



HALF YEAR REPORT

31 December 2014

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE 2014 ANNUAL REPORT OF THE COMPANY



ASX Code: OEQ

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

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CONTENTS

ASX Appendix 4D Half Year Report	2
Directors' Report	4
Auditor's Independence Declaration	13
Consolidated Statement of Profit or Loss and other Comprehensive Income	14
Consolidated Statement of Financial Position	15
Consolidated Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17
Notes to the Consolidated Financial Statements	18
Directors' Declaration	28
Auditor's Independent Review Report	29
Securities Information	31

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CORPORATE DIRECTORY**BOARD**

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

COMPANY SECRETARY

Victor Ho

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STOCK EXCHANGE

Australian Securities Exchange
Perth, Western Australia

ASX CODE

OEQ

SHARE REGISTRY

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APPENDIX 4D HALF YEAR REPORT

This Half Year Report is provided to the Australian Securities Exchange (**ASX**) under ASX Listing Rule 4.2A.3.

Current Reporting Period:	1 July 2014 to 31 December 2014
Previous Corresponding Period:	1 July 2013 to 31 December 2013
Balance Date:	31 December 2014
Company:	Orion Equities Limited (OEQ)
Consolidated Entity:	Orion and controlled entities (Orion)

OVERVIEW OF RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Dec 2014	Dec 2013	%	Up/ Down
Consolidated Entity	\$	\$	Change	
Total revenues	242,769	481,889	50%	Down
Total expenses	(458,081)	(557,928)	18%	Down
Loss before tax	(215,312)	(76,039)	183%	Up
Income tax expense	-	-		
Loss attributable to members of the Company	(215,312)	(76,039)	183%	Up
Basic and diluted loss per share (cents)	(1.35)	(0.43)	217%	Up

	Dec 2014	Jun 2014	%	Up/ Down
Consolidated Entity	\$	\$	Change	
Pre-tax NTA backing per share	0.489	0.502	3%	Down
Post-tax NTA backing per share	0.489	0.502	3%	Down

BRIEF EXPLANATION OF RESULTS

Revenues were down 50% from the previous year.

Expenses were down 18% from the previous year.

Orion bought back 10,000 shares on-market¹ at a total cost of \$2,730 and at an average buy-back cost (including brokerage) of \$0.273 per share during the financial half year.

Please refer to the Directors' Report and Financial Report for further information on a review of Orion's operations and the financial position and performance of Orion and Company for the financial half year ended 31 December 2014.

DIVIDENDS

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2014.

¹ Refer to ASX [Appendix 3C - Announcement of Buy-Back dated](#) 24 February 2014

APPENDIX 4D HALF YEAR REPORT

CONTROLLED ENTITIES and ASSOCIATE ENTITY

The Company did not gain or cease control of any entities during the financial half year.

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

- (1) 27.56% interest in ASX listed Bentley Capital Limited (BEL) (30 June 2014: 27.76%).

For and on behalf of the Directors,



Date: 27 February 2015

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 financial half year ended 31 December 2014 (**Balance Date**).

Orion Equities 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**).

NET TANGIBLE ASSET BACKING (NTA)

	Dec 2014	Jun 2014
Consolidated Entity	\$	\$
Net tangible assets (before tax)	7,771,671	7,989,712
Pre-Tax NTA Backing per share	0.489	0.502
Less deferred tax assets and tax liabilities	-	-
Net tangible assets (after tax)	7,771,671	7,989,712
Pre-Tax NTA Backing per share	0.489	0.502
Based on total issued share capital	15,895,528	15,905,528

Orion bought back 10,000 shares on-market² at a total cost of \$2,730 and at an average buy-back cost (including brokerage) of \$0.273 per share during the financial half year.

FINANCIAL POSITION

	Dec 2014	Jun 2014
Consolidated Entity	\$	\$
Cash	354,600	601,690
Financial assets at fair value through profit and loss	1,043,817	918,362
Investments in listed Associate entity	3,913,071	3,892,016
Property held for Development or Resale	1,490,000	1,490,000
Receivables	17,454	136,941
Intangibles	575,437	575,437
Other assets	1,108,307	1,132,874
Deferred tax asset	98,407	98,600
Total Assets	8,601,093	8,845,920
Other payables and liabilities	(155,579)	(182,171)
Deferred tax liability	(98,407)	(98,600)
Net Assets	8,347,107	8,565,149
Issued capital	18,862,479	18,865,209
Reserves	227,806	227,806
Accumulated Losses	(10,743,178)	(10,527,866)
Total Equity	8,347,107	8,565,149

² Refer to ASX [Appendix 3C - Announcement of Buy-Back dated](#) 24 February 2014

DIRECTORS' REPORT

OPERATING RESULTS

Consolidated Entity	Dec 2014 \$	Dec 2013 \$
Total revenues	242,769	481,889
Total expenses	(458,081)	(557,928)
Loss before tax	(215,312)	(76,039)
Income tax expense	-	-
Loss attributable to members of the Company	(215,312)	(76,039)

LOSS PER SHARE

Consolidated Entity	Dec 2014	Dec 2013
Basic and diluted loss per share (cents)	(1.35)	(0.43)
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic and diluted loss per share	15,901,995	17,553,780

DIVIDENDS

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2014.

CAPITAL MANAGEMENT

(a) Securities In The Company

At the Balance Date and the date of this report, the Company had 15,895,528 fully paid ordinary shares on issue (30 June 2014: 15,905,528).

All such shares are listed on ASX. The Company does not have other securities on issue at the date of this report.

(b) On-Market Share Buy-Backs

During the financial half year, the Company bought back 10,000 shares on-market at a total cost of \$2,730 and at an average buy-back cost (including brokerage) of \$0.273 per share, pursuant to an on-market share buy-back approved by shareholders at the Company's 2013 annual general meeting (**AGM**) on 28 November 2013³.

This buy-back expired on 30 October 2014⁴ with the Company buying back a total of 318,861 shares at a total cost of \$86,063 and at an average buy-back cost (excluding brokerage) of \$0.27 per share under this capital management initiative.

³ Refers to [Notice of AGM and Explanatory Statement dated 23 October 2013](#)

⁴ Refer to [Final share buy-back notice](#) dated 4 November 2014

DIRECTORS' REPORT

(c) 'Small Holding' Share Sale Facility

On 27 August 2014, the Company initiated a 'Small Holding Share Sale Facility'⁵ in respect of small parcel shareholdings (also sometimes referred to as 'unmarketable parcels') valued at \$500 or less.

Based on the Company's last sale share price on the ASX of \$0.27 (on 28 August 2014), a small holding under this facility constituted 1,851 or fewer shares. The Company's share register had ~340 (out of 594) shareholders holding a small holding and these holders held, in aggregate, ~244,637 shares or ~1.538% of the Company's total issued share capital (of 15,905,528 shares).

The Company's constitution provides a mechanism by which the Board may, with the agreement of the relevant shareholder, aggregate small holdings and sell them on the shareholders' behalf thereby possibly achieving a higher price for the shares than would have been possible had they been sold as individual small parcels. This initiative allows for the full gross proceeds to be realised by shareholders of such small parcels without any associated brokerage or selling costs (which will be borne by the Company).

This initiative benefits the Company in terms of savings in maintenance costs in relation to share registry fees and also printing, mail-out and postage costs. Furthermore, for some shareholders, the costs of selling their small holdings may result in a proportionally high transaction cost compared to the gross proceeds of sale.

The Company refers to its ASX market announcement entitled "[Small Holding Share Sale Facility](#)" dated 27 August 2014 for further details in relation to this capital management initiative.

As at the date of this report, the aggregated small parcel shareholdings (198,481 shares held by 270 shareholders) have not yet been sold by the Company under the facility – a minimum share price (based on the share price at the time of the notice of the facility) applies pursuant to the Company's constitution and the Company's share price has not traded at this minimum price. The Company will review the status of the facility vis a vis the Company's share price in the lead up to the end of the financial year.

(d) Voluntary Winding Up Resolution at 2014 AGM<

At the Company's 2014 AGM held on 27 November 2014, shareholders did not approve a special resolution⁶ for the voluntary winding up of the Company as a consequence of a "triggering" of the Company's voluntary winding up mechanism under Clause 164A of the Company's Constitution.⁷

By way of background:

- At the Company's 2013 AGM on 28 November 2013, shareholders approved a modification to the Company's Constitution to introduce a new "performance-based wind-up vote trigger" clause. The new Clause 164A provides a mechanism to give shareholders the opportunity to realise the value in the Company in the event that performance is more than 15% below a benchmark index for two consecutive financial years.
- In summary if, in each of two consecutive financial years, the percentage change in the Orion consolidated group's 'Adjusted Net Assets' for a financial year is more than 15% lower (in absolute terms) than the percentage change in the ASX All Ordinaries

⁵ Refer to ASX [Small Holding Share Sale Facility dated 27 August 2014](#)

⁶ A special resolution must be passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution and present in person, by proxy, by attorney or by authorised representatives at the general meeting.

⁷ Refer to Announcement dated 27 November 2014 entitled "[Results of 2014 Annual General Meeting](#)".

DIRECTORS' REPORT

Accumulation Index (**Index**) over that financial year, the Directors would be required to put a special resolution to the next AGM for shareholders to vote on whether the Company should be wound up.

- That is, if the Orion group's performance is more than 15% below the performance of the Index for two consecutive financial years, shareholders will be able to vote on whether to wind up the Company.
- In summary, "Adjusted Net Assets" means the Orion consolidated group's assets net of liabilities (reflecting the parent entity interest excluding minority or non-controlling interests), adjusted by adding back any dividends or capital paid, returned or distributed to shareholders during the financial year (including the cost of share buy-backs, whether on-market or off-market) and deducting the proceeds of any capital raisings from share issues (where applicable).
- The Company also refers to the [Notice of 2013 AGM and Explanatory Statement dated 23 October 2013](#) for further details in relation to this 'Voluntary Winding Up Trigger'.

The percentage change in the Orion group's Adjusted Net Assets during each of 2012/2013 and 2013/14 were more than 15% below (in absolute terms) the percentage change in the performance of the Index over the same periods. Therefore, the Directors proposed a voluntary winding up special resolution at the 2014 AGM.

The Company also refers to the [Notice of 2014 AGM and Explanatory Statement dated 20 October 2014](#) for further details in relation to this voluntary winding up special resolution.

The Company notes that the "performance-based wind-up vote trigger" will fall to be considered after the 30 June 2016 financial year and at the 2016 AGM (where applicable).

REVIEW OF OPERATIONS

(a) Portfolio Details as at 31 December 2014

Asset Weighting

Consolidated Entity	% of Net Assets		
	Dec 2014	Jun 2014	Dec 2013
Australian equities	59%	56%	52%
Agribusiness ⁸	20%	20%	13%
Property held for development and resale	18%	17%	16%
Net tax liabilities (current year and deferred tax assets/liabilities)	-	-	-
Net cash/other assets and provisions	3%	7%	19%
TOTAL	100%	100%	100%

Major Holdings in Securities Portfolio

Security	Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited	2.98	35.64%	BEL	Diversified Financials
Strike Resources Limited	0.63	7.60%	SRK	Materials
CBG Australian Equities Fund (Wholesale) (CBG Fund)	0.26	3.12%	N/A	Diversified
Other ASX listed securities	0.15	1.78%	Various	Various
TOTAL	4.02	48.14%		

⁸ Agribusiness net assets include olive grove land, olive trees, water licence, buildings and plant and equipment.

DIRECTORS' REPORT

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

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

Orion holds 27.56% (20,513,783 shares) of Bentley's issued ordinary share capital with Queste Communications Ltd (the controlling company of Orion) holding 2.34% (1,740,625 shares) of Bentley's issued ordinary share capital (30 June 2014: Orion held 20,513,783 shares (27.76%) and Queste held 1,740,625 shares (2.36%)).

Bentley's asset weighting as at 31 December 2014 was 92.2% Australian equities (30 June 2014: 94.5%), 2.7% intangible assets (30 June 2014: 2.7%) and 5.1% net cash/other assets (30 June 2014: 2.8%).

Bentley had net assets of \$17.84 million as at 31 December 2014 (30 June 2014: \$17.68million) and generating an after tax net profit of \$0.79 million for the financial half year (31 December 2013: \$0.99 million net loss).

Bentley paid a 0.95 cent fully franked dividend distributed in September 2014 at a total cost of \$0.70 million (December 2013: Bentley distributed \$0.73 million via a capital return of one cent per share).

Orion received \$0.195 million from this dividend during the financial half year (6 months to 30 June 2014: \$0.205 million dividend).

Subsequent to 31 December 2014, Bentley announced its intention to pay a fully-franked dividend of 0.55 cent per share. Orion's entitlement to such dividend would be ~\$112,826.

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

Rate per share	Nature	Orion's Entitlement	Payment Date
0.55 cent	Dividend	\$112,826	20 March 2015
0.95 cent	Dividend	\$194,881	26 September 2014
One cent	Dividend	\$205,138	21 March 2014
One cent	Return of capital	\$205,138	12 December 2013
One cent	Return of capital	\$205,138	18 April 2013
One cent	Return of capital	\$205,138	30 November 2012
One cent	Return of capital	\$205,138	19 April 2012
5.00 cents	Return of capital	\$1,025,689	14 October 2011
2.40 cents	Dividend (Special)	\$492,331	26 September 2011
One cent	Dividend	\$205,138	26 September 2011
One cent	Dividend	\$205,138	17 March 2011
One cent	Dividend	\$205,138	30 September 2010
One cent	Dividend	\$205,138	15 March 2010
One cent	Dividend	\$205,138	30 October 2009

Shareholders are advised to refer to the 31 December 2014 Half Year Report, 30 June 2014 Annual Report and monthly NTA disclosures lodged by Bentley for further information about the status and affairs of the company.

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

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

DIRECTORS' REPORT

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

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

Orion holds 16,690,802 shares in Strike, being 11.48% of Strike's issued ordinary share capital (30 June 2014: 16,690,802 shares and 11.48%).

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

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

(d) Other Assets

Orion also owns:

- a 143 hectare commercial olive grove operation (with approximately 64,500, 15 year old olive tree plantings) located in Gingin, Western Australian; and
- a property held for redevelopment or sale but currently rented out located in Mandurah, Western Australia.

BOARD OF DIRECTORS

Information concerning Directors in office during or since the half year is as follows:

Farooq Khan	Executive Chairman
<i>Appointed</i>	23 October 2006
<i>Qualifications</i>	BJuris, LLB (Western Australia)
<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 – directly ⁹
<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) (3) Alternate Director to Victor Ho, who is Non-Executive Director of Strike Resources Limited (SRK) (since 20 January 2014)
<i>Former directorships in other listed entities in past 3 years</i>	(1) Alara Resources Limited (AUQ) (18 May 2007 to 31 August 2012)

⁹ Refer to ASX [Change in Directors Interest Notice](#) dated 20 November 2014

DIRECTORS' REPORT

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>), CTA
<i>Experience</i>	Mr Ho has been in Executive roles with a number of ASX listed companies across the investments, resources and technology sectors over the past 15 years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate, M&A and joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	Member of Investment Committee
<i>Other positions held in listed entities</i>	<ol style="list-style-type: none"> (1) Executive Director and Company Secretary of Queste Communications Ltd (QUE) (Director since 3 April 2013; Company Secretary since 30 August 2000) (2) Non-Executive Director of Strike Resources Limited (SRK) (since 24 January 2014) (3) Company Secretary of Bentley Capital Limited (BEL) (since 5 February 2004) (4) Company Secretary of Alara Resources Limited (AUQ) (since 4 April 2007)
<i>Former directorships in other listed entities in past 3 years</i>	None

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

DIRECTORS' REPORT

EARLY ADOPTION OF ASX CORPORATE GOVERNANCE PRINCIPLES

The Company updated its Corporate Governance Statement¹⁰ in accordance with the early adoption of the [Corporate Governance Principles and Recommendations](#) (3rd Edition, March 2014) issued by the ASX Corporate Governance Council in respect of the 30 June 2014 financial year, one year before the mandatory adoption date.

The Company's [2014 Corporate Governance Statement](#) (dated 20 October 2014) and ASX [Appendix 4G](#) (Key to Disclosures of Corporate Governance Principles and Recommendations) can be found at the following URL on the Company's Internet website: <http://orionequitiesl.com.au/corporate-governance>

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

AUDITORS' QUALIFIED CONCLUSION

A copy of BDO Audit (WA) Pty Ltd's Independent Auditor's Review Report on Orion's half year financial report is set out on pages 29 and 30. The Review Report contains a Qualified Conclusion in relation to Orion's 27.56% shareholding investment in Associate entity¹¹, Bentley Capital Limited (ASX:BEL), which is accounted for under the equity method. Orion has carried the investment in BEL at \$3,913,071 as at 31 December 2014 and recognised \$215,936 as its 27.56% share of BEL's \$790,696 net profit for the half year ended 31 December 2014.

BEL's 31 December 2014 Half Year Report contains a Qualified Conclusion by its Auditor (also BDO Audit (WA) Pty Ltd) in relation to BEL's 19.98% shareholding investment in Associate entity, Molopo Energy Limited (ASX: MPO). BEL has carried its investment in MPO at \$9,611,231 as at 31 December 2014 and recognised a nil amount as its 19.98% share of MPO's net profit/loss for the half year ended 31 December 2014, as audited financial information for MPO had not been finalised by MPO and MPO was accordingly not able to provide the required financial information from which this amount could be determined and recognised within the time required for the completion of BEL's half year accounts. As such, BEL's Auditor has made a Qualified Conclusion in its Independent Auditor's Review Report on BEL's half year financial report on the basis that they were unable to obtain sufficient appropriate review evidence about the carrying value of MPO and the share of the net income/loss from MPO for the half year.

As the BEL half year financial report contains a Qualified Conclusion in its Auditor's Review Report and as BEL has been accounted by Orion as an Associate entity, Orion's Auditor has made a Qualified Conclusion in its Independent Auditor's Review Report on Orion's half year financial report on the same basis.

¹⁰ Refer market announcement dated 20 October 2014 entitled "[2014 Corporate Governance Statement](#) and ASX [Appendix 4G Key to Disclosures of Corporate Governance Principles and Recommendations](#)".

¹¹ Associates are entities over which a consolidated entity has significant influence (but not control or joint control), generally accompanying a shareholding of between approximately 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.

DIRECTORS' REPORT

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



Farooq Khan
Chairman



Victor Ho
Executive Director

27 February 2015

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF ORION EQUITIES LIMITED

As lead auditor for the review of Orion Equities Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

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

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



Chris Burton
Director

BDO Audit (WA) Pty Ltd

Perth, 27 February 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2014

	Note	31 Dec 14 \$	31 Dec 13 \$
Revenue	3	26,659	60,625
Other			
Net Profit on Financial Assets at Fair Value through Profit or Loss		-	65,573
Share of Net Profit of Associate		215,936	275,883
Other Revenue		174	524
TOTAL REVENUE		242,769	402,605
EXPENSES	3		
Net Loss on Financial Assets at Fair Value through Profit or Loss		(17,715)	-
Olive Grove Operation Expenses		(38,534)	(72,235)
Land Operation Expenses		(11,065)	(7,319)
Personnel Expenses		(273,077)	(269,868)
Occupancy Expenses		(32,541)	(20,677)
Corporate Expenses		(23,414)	(19,447)
Communication Expenses		(1,938)	(2,713)
Finance Expenses		(2,598)	(492)
Administration Expenses		(57,199)	(33,103)
LOSS BEFORE INCOME TAX		(215,312)	(23,249)
Income Tax Expense		-	-
LOSS FOR THE HALF YEAR FROM CONTINUING OPERATIONS		(215,312)	(23,249)
Loss for the Year from Discontinued Operations	4	-	(52,790)
LOSS FOR THE HALF YEAR		(215,312)	(76,039)
TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR		(215,312)	(76,039)
Total Comprehensive Income for the year is attributable to:			
Continuing operations		(215,312)	(23,249)
Discontinued operations		-	(52,790)
		(215,312)	(76,039)
Basic Loss per Share (cents) from continuing operations	5	(1.35)	(0.13)
Basic Loss per Share (cents) from discontinuing operations		-	(0.30)
Basic Loss per Share (cents) attributable to the ordinary equity holders of the Company		(1.35)	(0.43)

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	Note	31 Dec 14	30 Jun 14
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents		354,600	601,690
Financial Assets at Fair Value through Profit or Loss	6	1,043,817	918,362
Trade and Other Receivables		17,454	136,941
Other Current Assets		7,179	4,892
TOTAL CURRENT ASSETS		1,423,050	1,661,885
NON CURRENT ASSETS			
Property held for Development or Resale		1,490,000	1,490,000
Investment in Associate Entity	7	3,913,071	3,892,016
Property, Plant and Equipment		1,035,628	1,062,482
Olive Trees		65,500	65,500
Intangible Assets		575,437	575,437
Deferred Tax Asset		98,407	98,600
TOTAL NON CURRENT ASSETS		7,178,043	7,184,035
TOTAL ASSETS		8,601,093	8,845,920
CURRENT LIABILITIES			
Trade and Other Payables		124,044	143,569
Provisions		31,535	38,602
TOTAL CURRENT LIABILITIES		155,579	182,171
NON CURRENT LIABILITIES			
Deferred Tax Liability		98,407	98,600
TOTAL NON CURRENT LIABILITIES		98,407	98,600
TOTAL LIABILITIES		253,986	280,771
NET ASSETS		8,347,107	8,565,149
EQUITY			
Issued Capital	8	18,862,479	18,865,209
Reserves		227,806	227,806
Accumulated Losses		(10,743,178)	(10,527,866)
TOTAL EQUITY		8,347,107	8,565,149

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2014

	Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2013		19,374,007	227,806	(9,737,698)	9,864,115
Loss for the Half Year		-	-	(76,039)	(76,039)
Other Comprehensive Income		-	-	-	-
Total Comprehensive Loss for the Half Year		-	-	(76,039)	(76,039)
Share Buy-Back	8	(217,638)	-	-	(217,638)
BALANCE AT 31 DECEMBER 2013		19,156,369	227,806	(9,813,737)	9,570,438
BALANCE AT 1 JULY 2014		18,865,209	227,806	(10,527,866)	8,565,149
Loss for the Half Year		-	-	(215,312)	(215,312)
Other Comprehensive Income		-	-	-	-
Total Comprehensive Loss for the Half Year		-	-	(215,312)	(215,312)
Share Buy-Back	8	(2,730)	-	-	(2,730)
BALANCE AT 31 DECEMBER 2014		18,862,479	227,806	(10,743,178)	8,347,107

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2014

	Note	31 Dec 14 \$	31 Dec 13 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		22,100	37,586
Dividends Received		196,286	-
Interest Received		3,154	38,003
Payments to Suppliers and Employees		(432,994)	(374,197)
Interest Paid		(47)	-
Sale of Financial Assets at Fair Value		82,570	-
Purchase of Financial Assets at Fair Value		(225,741)	-
Net Cash Used in Continuing Operations		(354,672)	(298,608)
Net Cash (Used in)/Provided by Discontinued Operations	4	8,319	(54,781)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES		(346,353)	(353,389)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Olive Oil operations	4	101,993	-
Return of Capital Received		-	205,138
Purchase of Plant and Equipment		-	(16,586)
NET CASH PROVIDED BY INVESTING ACTIVITIES		101,993	188,552
CASH FLOWS FROM INVESTING ACTIVITIES			
Share Buy-Back	8	(2,730)	(217,637)
NET CASH USED IN INVESTING ACTIVITIES		(2,730)	(217,637)
NET INCREASE/(DECREASE) IN CASH HELD		(247,090)	(382,474)
Cash and Cash Equivalents at Beginning of Financial Year		601,690	1,695,628
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL HALF YEAR		354,600	1,313,154

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half year financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These half year financial statements do not include notes of the type normally included in the annual financial statements and should be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2014 to the date of this report.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year financial statements are consistent with those adopted and disclosed in the Consolidated Entity's financial statements for the financial year ended 30 June 2014.

2. RELATED PARTY DISCLOSURES

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 half year:

	31 Dec 14	31 Dec 13
	\$	\$
Bentley Capital Limited		
Dividend Received	194,881	-
Return of Capital Received	-	205,138

During the half year, Orion subsidiary, Silver Sands Developments Pty Ltd (**SSD**) received \$22,100 (31 December 2013: \$22,100) rental income from Director, Farooq Khan, pursuant to a standard form fixed term residential tenancy agreement in respect of the the Property Held for Development or Resale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

3. LOSS FOR THE HALF YEAR

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

	31 Dec 14	31 Dec 13
	\$	\$
(a) Revenue		
Revenue from Sale of Olive Oil	-	15,711
Rental Revenue	22,100	22,100
Dividend Revenue	1,405	-
Interest Revenue	3,154	22,814
	<u>26,659</u>	<u>60,625</u>
Other		
Net Gain on Financial Assets at Fair Value through Profit or Loss	-	65,573
Share of Net Profit of Associate	215,936	275,883
Other Revenue	174	524
	<u>216,110</u>	<u>341,980</u>
	<u>242,769</u>	<u>402,605</u>
(b) Expenses		
Net Loss on Financial Assets at Fair Value through Profit or Loss	17,715	-
Olive Grove Operations		
Impairment and Depreciation of Olive Grove Assets	25,539	35,075
Other Expenses	12,995	37,160
Land Operations		
Other Expenses	11,065	7,319
Salaries, Fees and Employee Benefits	273,077	269,868
Occupancy Expenses	32,541	20,677
Finance Expenses	2,598	492
Communications	1,938	2,713
Corporate Expenses		
ASX Fees	18,034	15,548
Share Registry	4,648	3,202
Other Corporate Expenses	732	697
Administration Expenses		
Professional Fees	43	2,247
Depreciation	1,315	1,518
Other Administration Expenses	55,841	29,338
	<u>458,081</u>	<u>425,854</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

4. DISCONTINUED OPERATIONS

On 30 June 2014, the Consolidated Entity sold a segment of the olive oil operations as a going concern. The brand, equipment and oil inventory relating to the segment were sold for a total of \$101,993 in cash, resulting in a net loss of \$66,196.

	31 Dec 14	31 Dec 13
The Operating Loss from this discontinued operations are:	\$	\$
Revenue from Sale of Olive Oil	-	79,284
Olive Oil Operation Expenses		
Cost of Goods Sold	-	(120,258)
Impairment and Depreciation of Olive Oil Assets	-	(1,195)
Other Expenses	-	(10,621)
Loss for the Half Year from Discontinued Operations	-	(52,790)

The carrying amount of assets in this discontinued operations are summarised as follows:

Current Assets		
Inventories	-	69,557
Plant and Equipment	-	23,637
Non-Current Assets		
Intangibles	-	74,996
Total Assets	-	168,190

The Cash Flows generated from the discontinued operations are as follows:

	31 Dec 14	31 Dec 13
Operating Activities		
Receipts from Customers	16,260	77,546
Payments to Suppliers and Employees	(7,941)	(132,327)
Net Cash Used in Discontinued Operations	8,319	(54,781)

5. LOSS PER SHARE

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

	31 Dec 14	31 Dec 13
	\$	\$
Loss after Income Tax from Continuing Operations	(215,312)	(23,249)
Loss after Income Tax from Discontinuing Operations	-	(52,790)
Loss after tax attributable to the ordinary equity holders of the Company	(215,312)	(76,039)
	Number of Shares	
Weighted Average Number of Ordinary Shares	15,901,995	17,553,780

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 half year ended 31 December 2014

5. LOSS PER SHARE (continued)

	31 Dec 14	31 Dec 13
	cents	cents
Basic Loss per Share		
From continuing operations attributable to the ordinary equity holders of the Company	(1.35)	(0.13)
From discontinued operations	-	(0.30)
Total basic loss per share attributable to the ordinary equity holders of the Company	(1.35)	(0.43)

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 Dec 14	30 Jun 14
	\$	\$
Current		
Listed securities at fair value	783,201	668,482
Unlisted managed fund at fair value	260,616	249,880
	1,043,817	918,362

7. INVESTMENT IN ASSOCIATE ENTITY

	Ownership Interest		31 Dec 14	30 Jun 14
	31 Dec 14	30 Jun 14	\$	\$
Bentley Capital Limited	27.56%	27.76%	3,913,071	3,892,016

Reconciliation of Carrying Amount:

Opening Balance	3,892,016	4,079,810
Share of Net Profit after tax	215,936	222,481
Dividend Received	(194,881)	(205,138)
Return of Capital Received	-	(205,137)
Carrying amount on Investment in Associate Entity	3,913,071	3,892,016

Fair Value of Listed Investment in Associate

2,974,499	2,974,499
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Net Asset Value of Investment

4,918,030	4,906,943
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Summarised statement of profit or loss and other comprehensive income

Revenue	2,218,191	2,091,248
Expenses	(1,427,495)	(1,298,338)
Profit/(Loss) before income tax	790,696	792,910
Income tax expense	-	3,698
Profit/(Loss) after income tax	790,696	796,608
Other comprehensive income	-	-
Total comprehensive income	790,696	796,608

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

7. INVESTMENT IN ASSOCIATE ENTITY (continued)	31 Dec 14	30 Jun 14
	\$	\$
Summarised statement of financial position		
Current assets	8,016,888	17,384,218
Non-current assets	10,515,073	878,452
Total assets	18,531,961	18,262,670
Current liabilities	284,207	206,914
Non-current liabilities	402,948	379,448
Total liabilities	687,155	586,362
Net Assets	17,844,806	17,676,308
Lease Commitments		
Not longer than one year	36,667	73,333

BEL's 31 December 2014 Half Year Report contains a Qualified Conclusion by its Auditor (BDO Audit (WA) Pty Ltd) in relation to BEL's 19.98% shareholding investment in Associate entity, Molopo Energy Limited (ASX: MPO). BEL has carried its investment in MPO at \$9,611,231 as at 31 December 2014 and recognised a nil amount as its 19.98% share of MPO's net profit/loss for the half year ended 31 December 2014, as audited financial information for MPO had not been finalised by MPO and MPO was accordingly not able to provide the required financial information from which this amount could be determined and recognised within the time required for the completion of BEL's half year accounts. As such, BEL's Auditor has made a Qualified Conclusion in its Independent Auditor's Review Report on BEL's half year financial report on the basis that they were unable to obtain sufficient appropriate review evidence about the carrying value of MPO and the share of the net income/loss from MPO for the half year.

8. ISSUED CAPITAL	31 Dec 14	30 Jun 14	31 Dec 14	30 Jun 14
	Number	Number	\$	\$
Fully paid ordinary shares	15,895,528	15,905,528	18,862,479	18,865,209
Movement in Ordinary shares				
	Date of Issue	Number of Shares		\$
At 1 July 2013		17,814,389		19,374,007
Share buy-back - refer (b)	Sep-Dec 13	(836,553)		(217,638)
Share buy-back - refer (b)	Jan-Jun 14	(1,072,308)		(291,160)
At 30 June 2014		15,905,528		18,865,209
At 1 July 2014		15,905,528		18,865,209
Share buy-back - refer (b)	Oct-14	(10,000)		(2,730)
At 31 December 2014		15,895,528		18,862,479

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

8. ISSUED CAPITAL (continued)

(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) Share Buy-Back

During the financial half year, the Company bought back 10,000 shares on-market at a total cost of \$2,730 and at an average buy-back cost (including brokerage) of \$0.273 per share, pursuant to an on-market share buy-back approved by shareholders at the Company's 2013 annual general meeting on 28 November 2013.

This buy-back back expired on 30 October 2014 with the Company buying back a total of 318,861 shares at a total cost of \$86,063 and at an average buy-back cost (including brokerage) of \$0.27 per share under this capital management initiative.

(c) Capital Risk Management

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

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

9. 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 Grove. Corporate items are mainly comprised of corporate assets, office expenses and income tax assets and liabilities.

31 Dec 14	Investments	Olive Grove	Corporate	Total
Segment Revenues	\$	\$	\$	\$
Revenue	26,659	-	-	26,659
Other	215,936	-	174	216,110
Total Segment Revenues	242,595	-	174	242,769
Personnel Expenses	-	2,811	273,077	275,888
Finance Expenses	-	251	2,728	2,979
Administration Expenses	17,715	1,156	50,938	69,809
Depreciation Expense	-	25,539	1,315	26,854
Other Expenses	8,393	8,611	65,547	82,551
Total Segment Profit/(Loss)	216,487	(38,368)	(393,431)	(215,312)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

9. SEGMENT INFORMATION (continued)

	Investments	Olive Grove	Corporate	Total
	\$	\$	\$	\$
Segment Assets				
Cash	-	9,402	345,198	354,600
Financial Assets	1,043,817	-	-	1,043,817
Property held for Development or Resale	1,490,000	-	-	1,490,000
Investment in Associate	3,913,071	-	-	3,913,071
Property, Plant and Equipment	-	1,026,430	9,198	1,035,628
Intangible Assets	-	575,437	-	575,437
Other Assets	-	67,596	120,944	188,540
Total Segment Assets	6,446,888	1,678,865	475,340	8,601,093
Segment Liabilities	-	129,348	124,638	253,986
31 Dec 13				
Segment Revenues				
Revenue	44,914	94,995	-	139,909
Other	341,456	-	524	341,980
Total Segment Revenues	386,370	94,995	524	481,889
Personnel Expenses	-	2,747	269,868	272,615
Finance Expenses	-	518	629	1,147
Administration Expenses	6,937	166,547	31,585	205,069
Depreciation Expense	-	33,496	1,519	35,015
Other Expenses	-	1,001	43,081	44,082
Total Segment Profit/(Loss)	379,433	(109,314)	(346,158)	(76,039)
30 Jun 14				
Segment Assets				
Cash	-	11,488	590,202	601,690
Financial Assets	918,362	-	-	918,362
Property held for Development or Resale	1,490,000	-	-	1,490,000
Investment in Associate	3,892,016	-	-	3,892,016
Property, Plant and Equipment	-	1,051,969	10,513	1,062,482
Intangible Assets	-	575,437	-	575,437
Other Assets	-	199,788	106,145	305,933
Total Segment Assets	6,300,378	1,838,682	706,860	8,845,920
Segment Liabilities	-	126,844	153,927	280,771

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair Value Hierarchy

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

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

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 Dec 14				
Financial Assets at Fair Value through Profit or Loss:				
Listed securities at fair value	783,201	-	-	783,201
Unlisted managed fund at fair value	-	260,616	-	260,616
Land at Independent Valuation	-	-	766,593	766,593
Intangible Assets	-	-	575,437	575,437
Olive Trees	-	-	65,500	65,500
Total	783,201	260,616	1,407,530	2,451,347

30 Jun 14

Financial Assets at Fair Value through Profit or Loss:

Listed securities at fair value	668,482	-	-	668,482
Unlisted managed fund at fair value	-	249,880	-	249,880
Land at Independent Valuation	-	-	766,593	766,593
Intangible Assets	-	-	575,437	575,437
Olive Trees	-	-	65,500	65,500
Total	668,482	249,880	1,407,530	2,325,892

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

(b) Valuation Techniques

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(b) Valuation Techniques (continued)

At Level 3, the land and intangible assets (water licence) were valued by an independent qualified valuer (an Associate Member of the Australian Property Institute) as at 30 June 2013 (which values have been maintained by the Directors as at 30 June 2014 and 31 December 2014). These assets have been valued based on similar assets, location and market conditions or Direct Comparison or Comparative Sales Approach. The land value per hectare based on rural land sold in the general location provided a rate which included ground water licence. A 4% change would increase or decrease the land and intangible asset's fair value change by \$34,000 and \$26,000 respectively. There has been no unusual circumstances that may affect the value of the trees.

At Level 3 the olive trees' value was assessed as at 31 December 2014 by the Directors. 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. The significant unobservable input is the replacement cost of 15 year old fruiting trees. There are no age limits to the commercial viability of an olive grove. A 1% change in the minimum replacement cost would result in an increase or decrease by \$3,500. There has been no unusual circumstances that may affect the value of the property.

(c) Level 3 Assets

	Land	Intangible Assets	Olive Trees	Total
	\$	\$	\$	\$
At 1 July 2013	759,918	650,433	65,500	1,475,851
Addition/(Disposal)	6,675	(74,996)	-	(68,321)
At 30 June 2014	766,593	575,437	65,500	1,407,530
	-	-	-	-
At 31 December 2014	766,593	575,437	65,500	1,407,530

(d) Fair Values of Other Financial Instruments

	31 Dec 14	30 Jun 14
	\$	\$
Financial Assets		
Cash and Cash Equivalents	354,600	601,690
Trade and Other Receivables	17,454	136,941
	372,054	738,631
Financial Liabilities		
Trade and Other Payables	(124,044)	(143,569)
	(124,044)	(143,569)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

11. COMMITMENTS

	31 Dec 14	30 Jun 14
	\$	\$
Not longer than one year	36,667	73,333

On or about 21 July 2014, the Company entered into a new non-cancellable operating lease agreement for shared office accommodation. The lease commitment is the Company's share of the lease costs and includes all outgoings (inclusive of GST). The lease is for a one year term expiring on or about 23 July 2015, with an option to renew to 30 January 2017.

12. 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**) (ASX : SRK).

13. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) Associate entity, Bentley Capital Limited (ASX : BEL), has announced its intention to pay a fully-franked dividend of 0.55 cent per share in March 2015. The Company's entitlement to such dividend would be \$112,826.

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

In accordance with a resolution of the directors of Orion Equities Limited made pursuant to sub-section 303(5) of the *Corporations Act 2001*, we state that:

In the opinion of the directors:

- (1) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half year ended on that date; and
 - (b) complying with Accounting Standards AASB 134 "Interim Financial Reporting", *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (2) There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Farooq Khan
Chairman



Victor Ho
Executive Director

27 February 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Orion Equities Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Orion Equities Limited, which comprises the consolidated statement of financial position as at 31 December 2014, 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Orion Equities Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Basis for Qualified Conclusion

Included in Orion Equities Limited's consolidated statement of financial position as at 31 December 2014 is an investment in an associate entity, Bentley Capital Limited, which is accounted for under the equity method and carried at \$3,913,071. Orion Equities Limited has recorded its share of the net income from Bentley Capital Limited as \$215,936 in the consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2014. As disclosed in note 7, Bentley management were unable to obtain access to the financial information and management of their investment in associate, Molopo Energy Limited and therefore we were unable to obtain sufficient appropriate review evidence about the carrying value of the investment in and the share of net income/loss for the half-year. Consequently, we were unable to determine whether any adjustments to these amounts are necessary.

Qualified Conclusion

Based on our review, which is not an audit, with the exception of the possible effects of the matter described in the basis for qualified conclusion paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Orion Equities Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit (WA) Pty Ltd

BDO


Chris Burton

Director

Perth, 27 February 2015

SECURITIES INFORMATION

as at 31 December 2014

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread of Holdings	Number of Holders	Number of Shares	% of Total Issue Capital
1 - 1,000	51	21,176	0.13%
1,001 - 5,000	132	371,640	2.34%
5,001 - 10,000	48	361,501	2.27%
10,001 - 100,000	74	2,445,940	15.39%
100,001 and over	17	12,695,271	79.87%
Total	322	15,895,528	100%

TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

RANK	SHAREHOLDER	TOTAL SHARES	% ISSUED CAPITAL
1*	QUESTE COMMUNICATIONS LTD	9,367,653	58.93%
2*	CLEOD PTY LTD	506,000	
	CELLANTE SECURITES PTY LIMITED	417,038	
	Sub-total	923,038	5.81%
3	DR STEVEN G RODWELL	315,946	1.99%
4	REDSUMMER PTY LTD	225,000	1.42%
5	MR STEPHEN JAMES LAMBERT & MRS RUTH LYNETTE LAMBERT & MR SIMON LEE LAMBERT	200,000	1.26%
6	ORION EQUITIES LIMITED <SMALL HOLDINGS SHARES SALE FACILITY A/C>	198,481	1.25%
7	MS HOON CHOO TAN	197,538	1.24%
8	PENELOPE MARGARET SIEMON	181,355	1.14%
9	MR SEAN DENNEHY	177,500	1.12%
10	MR JOHN STEPHEN CALVERT	165,097	1.04%
11	MR BRUCE SIEMON	163,351	1.03%
12	VIKAND CONSULTING PTY LTD	144,798	0.91%
13	MR ANTHONY NEALE KILLER & MRS SANDRA MARIE KILLER	120,000	0.75%
14	MAGUIRE FAMILY HOLDINGS PTY LTD	106,300	0.67%
15	ZELWER SUPERANNUATION PTY LTD	105,488	0.66%
16	MR JOHN CHENG-HSIANG YANG & MS PEGA PING PING MOK	103,726	0.65%
17	MRS CAROLINE ANN PICKERING	100,000	0.63%
18	MS MORAG HELEN BARRETT	94,013	0.59%
19	MR GERARD BOWDLER & MRS MARGARET CLARE BOWDLER	85,900	0.54%
20	MR KEVIN LEDGER & MRS ROBYN LEDGER	85,000	0.54%
	TOTAL	13,060,184	82.17%

* Substantial shareholders of the Company