



FULL YEAR REPORT

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

30 June 2013



ASX Code: OEQ

Orion Equities Limited
A.B.N. 77 000 742 843

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CORPORATE DIRECTORY**BOARD**

Farooq Khan	Executive Chairman
Victor Ho	Executive Director
Yaqoob Khan	Non-Executive Director

COMPANY SECRETARY

Victor Ho

PRINCIPAL & REGISTERED OFFICE

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STOCK EXCHANGE

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ASX CODE

OEQ

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Results for Announcement to the Market

Current Reporting Period:	Financial year ended 30 June 2013
Previous Corresponding Period:	Financial year ended 30 June 2012
Balance Date:	30 June 2013
Company:	Orion Equities Limited (OEQ)
Consolidated Entity:	Orion and controlled entities

OVERVIEW OF RESULTS FOR ANNOUNCEMENT TO THE MARKET

CONSOLIDATED ENTITY	2013 \$	2012 \$	% Change	Up/ Down
Total revenues	385,032	849,382	55%	Down
Total expenses	(3,440,167)	(5,802,549)	41%	Down
Loss before tax	(3,055,135)	(4,953,167)	38%	Down
Income tax expense	(57,300)	(24,864)	130%	Up
Loss attributable to members of the Company	(3,112,435)	(4,978,031)	37%	Down
Basic and diluted loss per share (cents)	(17.47)	(27.94)	37%	Down
Pre-tax NTA backing per share	0.517	0.695	26%	Down
Post-tax NTA backing per share	0.517	0.695	26%	Down

BRIEF EXPLANATION OF RESULTS

Revenues include:

- (1) \$270,967 revenue from olive grove operations (June 2012: \$767,427); and
- (2) \$44,438 rental revenue (June 2012: \$52,531).

Expenses include:

- (1) \$1,477,167 net loss on financial assets held at fair value through profit or loss (June 2012: \$2,648,619 loss);
- (2) \$630,290 personnel costs (including Directors' fees) (June 2012: \$610,270);
- (3) \$521,107 olive grove and oils operations (which does not include revaluation, depreciation and impairment expenses) (June 2012: \$1,274,715);
- (4) \$361,685 olive grove revaluation, depreciation and impairment expenses (June 2012: \$78,361); and
- (5) \$94,167 share of ASX-listed Bentley Capital Limited's (**BEL**) (Associate entity) net loss (June 2012: \$576,195 share of BEL's loss, net of dividends received from BEL of \$697,469).

The principal components of the \$1,477,167 net loss on financial assets held at fair value through profit or loss are:

- (a) \$1,118,284 unrealised loss on the Company's share investment in ASX-listed Strike Resources Limited (**SRK**) which decreased in value from \$0.110 to \$0.043 per share during the year;
- (b) \$98,717 realised gain on the sale of the Company's 6,332,744 shares in ASX-listed Alara Resources Limited (**AUQ**) (from cost) at an average price of \$0.25 per share (excluding brokerage); the Company notes that historically, it has realised a total of \$2.64 million gross proceeds from the sale of 9,332,744 AUQ shares with a cash cost base of \$0.67 million; and
- (c) \$447,018 reversal of previous years' unrealised gain on the Company's investment in AUQ on disposal of the same during the current year.

Results for Announcement to the Market

DIVIDENDS

The Directors have not declared a dividend in respect of the financial year ended 30 June 2013.

ASSOCIATE ENTITY

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

- (1) 27.97% interest in ASX-listed Bentley Capital Limited (ACN 008 108 218) (BEL) (30 June 2012: 27.97%).

CONTROLLED ENTITIES

The Company did not gain or lose control over entities during the Current Reporting Period.

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 2013.

ANNUAL GENERAL MEETING (AGM)

Pursuant to the ASX Listing Rules, the Company gives notice that its 2013 AGM is expected to be held in Perth, Western Australia on Friday, 29 November 2013.

For and on behalf of the Directors,



Date: 30 August 2013

Victor Ho
Executive Director and Company Secretary

Telephone: (08) 9214 9797
Email: cosec@orionequities.com.au

DIRECTORS' REPORT

The Directors present their report on Orion Equities Limited (**Company** or **OEQ**) and its controlled entities (the **Consolidated Entity** or **Orion**) for the year ended 30 June 2013 (**Balance Date**).

Orion Equities Limited is a public company limited by shares that was incorporated in New South Wales and has been listed on the Australian Securities Exchange (**ASX**) since November 1970 (ASX Code: OEQ).

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity 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 ultra-premium 'Dandaragan Estate' olive oil operation.

NET TANGIBLE ASSET BACKING (NTA)

Consolidated Entity	2013 \$	2012 \$
Net tangible assets (before tax)	9,213,682	12,382,503
Pre-Tax NTA Backing per share	0.517	0.695
Less deferred tax assets and tax liabilities	-	-
Net tangible assets (after tax)	9,213,682	12,382,503
Pre-Tax NTA Backing per share	0.517	0.695
Based on total issued share capital	17,814,389	17,814,389

FINANCIAL POSITION

Consolidated Entity	2013 \$	2012 \$
Cash	1,695,628	365,031
Financial assets at fair value through profit and loss	720,085	3,821,383
Investments in listed Associate entity	4,079,810	4,584,254
Inventory	1,630,622	1,917,595
Receivables	73,414	292,915
Intangibles	650,433	727,746
Other assets	1,211,055	1,686,035
Deferred tax asset	94,688	352,085
Total Assets	10,155,735	13,747,044
Other payables and liabilities	(196,932)	(284,710)
Deferred tax liability	(94,688)	(352,085)
Net Assets	9,864,115	13,110,249
Issued capital	19,374,007	19,374,007
Reserves	227,806	361,505
Accumulated Losses	(9,737,698)	(6,625,263)
Total Equity	9,864,115	13,110,249

DIRECTORS' REPORT

OPERATING RESULTS

Consolidated Entity	2013 \$	2012 \$
Total revenues	385,032	849,382
Total expenses	(3,440,167)	(5,802,549)
Loss before tax	(3,055,135)	(4,953,167)
Income tax expense	(57,300)	(24,864)
Loss attributable to members of the Company	(3,112,435)	(4,978,031)

Revenues include:

- (1) \$270,967 revenue from olive grove operations (June 2012: \$767,427); and
- (2) \$44,438 rental revenue (June 2012: \$52,531).

Expenses include:

- (1) \$1,477,167 net loss on financial assets held at fair value through profit or loss (June 2012: \$2,648,619 loss);
- (2) \$630,290 personnel costs (including Directors' fees) (June 2012: \$610,270);
- (3) \$521,107 olive grove and oils operations (which does not include revaluation, depreciation and impairment expenses) (June 2012: \$1,274,715);
- (4) \$361,685 olive grove revaluation, depreciation and impairment expenses (June 2012: \$78,361); and
- (5) \$94,167 share of ASX-listed Bentley Capital Limited's (**BEL**) (Associate entity) net loss (June 2012: \$576,195 share of BEL's loss, net of dividends received from BEL of \$697,469).

The principal components of the \$1,477,167 net loss on financial assets held at fair value through profit or loss are:

- (a) \$1,118,284 unrealised loss on the Company's share investment in ASX-listed Strike Resources Limited (**SRK**) which decreased in value from \$0.110 to \$0.043 per share during the year;
- (b) \$98,717 realised gain on the sale of the Company's 6,332,744 shares in ASX-listed Alara Resources Limited (**AUQ**) (from cost) at an average price of \$0.25 per share (excluding brokerage); the Company notes that historically, it has realised a total of \$2.64 million gross proceeds from the sale of 9,332,744 AUQ shares with a cash cost base of \$0.67 million; and
- (c) \$447,018 reversal of previous years' unrealised gain on the Company's investment in AUQ on disposal of the same during the current year.

LOSS PER SHARE

Consolidated Entity	2013	2012
Basic and diluted loss per share (cents)	(17.47)	(27.94)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share	17,814,389	17,814,389

DIVIDENDS

The Directors have not declared a dividend in respect of the financial year ended 30 June 2013.

DIRECTORS' REPORT

CAPITAL MANAGEMENT

Securities on Issue

At the Balance Date and the date of this report, the Company had 17,814,389 shares on issue (30 June 2012: 17,814,389). The Company does not have any other securities on issue at the date of this report.

Intention to Conduct On-Market Share Buy-Back

On 5 August 2013, the Company announced its intention to conduct an on-market share buy-back of up to 1,600,000 shares (**Buy-Back**).¹ This represents ~9% of the pre Buy-Back and ~10% of the post Buy-Back total voting shares of the Company.

In accordance with ASX Listing Rule 7.33, the Company will not pay any more than 5% above the average of the market price for the Company's shares over the last 5 days on which sales in the shares were recorded prior to the Buy-Back occurring.

The Buy-Back will continue until the earlier of the acquisition of the Buy-Back shares and 31 July 2014, subject to the Company exercising its right to suspend or terminate the Buy-Back, or amend its terms, at any time.

Further, the Company only intends to buy back shares each month between the trading day after the Company announces its monthly updated NTA backing (usually on or about the 14th of the month) and the last trading day of that calendar month (subject otherwise to the Company's [Share Trading Policy](#)).

The Company intends the Buy-Back to commence on the second trading day following the release of its NTA backing result for the month ending 31 August 2013, expected to be released on or about Friday, 13 September and hence the Buy-Back is intended to commence from on or about Tuesday, 17 September 2013.

REVIEW OF OPERATIONS

(a) Portfolio Details as at 30 June 2013

Asset Weighting

	% of Net Assets	
	2013	2012
Australian equities	49%	64%
Agribusiness ²	19%	20%
Property held for development and resale	15%	13%
Net tax liabilities (current year and deferred tax assets/liabilities)	-	-
Net cash/other assets and provisions	17%	3%
TOTAL	100%	100%

¹ Refer to ASX [Appendix 3C - Announcement of Buy-Back dated 5 August 2013](#)

² 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 \$'m	% Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited	2.97	30.15%	BEL	Diversified Financials
Strike Resources Limited	0.72	7.28%	SRK	Materials
TOTAL	3.69	37.43%		

(b) Bentley Capital Limited (ASX Code: BEL)

Bentley Capital Limited (**Bentley**) is a listed investment company with a current exposure to Australian equities. Orion Executive Chairman, Farooq Khan, is the Chairman of the Board of Bentley. Former Orion Director, William Johnson is a Director of Bentley.

Orion holds 27.97% (20,513,783 shares) of Bentley's issued ordinary share capital with Queste Communications Ltd (the controlling company of Orion) holding 2.37% (1,740,625 shares) of Bentley's issued ordinary share capital (30 June 2012: Orion held 20,513,783 shares (27.97%) and Queste held 1,740,625 shares (2.40%)).

Bentley's asset weighting as at 30 June 2013 was 71.50% Australian equities (30 June 2012: 75.59%), 1.72% intangible assets and resource projects (30 June 2012: 0.30%) and 26.78% net cash/other assets (30 June 2012: 24.12%).

Bentley had net assets of \$18.27 million as at 30 June 2013 (30 June 2012: \$20.07 million) and incurred an after-tax net loss of \$0.34 million for the financial year (30 June 2012: \$2.03 million net loss).

Bentley has also returned \$1.467 million (via two capital returns of one cent per share each) during the financial year (2012: \$2.468 million via fully franked dividends totalling 3.4 cents per share and \$4.406 million via capital returns totalling 6 cents per share).

Orion received a total of \$0.410 million from these capital distributions during the financial year (June 2012: \$0.697 million fully franked dividend and \$1.231 million capital returns).

On 30 August 2013, Bentley announced its intention to seek shareholder approval (at the upcoming 2013 AGM) to undertake a one cent per share return of capital. Subject to receipt of Bentley shareholder approval, Orion's entitlement under the return of capital is expected to be \$205,138.

The Company notes that capital distributions from Bentley are not regarded as revenues/income; the carrying value of the Company's investment in Bentley is reduced by the value of the capital returned by Bentley.

(c) Strike Resources Limited (ASX Code: SRK)

Strike Resources Limited (**Strike**) is a resources company with iron ore exploration and development projects in Peru.

Former Executive Director, William Johnson was appointed Managing Director of Strike on 25 March 2013.

The Company holds 16,690,802 shares in Strike, being 11.48% of Strike's issued ordinary share capital (30 June 2012: 16,690,802 shares and 11.71%).

The value of Orion's holdings in Strike declined by \$1.12 million during the course of the financial year, from \$1.84 million (at \$0.110 per share as at 30 June 2012) to \$0.72 million (at \$0.043 per share as at 30 June 2013).

DIRECTORS' REPORT

The Strike share price has appreciated to \$0.070 as at 29 August 2013, generating an unrealised gain of \$0.451 million subsequent to the 30 June 2013 Balance Date.

Historically, the shareholding in Strike has predominantly been earned through the sale of various mining assets to Strike. These assets were acquired and funded to the point of sale to Strike at a cost of approximately \$1.25 million. They were subsequently on-sold to Strike in tranches for a total consideration of \$19 million comprising 11,166,667 Strike shares and 3.5 million unlisted Strike options (with exercise prices of \$0.178 and \$0.278 per option, which were converted into shares in February 2011 at a cost of \$0.79 million). Orion has also acquired 2,024,135 additional Strike shares on-market and via the conversion of listed options at \$0.20 each.

(d) Alara Resources Limited (ASX Code: AUQ)

Alara Resources Limited (**Alara**) is a minerals exploration and development company with precious and base metals projects currently in Saudi Arabia and Oman. Orion Chairman, Farooq Khan, resigned as an Alara Director on 31 August 2012. Former Orion Director, William Johnson is a Director of Alara (who has announced his intention to retire at the end of September 2013).

In September 2012, the Company sold its 6,332,744 shareholding in Alara at an average price of \$0.25 per share (excluding brokerage), realising gross proceeds of \$1.58 million.

Historically, the shareholding in Alara was acquired through the sale of Orion's 25% interest in various uranium tenements to Alara in conjunction with Strike (which held the balance of 75% in the same). These assets were acquired and funded to the point of sale to Strike previously at a cost of approximately \$0.05 million. Orion's residual 25% interest was free-carried by Strike thereafter. Orion's interests in these mining tenements were subsequently on-sold to Alara for vendor shares in the initial public offering (IPO) of Alara for a non-cash consideration of \$1,562,500 comprising 6,250,000 Alara shares. Orion also acquired 3,082,744 additional Alara shares via the Alara IPO, on-market purchases and an in-specie distribution from Strike at a total cash cost of \$0.67 million.

(e) Agribusiness

The Company owns the ultra-premium 'Dandaragan Estate' extra virgin olive oil business and a 143 hectare commercial olive grove located in Gingin, Western Australian (approximately 100 kilometres North of Perth) producing olive oil from approximately 64,500, 14 year old olive tree plantings.

A summary of results for the olive grove operations during the 2013 financial year is as follows:

- (i) Gross revenues were \$270,967 (2012: \$767,427);
- (ii) Olive grove operation expenses were \$521,107 (which does not include revaluation, depreciation and impairment expenses) (2012: \$1,274,715);
- (iii) Net revaluation, depreciation and impairment expenses were \$361,685 (2012: \$78,361); and
- (iv) Inventory - bulk oils of \$57,717 reflects the cost of harvesting and processing during the 2012 season (June 2012: \$206,320).

The carrying values of the olive grove property (\$759,918) (2012: \$999,901) and water licence (\$575,437) (2012: \$627,750) are based on an independent valuation of the assets undertaken for the 30 June 2013 accounts. The carrying value of the olive trees (\$65,500 representing approximately one dollar per tree) (2012: \$65,500) is based on the Directors' assessment of their value for the 30 June 2013 accounts.

DIRECTORS' REPORT

(f) Other Property Assets

The Company owns a property located in Mandurah, Western Australia, which was originally acquired as a multi-unit development site. In 2009/2010 the Company sought development approval for the subdivision of the property into 4 survey-strata title lots. This application was rejected by the Western Australian Planning Commission. Subsequently the Company undertook a sale process of the property by way of public auction, with such auction failing to attract any bids. The Company has since renovated and rented out the 3 bedroom, 2.5 bathroom, single-level house.

The carrying value of \$1,490,000 (2012: \$1,640,000) is based on an independent valuation of the property undertaken for the 30 June 2013 accounts.

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 financial statements.

FUTURE DEVELOPMENTS

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

ENVIRONMENTAL REGULATION

The Consolidated Entity 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 their 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 their 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 notes that it is not directly subject to the *Clean Energy Act 2011 (Cth)*.

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

BOARD OF DIRECTORS

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

Farooq Khan	Executive Chairman
<i>Appointed</i>	23 October 2006
<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 sectors. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	2,000 shares
<i>Special Responsibilities</i>	Chairman of the Board and the Investment Committee
<i>Other current directorships in listed entities</i>	(1) Executive Chairman and Managing Director of Queste Communications Ltd (QUE) (since 10 March 1998) (2) Executive Chairman of Bentley Capital Limited (BEL) (director since 2 December 2003)
<i>Former directorships in other listed entities in past 3 years</i>	(1) Alara Resources Limited (AUQ) (18 May 2007 to 31 August 2012) (2) Yellow Brick Road Holdings Limited (YBR) (27 April 2006 to 18 March 2011) (3) Strike Resources Limited (SRK) (3 September 1999 to 3 February 2011)

Victor P. H. Ho	Executive Director and Company Secretary
<i>Appointed</i>	Executive Director since 4 July 2003; Company Secretary since 2 August 2000
<i>Qualifications</i>	BCom, LLB (<i>Western Australia</i>)
<i>Experience</i>	Mr Ho has been in company secretarial/executive roles with a number of public listed companies since 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 extensive experience in the structuring and execution of commercial and corporate transactions, capital raisings, capital management matters, public company administration, corporations' law and stock exchange compliance and shareholder relations.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	Member of Investment Committee
<i>Other positions held in listed entities</i>	Executive Director and Company Secretary of: (1) Queste Communications Ltd (QUE) (Director since 3 April 2013; Company Secretary since 30 August 2000) Company Secretary of: (2) Bentley Capital Limited (BEL) (since 5 February 2004) (3) Alara Resources Limited (AUQ) (since 4 April 2007)
<i>Former directorships in other listed entities in past 3 years</i>	None

DIRECTORS' REPORT

Yaqoob Khan	Non-Executive Director
<i>Appointed</i>	5 November 1999
<i>Qualifications</i>	BCom (<i>Western Australia</i>), Master of Science in Industrial Administration (<i>Carnegie Mellon</i>)
<i>Experience</i>	Mr Khan holds a Masters degree in Business and has worked as a senior executive responsible for product marketing, costing systems and production management. Mr Khan has been involved in the structuring and ASX listing of a number of public companies and in subsequent executive management. Mr Khan brings considerable international experience in corporate finance and the strategic analysis of listed investments.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	None
<i>Other current directorships in listed entities</i>	Non-Executive Director of Queste Communications Ltd (QUE) (since 10 March 1998)
<i>Former directorships in other listed entities in past 3 years</i>	None

Former Director

Mr William Johnson resigned as a Director on 3 May 2013. Mr Johnson was appointed Executive Director on 28 February 2003 (also a member of the Investment Committee) and transitioned to Non-Executive Director on 25 March 2013 upon his appointment as Managing Director of ASX listed Strike Resources Limited (SRK). He has since relocated to Lima, Peru to oversee the development of Strike's flagship Peruvian Apurimac and Cuzco Iron Ore Projects.

The Company is a major shareholder in Strike with 16,690,802 shares (11.48%).

The Board would like to record its appreciation of Mr Johnson's valuable contribution to the Company over the last 10 years across a diverse range of business and investment opportunities and corporate transactions and wishes him well in his endeavours with Strike. As a major shareholder in Strike, the Company looks forward to the creation of significant value for all Strike shareholders under his stewardship.

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	9	9
Victor Ho	9	9
Yaqoob Khan	9	9
William Johnson	8	9

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.

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 (4) 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 fixed by the Company at a shareholders meeting, to be divided as the Board determines appropriate.

The Board has determined current Key Management Personnel remuneration during the year as follows:

- (a) Mr Farooq Khan (Executive Chairman) - a base salary of \$272,500 per annum inclusive of employer superannuation contributions (9% of base salary during the financial year);
- (b) Mr Victor Ho (Executive Director and Company Secretary) - a base salary of \$81,750 per annum inclusive of employer superannuation contributions;
- (c) Mr Yaqoob Khan (Non-Executive Director) - a base fee of \$25,000 per annum; and
- (d) Mr William Johnson (who retired as Director on 3 May 2013) – as Executive Director, a base salary of \$49,050 per annum inclusive of employer superannuation contributions and as Non-Executive Director (from 25 March 2013) a base fee of \$25,000 per annum plus employer superannuation contributions.

Messrs Farooq Khan's and Victor Ho's annual base salaries described above have increased from 1 July 2013 to reflect the increase in the employer superannuation contribution rate from 9% to 9.25% for the 2013/2014 financial year.

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) Reimbursement of all reasonable expenses (including travelling 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.

REMUNERATION REPORT

Post-Employment Benefits: The Company does not presently provide retirement benefits to Key Management Personnel.

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

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 remuneration measures if appropriate in the future (subject to prior shareholder approval where applicable).

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

	2013	2012	2011	2010	2009
Profit/(Loss) Before Income Tax (\$)	(3,055,135)	(4,953,167)	(2,676,008)	418,966	(16,186,791)
Basic Earnings/(Loss) per Share (cents)	(17.47)	(27.94)	(15.50)	6.30	(68.0)
Dividends Paid (\$)	-	-	-	-	89,072
Closing Bid Share Price at 30 June (\$)	0.190	0.210	0.300	0.380	0.435

(2) Details of Remuneration of Key Management Personnel

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

Key Management Personnel	2013	Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	Total	
		Performance related	Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave		Shares and Options
			%	\$	\$	\$		\$
Executive Directors:								
Farooq Khan	-	229,106	-	16,470	26,924	-	272,500	
Victor Ho	-	75,000	-	6,750	-	-	81,750	
William Johnson*	-	39,580	-	3,535	41,998	-	85,113	
Non-Executive Director:								
Yaqqob Khan	-	25,000	-	-	-	-	25,000	

* William Johnson transitioned from Executive Director to Non-Executive Director on 25 March 2013 and resigned as a Director on 3 May 2013.

REMUNERATION REPORT

2012		Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	
Key Management Personnel	Performance related	Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares and Options	Total
	%	\$	\$				
Executive Directors:							
Farooq Khan	-	225,000	-	22,500	25,000	-	272,500
Victor Ho	-	75,000	-	6,750	-	-	81,750
William Johnson	-	45,120	-	4,061	-	-	49,181
Non-Executive Director:							
Yaqoob Khan	-	25,000	-	-	-	-	25,000

Victor Ho is also Company Secretary of the Company.

(3) Other Benefits Provided to Key Management Personnel

No Key Management Personnel has during or since the end of the 30 June 2013 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.

(4) Voting and Comments on Remuneration Report at 2012 AGM

At the Company's most recent (2012) AGM, a resolution to adopt the prior year (2012) Remuneration Report was put to the vote and 77.9% of "yes" votes were cast by shareholders for adoption of the Remuneration Report. No comments were made on the Remuneration Report that was considered at the AGM.

This concludes the audited remuneration report.

DIRECTORS' REPORT

DIRECTORS' AND OFFICERS' INSURANCE

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

DIRECTORS' DEEDS

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

- (a) The Company's obligation to indemnify a Director for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the Corporations Act); and
- (b) Subject to the terms of the deed and the Corporations Act, the Company may advance monies to the Director to meet any costs or expenses of the Director incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any legal proceedings brought against the Director.

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 by the Company to the auditor (BDO Audit (WA) Pty Ltd), for audit and non-audit services provided during the financial year are set out below:

Audit & Review Fees \$	Non-Audit Services \$	Total \$
38,378	7,086	45,464

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, 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*.

DIRECTORS' REPORT

AUDITOR'S 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 17. 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 the Review of Operations) or the financial statements or notes thereto (in particular Note 26), that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

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



Farooq Khan
Chairman



Victor Ho
Executive Director and Company Secretary

30 August 2013

30 August 2013

The Board of Directors
Orion Equities Limited
Suite 1, 346 Barker Road,
Subiaco, WA,
AUSTRALIA, 6008

Dear Sirs,

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF
ORION EQUITIES LIMITED

As lead auditor of Orion Equities Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Orion Equities Limited and the entities it controlled during the period.



Brad McVeigh
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenue	3	383,502	849,382
Other			
Other Revenue		1,530	-
TOTAL REVENUE		385,032	849,382
EXPENSES	3		
Net Loss on Financial Assets at Fair Value through Profit or Loss		(1,477,167)	(2,648,619)
Share of Net Loss of Associate		(94,167)	(576,195)
Loss on Property held for Development or Resale		(150,000)	(160,000)
Land Operation Expenses		(15,583)	(154,608)
Cost of Goods Sold in relation to Olive Oil Operations		(326,263)	(1,182,799)
Olive Oil Operation Expenses		(556,529)	(170,277)
Personnel Expenses		(630,290)	(636,104)
Occupancy Expenses		(58,706)	(93,634)
Corporate Expenses		(24,482)	(30,392)
Communication Expenses		(7,979)	(9,973)
Finance Expenses		(1,030)	(23,071)
Administration Expenses		(97,971)	(116,877)
LOSS BEFORE INCOME TAX		(3,055,135)	(4,953,167)
Income Tax Expense	4	(57,300)	(24,864)
LOSS FOR THE YEAR		(3,112,435)	(4,978,031)
OTHER COMPREHENSIVE INCOME			
Revaluation of Assets, Net of Tax		(133,699)	(58,018)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(3,246,134)	(5,036,049)
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and Diluted Loss per Share (cents)	7	(17.47)	(27.94)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and Cash Equivalents	8	1,695,628	365,031
Financial Assets at Fair Value through Profit or Loss	9	720,085	3,821,383
Trade and Other Receivables	10	40,591	260,092
Inventories	11	140,622	277,595
Other Current Assets	12	3,428	3,434
TOTAL CURRENT ASSETS		2,600,354	4,727,535
NON CURRENT ASSETS			
Trade and Other Receivables	10	32,823	32,823
Property held for Development or Resale	11	1,490,000	1,640,000
Investment in Associate Entity	13	4,079,810	4,584,254
Property, Plant and Equipment	14	1,142,127	1,617,101
Olive Trees	15	65,500	65,500
Intangible Assets	16	650,433	727,746
Deferred Tax Asset	19	94,688	352,085
TOTAL NON CURRENT ASSETS		7,555,381	9,019,509
TOTAL ASSETS		10,155,735	13,747,044
CURRENT LIABILITIES			
Trade and Other Payables	17	127,389	183,630
Provisions	18	69,543	101,080
TOTAL CURRENT LIABILITIES		196,932	284,710
NON CURRENT LIABILITIES			
Deferred Tax Liability	19	94,688	352,085
TOTAL NON CURRENT LIABILITIES		94,688	352,085
TOTAL LIABILITIES		291,620	636,795
NET ASSETS		9,864,115	13,110,249
EQUITY			
Issued Capital	20	19,374,007	19,374,007
Reserves	21	227,806	361,505
Accumulated Losses		(9,737,698)	(6,625,263)
TOTAL EQUITY		9,864,115	13,110,249

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2013

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
BALANCE AT 1 JULY 2011	19,374,007	419,523	(1,647,232)	18,146,298
Loss for the Year	-	-	(4,978,031)	(4,978,031)
Other Comprehensive Income	-	(58,018)	-	(58,018)
Total Comprehensive Loss for the Year	-	(58,018)	(4,978,031)	(5,036,049)
BALANCE AT 30 JUNE 2012	19,374,007	361,505	(6,625,263)	13,110,249
BALANCE AT 1 JULY 2012	19,374,007	361,505	(6,625,263)	13,110,249
Loss for the Year	-	-	(3,112,435)	(3,112,435)
Other Comprehensive Income	-	(133,699)	-	(133,699)
Total Comprehensive Loss for the Year	-	(133,699)	(3,112,435)	(3,246,134)
BALANCE AT 30 JUNE 2013	19,374,007	227,806	(9,737,698)	9,864,115

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		549,450	633,432
Dividends Received		13	697,469
Interest Received		52,895	29,423
Payments to Suppliers and Employees		(1,302,120)	(1,975,088)
Interest Paid		(208)	(20,260)
Sale/Redemption of Financial Assets at Fair Value		1,624,132	-
NET CASH USED IN OPERATING ACTIVITIES	8	924,162	(635,024)
CASH FLOWS FROM INVESTING ACTIVITIES			
Return of Capital Received	13	410,277	1,230,827
Purchase of Plant and Equipment	14	(3,842)	(3,200)
Loan from Controlling Entity		-	150,000
Repayment of Loan to Controlling Entity		-	(666,712)
NET CASH PROVIDED BY INVESTING ACTIVITIES		406,435	710,915
NET INCREASE/(DECREASE) IN CASH HELD		1,330,597	75,891
Cash and Cash Equivalents at Beginning of Financial Year		365,031	289,140
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	8	1,695,628	365,031

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

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 report includes the financial statements for the Consolidated Entity consisting of Orion Equities Limited and its subsidiaries. Orion Equities Limited is a company limited by shares, incorporated in New South Wales, 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*, as appropriate for for-profit entities.

Compliance with IFRS

The consolidated financial statements of the Consolidated Entity, Orion Equities Limited, 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 Orion Equities Limited as at 30 June 2013 and the results of its subsidiaries for the year then ended. Orion Equities Limited and its subsidiaries are referred to in this financial report 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 entities is contained in Note 2(b) to the financial statements.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. 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 Profit or Loss and Other Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. (Refer to Note 13).

Dividends receivable from associates are recognised in the Company's Statement of Profit or Loss and Other Comprehensive Income, while in the Statement of Financial Position 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. Segment Reporting

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (CODM). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

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.

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 Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

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

Tax consolidation legislation

The Consolidated Entity implemented the tax consolidation legislation as of 29 June 2004. The head entity, Orion Equities Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets (as appropriate) arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements within the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the group.

Any differences between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

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 Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1.8. Employee Benefits

Short-term obligations

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

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. 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 Profit or Loss and Other 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 non-derivatives that are either designated in this category or not classified in any other category. 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 Statement of Profit or Loss and Other Comprehensive Income.

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

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

1.13. Property held for Resale

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

1.14. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining the recoverable amount.

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

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

Class of Fixed Asset	Rate	Method
Buildings	7.5%	Diminishing Value
Plant and Equipment	5-75%	Diminishing Value
Leasehold Improvements	7.5-15%	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 or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

1.15. Impairment of Assets

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

1.16. Payables

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

1.17. Provisions

Provisions for legal claims, service warranties and make good obligations are made where the Consolidated Entity 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.

1.18. 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 for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

1.19. 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.

1.20. Inventories

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 materials. Costs are assigned to individual items of inventory on the 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost or 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.

1.21. Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group 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.

1.22. 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 is measured at its fair value less estimated point-of-sale costs at the point of harvest.

1.23. Intangible Assets

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 is 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. Comparative Figures

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

1.25. 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.

Non-current assets estimated at fair value

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 Profit or Loss and Other Comprehensive Income. Independent valuations are obtained for these non-current assets at least annually.

Estimation of useful lives of assets

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations, market, economic, legal environment or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Indefinite life of intangible assets

The Consolidated Entity tests annually or more frequently, if events or changes in circumstances indicate impairment and whether the indefinite life of intangible assets has suffered any impairment, in accordance with note 1.15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

1.26. Summary of Accounting Standards Issued but not yet Effective

The following new Accounting Standards and Interpretations (which have been released but not yet adopted) have 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	<p>Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets:</p> <ul style="list-style-type: none"> • Amortised cost • Fair value through profit or loss • Fair value through other comprehensive income. <p>The following requirements have generally been carried forward unchanged from AASB 139 <i>Financial Instruments: Recognition and Measurement</i> into AASB 9:</p> <ul style="list-style-type: none"> • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. <p>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.</p>	Annual reporting periods beginning on or after 1 July 2015
IFRS (issued October 2012)	Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27	<p>The amendment defines an 'investment entity' and requires a parent that is an investment entity to measure its investments in particular subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.</p> <p>The amendment prescribes three criteria that must be met in order for an entity to be defined as an investment entity, as well as four 'typical characteristics' to consider in assessing the criteria.</p> <p>The amendment also introduces disclosure requirements for investment entities into IFRS 12 Disclosure of Interests in Other Entities and amends IAS 27 Separate Financial Statements.</p>	Annual reporting periods beginning on or after 1 July 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

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

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date
AASB 10 (issued August 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"> • Power over investee (whether or not power used in practice) • Exposure, or rights, to variable returns from investee • 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"> • Scope of decision making authority • Rights held by other parties, e.g. kick-out rights • Remuneration and whether commensurate with services provided • Decision maker's exposure to variability of returns from other interests held in the investee. 	Annual reporting periods beginning on or after 1 July 2013
AASB 13 (issued September 2011)	Fair Value Measurement	<p>Currently, fair value measurement requirements are included in several Accounting Standards. AASB 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.</p> <p>Additional disclosures required for items measured at fair value in the Statement of Financial Position, as well as items merely disclosed at fair value in the notes to the financial statements. Extensive additional disclosure requirements for items measured at fair value that are 'level 3' valuations in the fair value hierarchy that are not financial instruments, e.g. land and buildings, investment properties etc.</p>	Annual reporting periods beginning on or after 1 July 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

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

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date
AASB 119 (reissued September 2011)	Employee Benefits	<p>Main changes include:</p> <ul style="list-style-type: none"> • Elimination of the 'corridor' approach for deferring gains/losses for defined benefit plans • Actuarial gains/losses on remeasuring the defined benefit plan obligation/asset to be recognised in OCI rather than in profit or loss, and cannot be reclassified in subsequent periods • Subtle amendments to timing for recognition of liabilities for termination benefits • Employee benefits <u>expected to be settled</u> (as opposed to <u>due to settle</u> under current standard) wholly within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used wholly within 12 months of end of reporting period will in future be discounted when calculating leave liability. 	Annual reporting periods beginning on or after 1 July 2013
AASB 2012-5 (issued June 2012)	Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	Non-urgent but necessary changes to standards	Annual reporting periods beginning on or after 1 July 2013
AASB 2012-9 (issued December 2012)	Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039	Deletes Australian Interpretation 1039 Substantive Enactment of Major Tax Bills In Australia from the list of mandatory Australian Interpretations to be applied by entities preparing financial statements under the Corporations Act 2001 or other general purpose financial statements.	Annual reporting periods beginning on or after 1 July 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

2. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Orion Equities Limited, as at 30 June 2013. The information presented below has been prepared using accounting policies outlined in Note 1.

	2013	2012
	\$	\$
Current Assets	2,397,743	4,160,869
Non Current Assets	7,034,571	8,268,590
TOTAL ASSETS	9,432,314	12,429,459
Current Liabilities	119,336	142,956
Non Current Liabilities	662,805	694,439
TOTAL LIABILITIES	782,141	837,395
NET ASSETS	8,650,173	11,592,064
Issued Capital	19,374,007	19,374,007
Accumulated Losses	(10,723,834)	(7,781,943)
EQUITY	8,650,173	11,592,064
Loss for the Year	(2,941,769)	(3,967,324)
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(2,941,769)	(3,967,324)
(a) Current Assets		
Cash and Cash Equivalents		
Cash at Bank	1,659,372	337,807
	1,659,372	337,807
Financial Assets at Fair Value Through Profit and Loss		
Listed Investments at Fair Value	720,085	3,775,813
Unlisted Investments at Fair Value	-	45,570
	720,085	3,821,383
(b) Non Current Assets		
(i) Loans to Subsidiaries		

The balances below represent outstanding amounts owed by subsidiary companies Silver Sands Developments Pty Ltd, Dandaragan Estate Pty Ltd and CXM Pty Ltd at the reporting date.

A provision for impairment has been recognised where the balance of the loan exceeds the net assets of the relevant subsidiary company. No interest is charged on outstanding balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

2. PARENT ENTITY INFORMATION (continued)

(b) Non Current Assets (continued)

(i) Loans to Subsidiaries (continued)

	2013	2012
	\$	\$
Opening Balance	9,509,746	9,071,263
Loans Advanced	55,639	693,483
Loans Repaid	(175,000)	(255,000)
Closing Balance	<u>9,390,385</u>	<u>9,509,746</u>

Provision for Impairment

Opening Balance	(4,365,442)	(3,431,260)
Additional Impairment	(1,012,554)	(934,182)
Closing Balance	<u>(5,377,996)</u>	<u>(4,365,442)</u>

(ii) Investments in Wholly Owned Subsidiaries

Shares in Controlled Entities - at cost	<u>100</u>	<u>100</u>
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Details of percentage of Ordinary Shares held in Controlled Entities:

Investment in Controlled Entities	Incorporated	Ownership Interest	
		2013	2012
		%	%
Silver Sands Developments Pty Ltd	Australia	100	100
Dandaragan Estate Pty Ltd	Australia	100	100
CXM Pty Ltd	Australia	100	100
Margaret River Wine Corporation Pty Ltd	Australia	100	100
Margaret River Olive Oil Company Pty Ltd	Australia	100	100

(c) Ultimate Parent Company

ASX listed entity Queste Communications Ltd (QUE) is deemed to have control of the Consolidated Entity as it holds 52.58% (2012: 50.88%) of the Company's total issued share capital.

(d) Transactions with Related Parties

During the financial year there were transactions between the Company, QUE and Associate Entity, Bentley Capital Limited (ASX Code: BEL), pursuant to shared office and administration arrangements. There were no outstanding amounts at the reporting date. The following related party transactions also occurred during the financial year:

	2013	2012
	\$	\$
Bentley Capital Limited		
Dividends Received	-	697,469
Returns of Capital Received	410,277	1,230,827

(e) Lease Commitments

	Note	2013	2012
Not longer than one year	24	48,582	78,630
Longer than one year but not longer than five year:	24	-	-
		<u>48,582</u>	<u>78,630</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

3. LOSS FOR THE YEAR

The Consolidated Entity's Operating Loss before Income Tax includes the following items of revenue and expense:

	2013	2012
	\$	\$
(a) Revenue		
Revenue from Sale of Olive Oil	270,967	767,427
Rental Revenue	44,438	52,531
Dividend Revenue	13	-
Interest Revenue	68,084	29,424
	<u>383,502</u>	<u>849,382</u>
Other		
Other Revenue	1,530	-
	<u>385,032</u>	<u>849,382</u>
(b) Expenses		
Net Loss on Financial Assets at Fair Value through Profit or Loss	1,477,167	2,648,619
Share of Net Loss of Associate	94,167	576,195
Olive Oil Operations		
Cost of Goods Sold	326,263	1,182,799
Impairment and Depreciation of Olive Oil Assets	361,685	78,361
Other Expenses	194,844	91,916
Land Operations		
Loss on Revaluation of Land	150,000	160,000
Other Expenses	15,583	154,608
Salaries, Fees and Employee Benefits	630,290	610,270
Occupancy Expenses	58,706	94,636
Finance Expenses	1,030	21,441
Communications	7,979	9,448
Corporate Expenses		
ASX Fees	15,252	19,441
Share Registry	7,135	5,929
Other Corporate Expenses	2,094	4,569
Administration Expenses		
Professional Fees	16,856	6,559
Realisation Cost of Investment Portfolio Written Back	(15,355)	(14,974)
Depreciation	3,444	3,566
Other Administration Expenses	93,027	149,166
	<u>3,440,167</u>	<u>5,802,549</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

4. INCOME TAX EXPENSE	Note	2013 \$	2012 \$
(a) The components of Tax Expense comprise:			
Current Tax		-	-
Deferred Tax	19	57,300	24,864
		<u>57,300</u>	<u>24,864</u>
(b) The prima facie tax on Operating Profit before Income Tax is reconciled to the income tax as follows:			
Prima facie tax payable on Operating Profit before Income Tax at 30% (2012: 30%)		(916,541)	(1,485,950)
Adjust tax effect of:			
Other Assessable Income		(8,118)	294,296
Non-Deductible Expenses		531,574	864,180
Current Year Tax Losses not brought to account		422,135	179,479
Share of Net Loss of Associate		28,250	172,859
Income tax attributable to entity		<u>57,300</u>	<u>24,864</u>
(c) Deferred Tax recognised directly in Other Comprehensive Income			
Revaluations of Land and Intangible Assets		<u>57,300</u>	<u>24,864</u>
(d) Unrecognised Deferred Tax balances			
Unrecognised Deferred Tax Asset - Revenue Losses		2,127,008	1,762,174
Unrecognised Deferred Tax Asset - Capital Losses		-	246,719
		<u>2,127,008</u>	<u>2,008,893</u>

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

(e) Tax Consolidation

The Consolidated Entity has elected to consolidate for tax purposes and has entered into a tax sharing and funding agreement with its subsidiaries in respect of such arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

5. INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Consolidated Entity's KMP for the year ended 30 June 2013.

The total remuneration paid to KMP of the Consolidated Entity during the year is as follows:

	2013	2012
	\$	\$
Directors		
Short-Term Employment Benefits	395,441	403,431
Other Long-Term Employment Benefits	68,922	25,000
	464,363	428,431

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

KMP Shareholdings

	Balance at Start of Year	Balance at Appointment /Cessation	Net Change	Balance at End of Year
30 June 2013				
Directors				
Farooq Khan	2,000	-	-	2,000
William Johnson (resigned 3 May 2013)	-	-	-	-
Victor Ho	-	-	-	-
Yaqoob Khan	-	-	-	-
30 June 2012				
Directors				
Farooq Khan	2,000	-	-	2,000
William Johnson	-	-	-	-
Victor Ho	-	-	-	-
Yaqoob Khan	-	-	-	-

The disclosures of equity holdings above are in accordance with the accounting standards which require 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

5. INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP) (continued)

Other KMP Transactions

There were no transactions with KMP (or their personally related entities) during the financial year other than disclosed below:

On 1 June 2013, Director, Farooq Khan, entered into a standard form fixed term residential tenancy agreement with Silver Sands Developments Pty Ltd (**SSD**) to rent the Property Held for Development or Resale (refer Note 11). The lease is for a term of 12 months with the monthly rental being \$3,683. As at 30 June 2013, the total rent paid by Mr Khan totalled \$7,367.

6. AUDITORS' REMUNERATION

During the year the following fees were paid for services provided by the auditor of the parent entity, its related practices and by non-related audit firms:

	2013	2012
	\$	\$
BDO Audit (WA) Pty Ltd		
Audit and Review of Financial Statements	38,378	43,506
Taxation Services	7,086	2,255
	<u>45,464</u>	<u>45,761</u>

The Consolidated Entity may engage BDO on assignments additional to their statutory audit duties where their expertise and experience with the Consolidated Entity are important. These assignments principally relate to taxation advice in relation to the tax notes to the financial statements.

7. LOSS PER SHARE

	2013	2012
	cents	cents
Basic and Diluted Loss per Share	(17.47)	(27.94)

The following represents the loss and weighted average number of shares used in the loss per share calculations:

	2013	2012
	\$	\$
Loss after Income Tax	(3,112,435)	(4,978,031)
	Number of Shares	Number of Shares
Weighted Average Number of Ordinary Shares	17,814,389	17,814,389

The Consolidated Entity has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic loss per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

8. CASH AND CASH EQUIVALENTS

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2013	2012
	\$	\$
Cash at Bank and in Hand	295,628	365,031
Short-Term Deposits	1,400,000	-
	<u>1,695,628</u>	<u>365,031</u>

(b) Reconciliation of Operating Loss after Income Tax to Net Cash used in Operating Activities

Loss after Income Tax	(3,112,435)	(4,978,031)
Add Non-Cash Items:		
Depreciation	221,880	81,926
Write Off of Fixed Assets	16,954	-
Net Loss on Financial Assets at Fair Value through Profit or Loss	3,101,298	2,648,619
Loss on Land held for Development or Resale	150,000	160,000
Loss on Revaluation of Land	101,296	-
Impairment of Brand Name	25,000	-
Share of Net Loss of Associate	94,167	576,195
Changes in Assets and Liabilities:		
Financial Assets at Fair Value through Profit or Loss	-	-
Trade and Other Receivables	219,501	(186,361)
Inventories	136,973	721,835
Other Current Assets	6	1,623
Investments accounted for using the Equity Method	-	697,469
Trade and Other Payables	(56,241)	(400,006)
Provisions	(31,537)	16,843
Deferred Tax	57,300	24,864
	<u>924,162</u>	<u>(635,024)</u>

(c) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	2013	2012
	\$	\$
Current		
Listed Investments at Fair Value	720,085	3,775,813
Unlisted Investments at Fair Value	-	45,570
	<u>720,085</u>	<u>3,821,383</u>

(a) Risk Exposure

The Consolidated Entity's exposure to price risk is discussed in Note 23.

10. TRADE AND OTHER RECEIVABLES	2013	2012
	\$	\$
Current		
Trade Receivables	18,995	243,656
GST Receivable	5,830	15,529
Other Receivables	15,766	907
	<u>40,591</u>	<u>260,092</u>
Non Current		
Bonds and Guarantees	<u>32,823</u>	<u>32,823</u>

(a) Risk Exposure

The Consolidated Entity's exposure to credit and interest rate risks is discussed in Note 23.

(b) Impaired Trade Receivables

None of the Consolidated Entity's receivables are impaired or past due.

11. INVENTORIES	2013	2012
	\$	\$
Current		
Bulk Oil - at cost	57,717	206,320
Packaged Oil - at cost	82,905	71,275
	<u>140,622</u>	<u>277,595</u>
Non Current		
Property held for Development or Resale	3,797,339	3,797,339
Revaluation of Property	(2,307,339)	(2,157,339)
	<u>1,490,000</u>	<u>1,640,000</u>

Property held for development or resale was valued by an independent qualified valuer (an Associate Member of the Australian Property Institute) on 30 June 2013. The revaluation has been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

12. OTHER CURRENT ASSETS	2013	2012
	\$	\$
Prepayments	<u>3,428</u>	<u>3,434</u>

13. INVESTMENT IN ASSOCIATE ENTITY

	Ownership Interest		Carrying amount	
	2013	2012	2013	2012
	%	%	\$	\$
Bentley Capital Limited	27.97	27.97	4,079,810	4,584,254

Movement in Investment

Opening Balance	4,584,254	7,088,745
Share of Net Loss after tax	(94,167)	(576,195)
Dividend Received	-	(697,469)
Returns of Capital Received	(410,277)	(1,230,827)
Closing Balance	<u>4,079,810</u>	<u>4,584,254</u>

Fair Value of Listed Investment in Associate	<u>2,974,498</u>	<u>3,077,067</u>
Net Asset Value of Investment	<u>5,109,003</u>	<u>5,613,462</u>

	Assets	Liabilities	Revenues	Net Profit/(Loss)
	\$	\$	\$	\$
Summarised Position of Associate				
2013				
Bentley Capital Limited	5,198,029	89,026	263,507	(94,167)
2012				
Bentley Capital Limited	5,713,126	99,664	160,353	(576,195)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

14. PROPERTY, PLANT AND EQUIPMENT	2013	2012
	\$	\$
Land		
At Cost	861,214	861,214
Revaluation	(101,296)	138,687
	759,918	999,901
Buildings		
At Cost	117,875	117,875
Accumulated Depreciation	(44,723)	(38,792)
	73,152	79,083
Plant and Equipment		
At Cost	1,383,773	1,396,885
Accumulated Depreciation	(1,077,364)	(861,958)
	306,409	534,927
Leasehold Improvements		
At Cost	22,129	22,129
Accumulated Depreciation	(19,481)	(18,939)
	2,648	3,190
	1,142,127	1,617,101

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Freehold Land	Buildings	Plant and Equipment	Leasehold Improve- ments	Total
	\$	\$	\$	\$	\$
AT 1 JULY 2011	1,028,470	85,495	606,701	3,731	1,724,397
Revaluation	(28,569)	-	-	-	(28,569)
Additions	-	-	3,200	-	3,200
Depreciation expense	-	(6,412)	(74,974)	(541)	(81,927)
AT 30 JUNE 2012	999,901	79,083	534,927	3,190	1,617,101
AT 1 JULY 2012	999,901	79,083	534,927	3,190	1,617,101
Revaluation	(239,983)	-	-	-	(239,983)
Additions	-	-	3,842	-	3,842
Write-Offs	-	-	(16,954)	-	(16,954)
Depreciation expense	-	(5,931)	(215,406)	(542)	(221,879)
AT 30 JUNE 2013	759,918	73,152	306,409	2,648	1,142,127

Land was valued by an independent qualified valuer (an Associate Member of the Australian Property Institute) on 30 June 2013. The revaluation of \$239,983 has been recognised in the Asset Revaluation Reserve (\$138,687; refer Note 21) and the Statement of Profit or Loss and Other Comprehensive Income (\$101,296).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

15. OLIVE TREES	2013	2012
	\$	\$
Olive Trees - at cost	300,000	300,000
Revaluation	(234,500)	(234,500)
	65,500	65,500

There are approximately 64,500 14 year old olive trees on the 143 hectare Olive Grove located in Gingin, Western Australia. The fair value of the trees is at the Directors' valuation having regard to, amongst other matters, replacement cost and the trees commercial production qualities.

16. INTANGIBLE ASSETS	2013	2012
	\$	\$
Water Licence		
At Cost	250,000	250,000
Revaluation	325,437	377,750
	575,437	627,750
Brand Name		
At Cost	99,996	99,996
Impairment	(25,000)	-
	74,996	99,996
	650,433	727,746

	Water Licence \$	Brand Name \$	Total \$
AT 1 JULY 2011	682,062	99,996	782,058
Revaluation	(54,312)	-	(54,312)
AT 30 JUNE 2012	627,750	99,996	727,746
AT 1 JULY 2012	627,750	99,996	727,746
Revaluation	(52,313)	-	(52,313)
Impairment	-	(25,000)	(25,000)
AT 30 JUNE 2013	575,437	74,996	650,433

The Water Licence pertains to the Olive Grove property in Gingin, Western Australia. As at 30 June 2013, an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) revalued the water licence downwards by \$52,313 from the previous reporting date.

The Brand Name pertains to the ultra premium Dandaragan Estate Olive Oil brand. As at 30 June 2013, the Directors assessed the value of the Brand Name and recognised an impairment expense of \$25,000 in the Statement of Profit or Loss and Other Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

17. TRADE AND OTHER PAYABLES	2013	2012
	\$	\$
Current		
Trade Payables	24,760	19,999
Other Payables and Accrued Expenses	74,327	108,379
Prepaid Rental Revenue	-	26,950
Dividend Payable	28,302	28,302
	127,389	183,630

(a) Risk Exposure

The Consolidated Entity's exposure to risks arising from current payables is set out in Note 23.

18. PROVISIONS	2013	2012
	\$	\$
Current		
Employee Benefits - Annual Leave	17,139	17,042
Employee Benefits - Long Service Leave	52,404	84,038
	69,543	101,080

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

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

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

	2013	2012
	\$	\$
Leave obligations expected to be settled after 12 months	52,404	84,038

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

19. DEFERRED TAX	2013	2012
	\$	\$
Deferred Tax Assets - Non Current		
Employee Benefits and Accruals	35,439	48,606
Fair Value Losses	59,249	303,479
	94,688	352,085
Deferred Tax Liabilities - Non Current		
Fair Value Gains	90,131	352,085
Other	4,557	-
	94,688	352,085

(a) Movements - Deferred Tax Assets	Employee Benefits	Fair Value Losses	Tax Losses	Total
	\$	\$	\$	\$
AT 1 JULY 2011	99,568	745,027	321,292	1,165,887
Credited/(charged) to Profit and Loss	(50,962)	(441,548)	(321,292)	(813,802)
AT 30 JUNE 2012	48,606	303,479	-	352,085
AT 1 JULY 2012	48,606	303,479	-	352,085
Credited/(charged) to Profit and Loss	(13,167)	(244,230)	-	(257,397)
AT 30 JUNE 2013	35,439	59,249	-	94,688

(b) Movements - Deferred Tax Liabilities	Fair Value Gains	Other	Total
	\$	\$	\$
AT 1 JULY 2011	1,165,887	-	1,165,887
Credited/(charged) to Profit and Loss	(788,938)	-	(788,938)
Charged to Equity	(24,864)	-	(24,864)
AT 30 JUNE 2012	352,085	-	352,085
AT 1 JULY 2012	352,085	-	352,085
Credited/(charged) to Profit and Loss	(204,654)	4,557	(200,097)
Charged to Equity	(57,300)	-	(57,300)
AT 30 JUNE 2013	90,131	4,557	94,688

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

20. ISSUED CAPITAL	2013	2012	2013	2012
	Number	Number	\$	\$
Fully paid ordinary shares	17,814,389	17,814,389	19,374,007	19,374,007

(a) Ordinary Shares

Fully paid ordinary shares carry one vote per share and the right to dividends. There was no movement in fully paid ordinary shares during the financial year.

(b) Capital Risk Management

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

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

21. RESERVES	2013	2012
	\$	\$
Asset Revaluation Reserve		
Revaluations of Freehold Land	-	138,687
Revaluations of Intangible Assets	325,437	377,750
Less: Deferred Tax on Revaluations	(97,631)	(154,932)
	227,806	361,505

The movement in the Asset Revaluation Reserve relates to the revaluation of the Olive Grove land from \$999,901 to \$759,918 (Note 14) and the Water Licence from \$627,750 to \$575,437 (Note 16), as assessed by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

22. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the internal reporting provided to the "Chief Operating Decision Maker". The "Chief Operating Decision Maker", who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

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

	Investments	Olive Oil	Unallocated	Total
	\$	\$	\$	\$
2013				
Segment Revenues	103,880	279,622	1,530	385,032
Segment Loss before tax	(1,618,253)	(603,170)	(833,712)	(3,055,135)
Segment Assets	7,784,583	2,008,255	362,897	10,155,735
Segment Liabilities	21,643	121,504	148,473	291,620
2012				
Segment Revenues	52,531	767,427	29,424	849,382
Segment Loss before tax	(3,476,135)	(585,648)	(891,384)	(4,953,167)
Segment Assets	10,644,839	2,934,315	167,890	13,747,044
Segment Liabilities	86,366	185,698	364,731	636,795

23. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist of deposits with banks, accounts receivable and payable, investments in listed securities, and other unlisted securities. The principal activity of the Consolidated Entity is the management of its investments (Financial Assets at Fair Value through Profit and Loss) (refer to Note 9). The Consolidated Entity's investments are subject to market (which includes interest rate and price risk), credit and liquidity risks.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

23. FINANCIAL RISK MANAGEMENT (continued)

The Consolidated Entity holds the following financial instruments:

		2013	2012
Financial Assets	Note	\$	\$
Cash and Cash Equivalents	8	1,695,628	365,031
Financial Assets at Fair Value through Profit or Loss	9	720,085	3,821,383
Trade and Other Receivables	10	40,591	260,092
		2,456,304	4,446,506
Financial Liabilities			
Trade and Other Payables	17	(127,389)	(183,630)
		(127,389)	(183,630)
NET FINANCIAL ASSETS		2,328,915	4,262,876

(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 is not exposed to commodity price risk, save where this has an indirect impact via market risk and equity securities price risk.

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

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

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

	Impact on Post-Tax Profit		Components of Equity	
	2013	2012	2013	2012
	\$	\$	\$	\$
ASX All Ordinaries Accumulation Index				
Increase 15%	583,986	1,483,900	583,986	1,483,900
Decrease 15%	(583,986)	(1,483,900)	(583,986)	(1,483,900)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

23. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(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 weighted average interest rate for the year for the table below is 4.50% (2012: 4.66%). The revenue exposure is immaterial in terms of the possible impact on profit or loss or total equity.

	2013	2012
	\$	\$
Cash at Bank and in hand	295,628	365,031
Short-Term Deposits	1,400,000	-
	<u>1,695,628</u>	<u>365,031</u>

(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:

	2013	2012
	\$	\$
Cash and Cash Equivalents		
AA-	1,693,029	349,953
A-	1,665	1,728
	<u>1,694,694</u>	<u>351,681</u>
Trade Receivables (due within 30 days)		
No external credit rating available	<u>40,591</u>	<u>260,092</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

23. FINANCIAL RISK MANAGEMENT (continued)

(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 following tables present the Consolidated Entity's financial assets and liabilities measured and recognised at fair value at 30 June 2013 categorised by the following levels:

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

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2013				
Financial Assets at Fair Value through Profit or Loss:				
Listed Investments at Fair Value	720,085	-	-	720,085
Unlisted Investments at Fair Value	-	-	-	-
2012				
Financial Assets at Fair Value through Profit or Loss:				
Listed Investments at Fair Value	3,775,813	-	-	3,775,813
Unlisted Investments at Fair Value	-	-	45,570	45,570

The fair value of investments in unlisted shares are considered level 3 investments as their fair value is unable to be derived from market data. The Directors assess fair value based on information obtained from the companies directly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

24. COMMITMENTS	2013	2012
	\$	\$
Not longer than one year	48,582	78,630
Longer than one year but not longer than five years	-	-
	<u>48,582</u>	<u>78,630</u>

The non-cancellable operating lease commitment is the Consolidated Entity's share of the office premises at Suite 1, 346 Barker Road, Subiaco, Western Australia, and includes all outgoings (exclusive of GST). The lease is for a one year term expiring 30 June 2014.

25. CONTINGENCIES

(a) Directors' Deeds

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

(b) Tenement Royalties

The Consolidated Entity is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from various Australian tenements - EL47/1328 and PL47/1170 (the Paulsens East Project tenements currently held by Strike Resources Limited (Strike)).

26. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) On 5 August 2013, the Company announced its intention to conduct an on-market share buy-back of up to 1,600,000 shares (Buy-Back). This represents ~9% of the pre Buy-Back and ~10% of the post Buy-Back total voting shares of the Company. In accordance with ASX Listing Rule 7.33, the Company will not pay any more than 5% above the average of the market price for the Company's shares over the last 5 days on which sales in the shares were recorded prior to the Buy-Back occurring. The Buy-Back will continue until the earlier of the acquisition of the Buy-Back shares and 31 July 2014, subject to the Company exercising its right to suspend or terminate the Buy-Back, or amend its terms, at any time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

26. EVENTS OCCURRING AFTER THE REPORTING PERIOD (continued)

- (b) On 30 August 2013, Bentley Capital Limited, announced its intention to seek shareholder approval to undertake a one 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 one cent per share to shareholders - this equates to an aggregate reduction of share capital by approximately \$0.733 million based upon the company's 73,350,541 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 Bentley shareholder approval, which will be sought at the upcoming 2013 Annual General Meeting in late November 2013. If Bentley shareholders approve this Return of Capital, the Company's entitlement under the Return of Capital is expected to be \$205,138.

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

DIRECTORS' DECLARATION

The Directors of the Company declare that:

- (1) The financial statements, comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, and accompanying notes as set out on pages 18 to 49 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 2013 and of their 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 Remuneration Report disclosures set out (within the Directors' Report) on pages 12 to 14 (as the audited Remuneration Report) comply with section 300A of the *Corporations Act 2001*;
- (4) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* by the Executive Chairman (the person who, in the opinion of the Directors, performs the Chief Executive Officer function) and Company Secretary (the person who, in the opinion of the Directors, performs the Chief Financial Officer function); and
- (5) 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



Victor Ho
Executive Director and Company Secretary

30 August 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORION EQUITIES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Orion Equities Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 gives a true and fair view and 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 company'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 company'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 Orion Equities Limited, 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 Orion Equities Limited 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 2013 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 pages 12 to 14 of the directors' report for the year ended 30 June 2013. 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 Orion Equities Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

Brad McVeigh
Director

Perth, Western Australia
Dated this 30th day of August 2013

SECURITIES INFORMATION

as at 30 June 2013

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread of Holdings	Number of Holders	Number of Shares	% of Total Issue Capital
1 - 1000	263	134,240	0.754%
1,001 - 5000	209	490,148	2.751%
5,001 - 10,000	56	432,666	2.429%
10,001 - 100,000	89	3,006,382	16.876%
100,001 and over	21	13,750,953	77.190%
Total	638	17,814,389	100.00%

TOP TWENTY ORDINARY, FULLY PAID SHAREHOLDERS

RANK	SHAREHOLDER	TOTAL SHARES	% ISSUED CAPITAL
1*	QUESTE COMMUNICATIONS LTD	9,367,653	52.585
2*	CELLANTE SECURITIES PTY LIMITED CLEOD PTY LTD - CELLANTE SUPER FUND A/C	417,038 506,000 Sub-total	923,038 5.181
3	JP MORGAN NOMINEES LIMITED JP MORGAN NOMINEES LIMITED <CASH INCOME A/C>	866,000 24,225 Sub-total	890,225 4.997
4	REDSUMMER PTY LTD	225,000	1.263
5	MR PETER JOHN JACKSON	200,000	1.123
6	MR RODNEY MALCOLM JONES & MRS CAROL ROBIN JONES	200,000	1.123
7	MS HOON CHOO TAN	197,538	1.109
8	MRS PENELOPE MARGARET SIEMON	181,355	1.018
9	MR SEAN DENNEHY	177,500	0.996
10	MR BRUCE SIEMON	173,351	0.973
11	KATANA ASSET MANAGEMENT LTD	150,000	0.842
12	VIKAND CONSULTING PTY LTD	144,798	0.813
13	MR JOHN STEPHEN CALVERT	141,097	0.792
14	MR DONALD GORDON MACKENZIE & MRS GWENNETH EDNA MACKENZIE	126,189	0.708
15	MR STEPHEN JAMES LAMBERT & MRS RUTH LYNETTE LAMBERT & MR SIMON LEE LAMBERT	125,000	0.702
16	MR ANTHONY NEALE KILLER & MS SANDRA MARIE KILLER	120,000	0.674
17	DR STEVEN G RODWELL	116,920	0.656
18	MCGUIRE FAMILY HOLDINGS PTY LTD	106,300	0.597
19	ZELWER SUPERANNUATION PTY LTD	105,488	0.592
20	MR JOHN CHENG-HSIANG YANG & MS PEGA PING PING MOK	103,726	0.582
	TOTAL	13,775,178	77.326%

* Substantial shareholders of the Company