does not have any options on issue.

(g) Loans to key management personnel

There were no loans to key management personnel (or their personally related entities) during the financial year.

(h) Other transactions with key management personnel

Director, Mr Simon Cato, is a director of Advanced Share Registry Limited, which provides share registry services to the Consolidated Entity.

Amounts recognised as expense	2011	2010
	\$	\$
Share registry fees	7,475	8,179

There were no other transactions with key management personnel (or their personally related entities) during the financial year.

6. AUDITORS' REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices:

BDO Audit (WA) Pty Ltd	2011	2010
	\$	\$
Audit and review of financial reports	64,042	53,874
Taxation services	6,850	2,100
Other services	-	1,050
	<u>70,892</u>	<u>57,024</u>

7. EARNINGS/(LOSS) PER SHARE

	2011	2010
Basic earnings/(loss) per share (cents)	(5.5)	0.6
Diluted earnings/(loss) per share (cents)	(3.4)	0.4
Profit/(loss) used to calculate earnings per share (\$)	<u>(1,653,274)</u>	<u>171,533</u>

(a) Basic earnings/(loss) per share

The earnings/(loss) and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Net Profit/(loss) (\$)	(1,653,274)	171,533
Weighted average number of ordinary shares (i)	29,927,379	29,927,379

(i) The Consolidated Entity's partly paid shares, to the extent that they have been paid (1.5225 cent per share), have been included in the determination of the basic earnings per share.

The Consolidated Entity's partly paid shares, to the extent of the balance of the call (18.4775 cents per share), have not been included in the determination of basic earnings per share. These securities are included in the determination of diluted earnings per share on the basis that each partly paid share will become fully paid.

(b) Diluted earnings/(loss) per share

The earnings/(loss) and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows:

	2011	2010
Net Profit/(loss) (\$)	(1,653,274)	171,533
Weighted average number of ordinary shares (i)	48,404,879	48,404,879

Weighted average number of shares used as the denominator

The weighted average number of ordinary shares used as the denominator in calculating basic earnings) per share

Adjustments for calculation of diluted earnings per share

Portion of partly-paid ordinary shares that remain unpaid

29,927,379	29,927,379
<u>18,477,500</u>	<u>18,477,500</u>
<u>48,404,879</u>	<u>48,404,879</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

8. CASH AND CASH EQUIVALENTS

	2011	2010
	\$	\$
Cash at bank	1,652,555	940,709
Term deposit	32,089	1,645,272
	<u>1,684,644</u>	<u>2,585,981</u>

(a) Risk exposure

The Consolidated Entity's exposure to interest rate risk is discussed in Note 23. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(b) Reconciliation of Net Profit/(Loss) after Tax to Net Cash Flow from Operations

	2011	2010
	\$	\$
Profit/(Loss) after income tax	(3,039,658)	750,054
Net change in fair value in trading portfolio	1,997,098	(2,572,398)
Net loss/(gain) on sale of financial assets held at fair value	(500,186)	873,554
Impairment/(reversal) of property held for development and resale	(300,000)	950,000
Depreciation - olive oil and other assets	207,444	129,959
Share of Associate entity's profit	(181,205)	(874,850)
Write off fixed assets	2,202	2,986
Revaluation of trees	-	327,580
Write off lapsed options	-	1,200
Gain on sale of fixed assets	-	(408)
 (Increase)/Decrease in Assets:		
Financial assets held at fair value through profit or loss	363,923	1,059,608
Trade and other receivables	117,552	(85,574)
Inventories - Olive Oils	(380,030)	222,748
Investments in Associate entity	445,089	445,089
Other current assets	(5,057)	5,294
Increase/(Decrease) in Liabilities:		
Trade and other payables	189,827	(836,988)
Provisions	43,977	81,735
Tax liabilities	82,211	(694,440)
Net cash outflow from operating activities	<u>(956,813)</u>	<u>(214,851)</u>

9. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

Current

Listed securities at fair value	<u>6,475,856</u>	<u>7,669,346</u>
Unlisted options in listed corporations at cost	-	10,000
Add: net change in fair value	-	950,495
	<u>-</u>	<u>960,495</u>
	<u>6,475,856</u>	<u>8,629,841</u>

Risk Exposure

Information about the Consolidated Entity's exposure to market and price risk is provided in Note 23.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

10. TRADE AND OTHER RECEIVABLES

	2011	2010
	\$	\$
Current		
Trade debtors	34,787	51,791
GST receivable	19,515	13,333
Other receivables	4,766	111,492
Amount receivable from related parties	1,199	1,203
Deposit	935	935
	<u>61,202</u>	<u>178,754</u>
Non Current		
Bonds and guarantees	32,823	32,823
	<u>32,823</u>	<u>32,823</u>

(a) Risk exposure

Information about the Consolidated Entity's exposure to credit risk, foreign exchange risk and interest rate risk is in Note 23.

(b) Impaired receivables and receivables

None of the receivables are impaired or past due.

11. INVENTORIES

	2011	2010
	\$	\$
Current - Olive Oil Inventory		
Bulk oils - at cost	890,093	515,525
Packaged oils - at cost	109,337	103,875
	<u>999,430</u>	<u>619,400</u>
Non Current - Land Development		
Property held for development and resale - at cost	3,797,339	3,797,339
Revaluation of property	(1,997,339)	(2,297,339)
	<u>1,800,000</u>	<u>1,500,000</u>

Property held for development and resale was valued by an independent qualified valuer (an Associate member of the Australian Property Institute) on 6 June 2011 and the upwards revaluation has been recognised as an impairment reversal through profit or loss.

12. OTHER CURRENT ASSETS

	2011	2010
	\$	\$
Prepayments - Director's & Officers' insurance	5,057	-
	<u>5,057</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

13. INVESTMENTS IN ASSOCIATE ENTITY

Name of Associate	Principal Activity	Ownership Interest		Carrying Amount	
		2011	2010	2011	2010
				\$	\$
Bentley Capital Limited (BEL)	Investments	30.65%	30.90%	7,571,638	7,835,522
				<u>7,571,638</u>	<u>7,835,522</u>
Movement in Investments in Associate					
Shares in listed Associate entity brought forward				7,835,522	6,851,981
Share of profit before income tax expense				181,205	874,850
Dividend from Associate entity				(445,089)	(445,089)
Acquisition of BEL shares				-	553,780
Share of income tax expense				-	-
Carrying amount at the end of the financial period				<u>7,571,638</u>	<u>7,835,522</u>
Fair value of listed investments in Associate				<u>4,895,970</u>	<u>5,007,242</u>
Net tangible asset value of listed investments in Associate				<u>8,830,325</u>	<u>9,124,307</u>
Share of Associate's profits					
Profit before income tax				181,205	874,850
Share of income tax expense				-	-
Profit after income tax				<u>181,205</u>	<u>874,850</u>
Group share of:					
Summarised Financial Position of Associate					
Current assets				8,830,096	9,169,156
Non current assets				23,411	42,624
Total assets				<u>8,853,507</u>	<u>9,211,780</u>
Current liabilities				(18,028)	(39,368)
Non current liabilities				(5,154)	(44,567)
Total liabilities				<u>(23,182)</u>	<u>(83,935)</u>
Net assets				<u>8,830,325</u>	<u>9,127,845</u>
Revenues				573,751	1,282,312
Profit after income tax of Associate				<u>181,205</u>	<u>874,850</u>

Bentley Capital Limited - Lease Commitments

BEL and its subsidiary, Scarborough Equities Pty Ltd, have the same lease commitments as disclosed in Note 24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings on Freehold Land	Plant & Equipment	Leasehold Improvement	Total
	\$	\$	\$	\$	\$
At 1 July 2009					
At cost	861,214	112,432	1,368,318	44,305	2,386,269
Revaluation Reserve/(Accumulated depreciation)	367,236	(18,551)	(454,758)	(34,119)	(140,192)
Net carrying amount	1,228,450	93,881	913,560	10,186	2,246,077
Year ended 30 June 2010					
Carrying amount at beginning	1,228,450	93,881	913,560	10,186	2,246,077
Asset revaluation (Note 21)	(28,569)	-	-	-	(28,569)
Additions	-	-	21,302	-	21,302
Depreciation expense	-	(7,041)	(121,434)	(1,484)	(129,959)
Disposals	-	-	(2,185)	-	(2,185)
Write off obsolete assets	-	-	(2,986)	-	(2,986)
Carrying amount at balance date	1,199,881	86,840	808,257	8,702	2,103,680
At 30 June 2010					
At cost	861,214	112,432	1,368,846	44,305	2,386,797
Revaluation Reserve/(Accumulated depreciation)	338,667	(25,592)	(560,589)	(35,603)	(283,117)
Net carrying amount	1,199,881	86,840	808,257	8,702	2,103,680
Year ended 30 June 2011					
Carrying amount at beginning	1,199,881	86,840	808,257	8,702	2,103,680
Asset revaluation (Note 21)	(171,411)	-	-	-	(171,411)
Additions	-	5,444	12,543	-	17,987
Depreciation expense	-	(6,788)	(199,393)	(1,264)	(207,445)
Disposals	-	-	(2,202)	-	(2,202)
Carrying amount at balance date	1,028,470	85,496	619,205	7,438	1,740,609
At 30 June 2011					
At cost	861,214	117,876	1,379,187	44,305	2,402,582
Revaluation Reserve/(Accumulated depreciation)	167,256	(32,380)	(759,982)	(36,867)	(661,973)
Net carrying amount	1,028,470	85,496	619,205	7,438	1,740,609

15. OLIVE TREES

	2011	2010
	\$	\$
Olive trees - at cost	300,000	300,000
Revaluation of trees	(234,500)	(234,500)
	65,500	65,500

Nature of asset

The olive trees are on the Olive Grove property (approximately 64,500, 12 year old trees planted over 143 hectares). The fair value is at the Directors' valuation having regard to, amongst other matters, the replacement cost of the trees and the trees being in commercial production.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

16. INTANGIBLE ASSETS

	Water Licence	Brand name	Total
	\$	\$	\$
Year ended 30 June 2010			
Opening net book amount	523,125	99,996	623,121
Asset revaluation	261,562	-	261,562
Closing net book amount	784,687	99,996	884,683
At 30 June 2010			
Cost	250,000	99,996	349,996
Asset revaluation (Note 21)	534,687	-	534,687
Net book amount	784,687	99,996	884,683
Year ended 30 June 2011			
Opening net book amount	784,687	99,996	884,683
Asset revaluation	(102,625)	-	(102,625)
Closing net book amount	682,062	99,996	782,058
At 30 June 2011			
Cost	250,000	99,996	349,996
Asset revaluation (Note 21)	432,062	-	432,062
Net book amount	682,062	99,996	782,058

Nature of asset

The Water Licence pertains to the Consolidated Entity's Olive Grove property in Gingin, Western Australia. As at 30 June 2011, an independent qualified valuer (a Certified Practising Valuer and Associate member of the Australian Property Institute) revalued the water licence downwards by \$102,625 from the previous balance date. The Brand name pertains to the ultra premium Dandaragan Estate Olive Oil Brand.

17. TRADE AND OTHER PAYABLES

	2011	2010
	\$	\$
Trade payables	260,095	57,317
Other creditors and accruals	333,840	346,789
Dividend payable	28,302	28,309
	622,237	432,415

(a) Amounts not expected to be settled within the next 12 months

Other creditors and accruals include accruals for annual leave. The entire obligation is presented as current since the Consolidated Entity does not have an unconditional right to defer settlement. However based on past experience, the Consolidated Entity does not expect all employees to take the full amount of their accrued leave within the next 12 months. The following amount reflects leave that is not expected to be taken within the next 12 months.

	2011	2010
	\$	\$
Annual leave obligation expected to be settled after 12 months	18,488	71,465

(b) Risk exposure

Details of the Consolidated Entity's exposure to risks arising from current payables are set out in Note 23.

18. PROVISIONS

	2011	2010
	\$	\$
Employee benefits - long service leave	197,479	153,502

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and accrued long service leave benefits. The entire obligation is presented as current since the Consolidated Entity does not have an unconditional right to defer settlement. However based on past experience, the Consolidated Entity does not expect all employees to take their full amount of the accrued long service leave or require payment within the next 12 months. The amounts above reflect leave that is not expected to be taken or paid within the next 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

19. DEFERRED TAX ASSETS AND LIABILITIES

	2011	2010
	\$	\$
(a) Assets - Non Current		
Deferred tax asset comprises:		
Provisions & accruals	99,568	108,577
Revenue tax losses	321,292	1,008,506
Other	745,028	985,108
	<u>1,165,888</u>	<u>2,102,191</u>
(b) Liabilities - Non Current		
Deferred tax liability comprises:		
Fair Value Gain Adjustments	1,057,472	1,899,035
Other	108,416	203,156
	<u>1,165,888</u>	<u>2,102,191</u>
(c) Reconciliations		
(i) Gross movements		
The overall movement in the deferred tax account is as follows:		
Opening balance	-	(432,432)
Charged to equity	82,211	(262,006)
(Charged)/credited to profit or loss	(82,211)	694,438
Closing balance	<u>-</u>	<u>-</u>
(ii) Deferred tax asset:		
The movement in deferred tax asset for each temporary difference during the year is as follows:		
Provisions & accruals		
Opening balance	108,577	130,640
Charged to profit or loss	(9,009)	(22,063)
Closing balance	<u>99,568</u>	<u>108,577</u>
Revenue tax losses		
Opening balance	1,008,506	760,155
Charged to profit or loss	(687,214)	248,351
Closing balance	<u>321,292</u>	<u>1,008,506</u>
Other		
Opening balance	985,108	404,278
Charged to profit or loss	(240,080)	580,830
Closing balance	<u>745,028</u>	<u>985,108</u>
Total	<u>1,165,888</u>	<u>2,102,191</u>
(iii) Deferred tax liability:		
The overall movement in recognised deferred tax liabilities for each temporary difference is as follows:		
Fair Value Gain Adjustments		
Opening balance	1,899,035	1,455,846
Charged to profit or loss	(841,563)	443,189
Closing balance	<u>1,057,472</u>	<u>1,899,035</u>
Other		
Opening balance	203,156	271,659
Charged to equity	(82,211)	262,006
Charged to profit or loss	(12,529)	(330,509)
Closing balance	<u>108,416</u>	<u>203,156</u>
Total	<u>1,165,888</u>	<u>2,102,191</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

20. ISSUED CAPITAL	2011 shares	2010 shares	2011 \$	2010 \$
Fully paid ordinary shares	28,404,879	28,404,879	5,887,927	5,887,927
Partly paid ordinary shares	20,000,000	20,000,000	304,500	304,500
			<u>6,192,427</u>	<u>6,192,427</u>
			Date of issue	Number of shares
				\$
30 June 2010				
At 1 July 2009			28,404,879	5,887,927
			-	-
At 30 June 2010			<u>28,404,879</u>	<u>5,887,927</u>
30 June 2011				
At 1 July 2010			28,404,879	5,887,927
			-	-
At 30 June 2011			<u>28,404,879</u>	<u>5,887,927</u>

(a) Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends. There were no movements during the year for fully paid ordinary shares.

(b) Partly paid ordinary shares

There were no movements during the year for partly paid ordinary shares.

At any meeting, each shareholder present in person or by proxy, attorney or representative has one vote for each ordinary fully paid share held either upon a show of hands or by a poll. Holders of partly paid 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 which the amount actually paid (not credited) for that share is of the total amounts paid and payable (excluding amounts credited) for that share. Amounts paid in advance of a call are ignored when calculating proportions. The holder of a partly paid share is not entitled to vote at a meeting in respect of those shares on which calls are outstanding. No voting rights are attached to the Consolidated Entity's options on issue.

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 held by them. 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 entitlement to dividends for such share.

(c) Capital risk management

The Consolidated Entity's objectives when managing its capital are to safeguard their 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 Consolidated Entity 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 borrowings. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

21. RESERVES	2011 \$	2010 \$
Option Premium Reserve	<u>2,138,012</u>	<u>2,138,012</u>
Property, plant and equipment	85,100	162,697
Intangibles	<u>219,833</u>	<u>256,867</u>
	304,933	419,564
Deferred tax liability movement	<u>(91,480)</u>	<u>(125,869)</u>
Asset revaluation reserve	<u>213,453</u>	<u>293,695</u>
	2,351,465	2,431,707
Total reserves	<u>2,351,465</u>	<u>2,431,707</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

21. RESERVES (continued)

	2011	2010
	\$	\$
Movement of asset revaluation reserve		
Opening balance	293,695	307,633
Asset revaluation reserve brought to account	(114,631)	111,931
Deferred tax liability movement	34,389	(125,869)
Closing balance	<u>213,453</u>	<u>293,695</u>

The Option Premium Reserve comprised consideration received on the issue of options in prior years which have lapsed.

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of non-current assets. The Asset Revaluation Reserve relates to the revaluation of OEQ's Olive Grove Land from cost of \$1,199,881 to \$1,028,470 and the Water Licence from a cost of \$784,687 to \$682,062, as assessed by an independent qualified valuer (a Certified Practising Valuer and Associate member of the Australian Property Institute). The movement in the Asset revaluation reserve relates to the Consolidated Entity's share of OEQ's revaluation.

22. SEGMENT INFORMATION

The Consolidated Entity has considered the product and geographical perspective of the operating results and determined that the Consolidated Entity operates only in Australia with segments in Investments and Olive Oil production. Unallocated items comprise predominantly of corporate assets, office expenses and income tax assets and liabilities.

	Investments	Olive Oil	Unallocated	Total
	\$	\$	\$	\$
2011				
Total segment revenue	696,723	450,027	79,341	1,226,091
Adjusted EBITDA	318,904	(197,775)	(1,257,335)	(1,136,206)
Total segment asset	15,847,492	3,580,510	2,956,703	22,384,705
Total segment liabilities	-	(398,116)	(1,587,488)	(1,985,604)
2010				
Total segment revenue	3,461,308	1,200,987	136,490	4,798,785
Adjusted EBITDA	2,442,830	177,857	(1,283,335)	1,337,352
Total segment asset	17,965,361	3,725,056	4,847,958	26,538,375
Total segment liabilities	(116,455)	(147,245)	(2,424,408)	(2,688,108)

(a) Other segment information

(i) Segment revenues

Any sales between segments are carried out at arm's length and are eliminated on consolidation.

	2011	2010
	\$	\$
Total segment revenue	1,146,750	4,662,295
Unallocated:		
Interest received - other	79,331	136,082
Other income	10	-
Gain on sale of assets	-	408
Total revenue from continuing operations (Note 3)	<u>1,226,091</u>	<u>4,798,785</u>

(ii) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

The adjusted EBITDA excludes net change in fair value in investments and impairment of assets.

Adjusted EBITDA	(1,136,206)	1,337,352
Net change on financial assets held at fair value through profit or loss	(1,997,098)	-
Impairment/(reversal) of property held for development and resale	300,000	(950,000)
Depreciation	(207,444)	(129,959)
Interest revenue	79,331	136,082
Realisation cost of share portfolio written back	12,043	1,072
Finance cost	(5,871)	(8,775)
Fixed assets written off	(2,202)	(2,986)
Revaluation of trees	-	(327,580)
Gain on sale of assets	-	408
Profit/(loss) before income tax	<u>(2,957,447)</u>	<u>55,614</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

22. SEGMENT INFORMATION (continued)

	2011	2010
	\$	\$
(iii) Segment assets	19,428,002	21,690,417
Unallocated:		
Cash and cash equivalents	1,684,644	2,585,981
Trade and other receivables	21,018	159,786
Other current assets	5,057	-
Property, plant and equipment	80,096	-
Deferred tax asset	1,165,888	2,102,191
Total assets as per the Statement of Financial Position	<u>22,384,705</u>	<u>26,538,375</u>
(iv) Segment liabilities	(398,116)	(263,700)
Unallocated:		
Trade and other payables	(224,121)	(168,715)
Provisions	(197,479)	(153,502)
Deferred tax liability	(1,165,888)	(2,102,191)
Total liabilities as per the Statement of Financial Position	<u>(1,985,604)</u>	<u>(2,688,108)</u>

23. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments comprise of deposits with banks, accounts receivable and payable and investments in listed securities. The principal activity of the Consolidated Entity is the management of these investments - "financial assets held at fair value" (refer to Note 9). The Consolidated Entity's investments are subject to price risk (which includes interest rate and market risk), credit risk and liquidity risks.

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

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

The Consolidated Entity held the following financial instruments:

	2011	2010
	\$	\$
Financial assets		
Cash and cash equivalents	1,684,644	2,585,981
Trade and other receivables	61,202	178,754
Financial assets at fair value through profit or loss	6,475,856	8,629,841
	<u>8,221,702</u>	<u>11,394,576</u>
Financial liabilities		
Trade and other payables	(622,237)	(432,415)
	<u>(622,237)</u>	<u>(432,415)</u>
Net Financial Assets	<u>7,599,465</u>	<u>10,962,161</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

23. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk

(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 are 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. The Consolidated Entity will 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 Share Index was utilised as the benchmark for the listed share investments which are available for sale assets or at fair value through profit or loss.

(i) Equity Price risk - listed investments	2011	2010
Change in profit	\$	\$
Increase by 15%	445,767	1,111,102
Decrease by 15%	(445,767)	(1,111,102)
Change in equity		
Increase by 15%	445,767	1,111,102
Decrease by 15%	(445,767)	(1,111,102)

(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 of the term deposits for the year for the table below is 4.64% (2010: 5.93%).

	2011	2010
	\$	\$
Cash at bank	1,652,555	940,709
Term deposit	32,089	1,645,272
	<u>1,684,644</u>	<u>2,585,981</u>

The Consolidated Entity has no borrowings and no material exposure to interest rate risk.

(iii) Foreign exchange risk

The Consolidated Entity is not exposed to foreign exchange risk as at Balance Date. The Consolidated Entity's current policy is not to hedge any overseas currency exposure.

The Consolidated Entity has no foreign exchange funds or investments, therefore no asset or liability exposure to foreign exchange risk. There is no revenue or expense exposure in terms of the possible impact on profit or loss or total equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

23. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

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

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

	2011	2010
	\$	\$
Cash and cash equivalents		
AA	1,683,781	1,568,285
BBB+	863	1,017,696
	<u>1,684,644</u>	<u>2,585,981</u>
Trade and other receivables (due within 30 days)		
No external credit rating available	<u>61,202</u>	<u>178,754</u>

The Consolidated Entity measures credit risk on a fair value basis. The carrying amount of financial assets recorded in the financial statements, net of 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.

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Consolidated Entity has adopted the amendment to *AASB 7 Financial Instruments: Disclosures* which 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)

The following table presents the Consolidated Entity's assets and liabilities measured and recognised at fair value at 30 June 2011.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Consolidated - 2011				
Financial assets held at fair value through profit or loss				
- Listed investments at fair value	6,475,856	-	-	6,475,856
- Unlisted options in listed corporations at cost	-	-	-	-
Consolidated - 2010				
Financial assets held at fair value through profit or loss				
- Listed investments at fair value	7,669,346	-	-	7,669,346
- Unlisted options in listed corporations at cost	-	960,495	-	960,495

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2011

24. COMMITMENTS

	2011	2010
	\$	\$
Not longer than one year	104,929	82,633
Between 12 months and 5 years	110,176	170,384
	<u>215,105</u>	<u>253,017</u>

The non-cancellable operating lease commitment is the Consolidated Entity's share of the office premises at Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia, and includes all outgoings (exclusive of GST). The lease is for a 7 year term expiring 30 June 2013 and contains a rent review increase each year alternating between 5% and the greater of market rate or CPI + 1%.

25. CONTINGENT ASSETS AND LIABILITIES

(a) Directors' Deeds

The Company and OEQ have entered into deeds of indemnity with each of their Directors indemnifying them against liability incurred in discharging their duties as directors/officers of the Company. 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) Royalty on Tenements

The Consolidated Entity is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from various Australian tenements - EL 47/1328 and PL 47/1170 (the Paulsens East Project tenements currently held by Strike Resources Limited), EL 24879, 24928 and 24929 and ELA 24927 (the Bigryll South Project tenements in the Northern Territory, currently held by Alara Resources Limited (Alara)) and EL 46/629 and a right to earn and acquire a 85% interest in ELA 46/585 (excluding all manganese mineral rights) (the Canning Well Project tenements in Western Australia, currently held by Alara).

26. EVENTS AFTER BALANCE DATE

- (a) On 25 August 2011, Associate entity, Bentley Capital Limited, announced the declaration of a one cent final dividend and a 2.4 cent special dividend per share (totalling 3.4 cents fully franked), to be paid on or about 26 September 2011. Orion's share of this dividend will be \$697,469 and the Company's share of this dividend will be \$59,181 (being a total of \$756,650). Orion and the Company have not elected to participate under Bentley's Dividend Reinvestment Plan and will therefore be receiving cash dividends.
- (b) On 25 August 2011, Bentley Capital Limited, announced its intention to seek shareholder approval to undertake a 5 cent per share return of capital (Return of Capital). The Return of Capital is to be effected by Bentley seeking shareholder approval for a reduction in the share capital of the company by returning 5 cents per share to shareholders – this equates to an aggregate reduction of share capital by approximately \$3.63 million based upon the company's 72,598,802 shares currently on issue. No shares will be cancelled as a result of the Return of Capital. Accordingly, the number of shares held by each shareholder will not change as a consequence of the Return of Capital. The Return of Capital is subject to shareholder approval which will be sought at a general meeting of shareholders anticipated to be held in late September /early October 2011. If Bentley shareholders approve this Return of Capital, Orion's share will be \$1,025,676 and the Company's share will be \$87,031 (being a total of \$1,112,720).

No other matter or circumstance has arisen since the end of the financial period 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 periods.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flow and accompanying notes as set out on pages 17 to 43 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting; and
 - (b) give a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2011 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 by the Executive Chairman and Managing Director (the person who performs the chief executive function) and the 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*.



Farooq Khan
Chairman



Simon Cato
Director

31 August 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUESTE COMMUNICATIONS LTD.

Report on the Financial Report

We have audited the accompanying financial report of Queste Communications Ltd, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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



Opinion

In our opinion:

- (a) the financial report of Queste Communications Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.


Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2011. 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.

Opinion

In our opinion, the Remuneration Report of Queste Communications Ltd for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO Audit


Chris Burton
Director

Perth, Western Australia
Dated this 31th day of August 2011

SECURITIES INFORMATION

as at 30 June 2011

DISTRIBUTION OF LISTED ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	12	8,251	0.029%
1,001	-	5,000	62	183,548	0.646%
5,001	-	10,000	75	705,165	2.483%
10,001	-	100,000	120	3,293,720	11.596%
100,001	-	and over	27	24,214,195	85.247%
Total			296	28,404,879	100.00%

DISTRIBUTION OF UNLISTED PARTLY PAID ORDINARY SHARES

Name	No. of Partly Paid Shares
Chi Tung Investments Ltd	20,000,000

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

TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Shares Held	Total Shares	% Issued Capital
1	* BELL IXL INVESTMENTS LIMITED CELLANTE SECURITIES CLEOD PTY LTD <CELLANTE SUPER FUND A/C>	3,750,319 2,053,282 <u>867,644</u>		
		Sub-total	6,671,245	23.486
2	* FAROOQ KHAN ISLAND AUSTRALIA PTY LTD	2,461,367 <u>3,668,577</u>		
		Sub-total	6,129,944	21.581
3	* MR AZHAR CHAUDHRI CHI TUNG INVESTMENTS LTD RENMUIR HOLDINGS LTD	10,000 1,050,000 <u>3,277,780</u>		
		Sub-total	4,337,780	15.271
4	* MANAR NOMINEES PTY LTD <C/- DR A ZELWER> MANAR NOMINEES PTY LTD	1,725,663 <u>180,000</u>		
		Sub-total	1,906,163	6.711
5	COWOSCO CAPITAL PTY LTD		1,150,000	4.049
6	DATABASE SYSTEMS LTD		826,950	2.911
7	MR DONALD GORDON MACKENZIE & MRS GWENNETH EDNA MACKENZIE		761,260	2.680
8	MRS AMBREEN CHAUDHRI		386,500	1.361
9	MS ROSANNA DE CAMPO		268,100	0.944
10	MR AYUB KHAN		215,000	0.757
11	MRS AFIA KHAN		215,000	0.757
12	GIBSON KILLER PTY LTD		200,000	0.704
13	TOMATO 2 PTY LTD		185,019	0.651
14	SAMDY NOMINEES PTY LTD		150,000	0.528
15	MR JOHN CHENG-HSIANG		136,125	0.479
16	GLENVIEW SERVICES PTY LTD		134,500	0.474
17	MR ANTHONY NEALE KILLER & MRS SANDRA MARIE KILLER		130,000	0.458
18	MR SIMON KENNETH CATO		118,000	0.415
19	MR GREGORY JOHN MATHESON		110,742	0.390
20	MR EUGENE RODRIGUEZ		110,000	0.387
Total			24,142,328	84.994%

* substantial shareholders