

APPENDIX 4D – HALF YEAR REPORT

PERIOD ENDED 31 DECEMBER 2020

QUESTUS LIMITED
AND ITS CONTROLLED ENTITIES
A.C.N. 100 460 035

Reporting Period

Half-year report for the period ended 31 December 2020. Previous corresponding half-year period ended 31 December 2019.

Results for Announcement to Market

	31 Dec 2020 \$	31 Dec 2019 \$	% Change
Revenue	2,566,923	1,947,654	31.8%
(Loss)/Profit from continuing operations	(692,172)	224,100	(408.9%)
Profit /(Loss) before tax attributable to members	233,788	309,492	(24.5%)
(Loss)/Profit for the period attributable to members	(692,172)	224,100	(408.9%)

Earnings per Share

	31 Dec 2020	31 Dec 2019
Profit /(Loss) per share (Basic and Diluted)	(0.75) cents	0.24 cents

Net Tangible Assets per Security

	31 Dec 2020	31 Dec 2019
Net Tangible Asset backing	(1.78) cents	(1.99) cents

APPENDIX 4D – HALF YEAR REPORT (Continued)

Dividends

No dividends have been declared or paid during the half-year ended 31 December 2020.

Entities Acquired During the Period

No entities acquired during the period.

APPENDIX 4D – HALF YEAR REPORT (Continued)

Compliance Statement

The report is based on financial statements reviewed by the auditor, a copy of which is attached.

Signed in accordance with a resolution of Directors.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Graeme Kelly". The signature is written in a cursive style with a horizontal line crossing through the middle of the letters.

Director
Perth
Dated: 26/2/21

QUESTUS LIMITED

ABN 26 100 460 035

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2020

LODGED WITH THE ASX UNDER LISTING RULE 4.2A

THIS INFORMATION SHOULD BE READ IN CONJUNCTION WITH THE 30 JUNE 2020
ANNUAL REPORT

QUESTUS LIMITED

For the Half-Year Ended 31 December 2020

ABN 26 100 460 035

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QUESTUS LIMITED
CORPORATE DIRECTORY
 For the Half-Year Ended 31 December 2020
 ABN 26 100 460 035

DIRECTORS	David James Somerville (Executive Chairman)
	Robert William Olde (Non-Executive Director)
	Graeme Goff (Executive Director)
COMPANY SECRETARY	Elizabeth Bee Hiang Lee Graeme Goff
REGISTERED AND PRINCIPAL OFFICE	Office 3, 110-116 East Parade EAST PERTH WA 6004 Telephone: +61 8 6184 8000
AUDITORS	William Buck Audit (WA) Pty Ltd 3/15 Labouchere Rd SOUTH PERTH WA 6151
SOLICITORS	Steinepreis Paganin Level 4, Next Building 16 Milligan Street PERTH WA 6000
SHARE REGISTRY	Automic Group Level 2, 267 St Georges Terrace PERTH WA 6000 Telephone: + 61 2 8072 1400
SECURITIES EXCHANGE LISTING	Questus Limited shares are listed on the Australian Securities Exchange under the code QSS.
WEB SITE	www.questus.com.au
COMPANY DOMICILE AND LEGAL FORM	Questus Limited is a public company limited by shares, incorporated and domiciled in Australia.

The Directors of Questus Limited (“Questus”, the “Group”, “Consolidated Entity” or “Company”) submit herewith the consolidated financial report for the half-year ended 31 December 2020.

Directors

The names of the Directors of the Company during or since the end of the previous financial period and up to the date of this report are:

David James Somerville (Executive Chairman)

Robert William Olde (Non-Executive Director)

Graeme Goff (Executive Director)

Principal Activities

The principal activities of the Group are participating in the State and Federal Government National Rental Affordability (NRAS) Scheme, boutique funds management and facilitation of capital raisings.

Review of Operations

The results for the six month period reflect a loss of \$692,172 (2019 Profit: \$224,100). The loss includes the write off of deferred tax assets totaling \$862,304.

Questus has continued to undertake the compliance requirement of its NRAS portfolio, which the associated fees were brought to account during the six month reporting period.

The six month period has also seen the continuation of the delivery of affordable housing under the NRAS, and an asset realisation program to repay existing long term liabilities. The Company and has considered a number of strategic corporate opportunities which will enable the Company and Shareholders to pursue future growth and development. The Company has reviewed a number of alternative investment opportunities.

Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the result of those operation or the state of affairs, in the future financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within these financial statements.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Director
Perth
Dated: 26/2/21

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF QUESTUS LIMITED

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis
Director

Dated this 26th day of February 2021

ACCOUNTANTS & ADVISORS

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QUESTUS LIMITED
DIRECTORS' DECLARATION
For the Half-Year Ended 31 December 2020
ABN 26 100 460 035

In the opinion of the directors of Questus Limited ("the company"):

1. The financial statements and notes thereto of the consolidated entity, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.



Director
Perth
Dated : 26/2/21

QUESTUS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2020

ABN 26 100 460 035

	Half-Year Ended 31 December 2020 \$	Half-Year Ended 31 December 2019 \$
Revenue	2,566,923	1,947,654
Employee benefits expenses	(26,599)	(30,104)
Selling costs	(1,068)	-
Impairment of inventories	(472,991)	(468,696)
Administrative expenses	(1,596,125)	(880,136)
Finance costs	(222,326)	(245,002)
Depreciation and amortisation	(14,026)	(14,224)
Profit/(Loss) before income tax expense	<u>233,788</u>	<u>309,492</u>
Income tax (expense)	(925,960)	(85,392)
(Loss)/Profit from continuing operations	<u>(692,172)</u>	<u>224,100</u>
Other comprehensive income for the period	-	-
Total comprehensive (loss)/profit for the period	<u><u>(692,172)</u></u>	<u><u>224,100</u></u>
 Earnings Per Share: (cents per share)		
Basic and diluted profit/ (loss) per share	(0.75) cents	0.24 cents

The accompanying notes form part of these financial statements.

QUESTUS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

ABN 26 100 460 035

	Note	31 December 2020 \$	30 June 2020 \$
CURRENT ASSETS			
Cash and cash equivalents		571,825	509,257
Trade and other receivables		1,957,943	1,126,632
Inventories		34,466	124,021
Other assets		25,656	58,331
TOTAL CURRENT ASSETS		<u>2,589,890</u>	<u>1,818,241</u>
NON-CURRENT ASSETS			
Other financial assets		4,043	4,043
Trade and other receivables		215,075	215,074
Inventories		1,113,000	1,490,000
Deferred tax assets		-	925,960
Plant and equipment		66,064	74,296
Right of use asset		16,880	21,102
Intangible assets		548,234	548,234
TOTAL NON-CURRENT ASSETS		<u>1,963,296</u>	<u>3,278,709</u>
TOTAL ASSETS		<u>4,553,186</u>	<u>5,096,950</u>
CURRENT LIABILITIES			
Trade and other payables		639,255	228,734
Interest-bearing liabilities	3	5,528,977	272,826
Lease Liability		6,935	6,665
TOTAL CURRENT LIABILITIES		<u>6,175,167</u>	<u>508,225</u>
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	3	-	5,515,000
Lease Liability		11,498	15,033
TOTAL NON-CURRENT LIABILITIES		<u>11,498</u>	<u>5,530,033</u>
TOTAL LIABILITIES		<u>6,186,665</u>	<u>6,038,258</u>
NET ASSETS		<u>(1,633,479)</u>	<u>(941,308)</u>
EQUITY			
Issued capital	4	19,556,370	19,556,370
Reserves		152,890	152,890
Accumulated losses		(21,342,739)	(20,650,568)
TOTAL EQUITY		<u>(1,633,479)</u>	<u>(941,308)</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half-Year Ended 31 December 2020

ABN 26 100 460 035

	Issued Capital	Share-based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2019	19,556,370	152,890	(20,440,588)	(731,328)
Profit for the period	-	-	224,100	224,100
Total comprehensive loss for the period	-	-	224,100	224,100
Transactions with owners in their capacity as owners	-	-	-	-
Balance at 31 December 2019	19,556,370	152,890	(20,216,487)	(507,227)
Balance at 1 July 2020	19,556,370	152,890	(20,650,568)	(941,308)
Loss for the period	-	-	(692,172)	(692,172)
Total comprehensive loss for the period	-	-	(692,172)	(692,172)
Transactions with owners in their capacity as owners	-	-	-	-
Balance at 31 December 2020	19,556,370	152,890	(21,342,739)	(1,633,479)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half-Year Ended 31 December 2020

ABN 26 100 460 035

	Half-Year Ended 31 December 2020 \$	Half-Year Ended 31 December 2019 \$
Cash flows from operating activities		
Receipts from customers	1,726,546	2,358,230
Payments to suppliers and employees	(857,867)	(510,215)
Payments for inventories	(329,165)	(492,277)
Interest received	175	284
Interest and borrowing costs paid	(440,093)	(603,042)
Net cash flows from operating activities	<u>99,596</u>	<u>752,980</u>
Cash flows from investing activities		
Loan to third parties	-	(201,000)
Repayments from loan	8,895	409,081
Payment for acquisition of other non-current assets	(1,575)	(46,608)
Net cash flows from investing activities	<u>7,320</u>	<u>161,473</u>
Cash flows from financing activities		
Repayments of borrowings	(44,348)	(643,667)
Net cash flows (used in) / provided by financing activities	<u>(44,348)</u>	<u>(643,667)</u>
Net increase in cash and cash equivalents	62,568	270,786
Cash and cash equivalents at the beginning of the period	509,257	488,085
Cash and cash equivalents at the end of the period	<u>571,825</u>	<u>758,871</u>

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance and Basis of Preparation

This general purpose financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The consolidated financial report has 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.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Questus Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period.

New and Revised Accounting Standards

The Group has adopted all of the new, reused or amending Accounting Standards and Interpretations issued by the Australian Accountancy Standards Board ("AASB") that are mandatory for the current reporting period.

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

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2020, other than for the impact of the adoption of new and revised Standard and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to the consolidated entity and effective for annual reporting periods beginning on or after 1 July 2020.

QUESTUS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2020
ABN 26 100 460 035

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Going Concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group has made a loss after tax of \$692,172 (2019: profit of \$224,100) and experienced cash inflows of \$62,568 for the period ended 31 December 2020 (2019: \$270,786). As at 31 December 2020 the Group had cash assets of \$571,825 (2020: \$509,257) and net liabilities of \$ 1,633,479 (2020: \$ 941,308).

A wholly owned subsidiary, Questus Funds Management Limited is an appointed Approved Participant under the National Rental Affordability Scheme for approximately 4000 NRAS Allocations, which generate compliance revenue and positive cash flows. The Company's current debt facilities are set to expire in December 2021. The Company continues to comply and meet the terms of the loan agreements and is currently in negotiation with the lender for an extension of the loan facility term and a reduction in the current interest rate of 8% per annum.

Based on the cash flow forecasts of the Company, the directors are satisfied that the going concern basis of preparation is appropriate.

Should the Group be unable to achieve the matters set out above, there is material uncertainty whether the Group will be able to continue as a going concern and therefore, whether they will be able to realise their assets and extinguish their liabilities in the normal course of business.

2. SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors considers the business from both a geographic and business segment perspective and has identified one reportable segment. The identifiable reportable segment is the delivery and management of dwellings and incentives regarding the National Rental Affordability Scheme (NRAS) for the domestic Australian market.

3. BORROWINGS

The loan facility for \$2.065m provided to Questus from APMF NSW Trust was extended last year to reflect the following payment terms:

- a) Repayment of \$1.0m by 31 December 2021
- b) Repayment of remaining \$1.065m on 31 December 2021

The first loan facility for \$1.2m provided to Questus from APMF Vic Trust has been extended to reflect the following payment terms:

- a) Repayment of \$0.5m by 31 December 2021
- b) Repayment of remaining \$0.7m on 31 December 2021

The second loan facility for \$2.85m provided to Questus From APMF Vic Trust has been extended to reflect the following payment terms:

- a) Repayment of \$350,000 by 31 December 2021
- b) Repayment of remaining \$2.5m on 31 December 2021

The total repayment of the above loans for the half year ending 31 December 2020 was \$600,000.

QUESTUS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2020
ABN 26 100 460 035

	31 December 2020	30 June 2020
	\$	\$
4. ISSUED CAPITAL		
<i>a) Paid up capital</i>		
Ordinary shares	<u>19,556,370</u>	<u>19,556,370</u>
<i>b) Movements</i>		
Details	Number of securities	\$
Opening balance	92,707,553	19,556,370
Issue of shares	-	-
Closing balance	<u>92,707,553</u>	<u>19,556,370</u>

5. DIVIDENDS

No dividends have been declared or paid during the half-year ended 31 December 2020 or in the prior period, and the directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2020.

6. CONTINGENT LIABILITIES AND ASSETS

There has been no change in contingencies since the issue of the 30 June 2020 annual financial report.

7. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the result of those operations or the state of affairs, in the future financial years.

Questus Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Questus Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated group), which comprises the consolidated statement of financial position as at 31 December 2020, 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, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Questus 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 2020 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates that the consolidated entity is in a net liability position of \$1,633,479 as at 31 December 2020. As stated in Note 1, this condition, along with other matters as set forth in Note 1 indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of Management for the Financial Report

The directors of Questus Limited 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

ACCOUNTANTS & ADVISORS

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Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Company's financial position as at 31 December 2020 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*.

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.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

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Conley Manifis
Director

Dated this 26th day of February, 2021