

# 2023

## ANNUAL REPORT



**QUESTE**  
COMMUNICATIONS LTD

A.B.N 58 081 688 164

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### Queste's 2023

#### Corporate Governance Statement

can be found at the following URL on the Company's website:  
[www.queste.com.au/corporate-governance](http://www.queste.com.au/corporate-governance)

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## CORPORATE DIRECTORY

### BOARD

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

### COMPANY SECRETARY

Victor Ho

### PRINCIPAL & REGISTERED OFFICE

Suite 1, Level 1, 680 Murray Street  
West Perth, Western Australia 6005

Telephone: (08) 9214 9777  
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### AUDITORS

Rothsay Audit & Assurance Pty Ltd  
Level 1, Lincoln House  
4 Ventnor Avenue  
West Perth, Western Australia 6005  
Telephone: (08) 9486 7094  
Website: [www.rothsay.com.au](http://www.rothsay.com.au)

### STOCK EXCHANGE

Australian Securities Exchange  
Perth, Western Australia

### ASX CODE

QUE

### SHARE REGISTRY

#### Main Office

Advanced Share Registry Limited  
110 Stirling Highway  
Nedlands, Western Australia 6009  
Local Telephone: 1300 113 258  
Telephone: (08) 9389 8033  
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# DIRECTORS' REPORT

The Directors present their report on Queste Communications Ltd ABN 58 081 688 164 (ASX:QUE) (**Company** or **QUE**) and its controlled entities (**Queste** or the **Consolidated Entity**) for the financial year ended 30 June 2023 (**Balance Date**).

QUE is a public company limited by shares that is incorporated and domiciled in Western Australia and has been listed on the Australian Securities Exchange (**ASX**) since November 1998. (ASX Code: QUE)

Queste's results incorporate the results of controlled entity, ASX-listed investment company (**LIC**), Orion Equities Limited ABN 77 000 742 843 (ASX:OEQ) (**Orion** or **OEQ**). The Company has a 59.86% (9,367,653 shares) shareholding interest in Orion (30 June 2022: 59.86% (9,367,653 shares)).

## PRINCIPAL ACTIVITIES

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

The principal activities of controlled entity, Orion, during the financial year were the management of its investments, including investments in listed and unlisted securities and real estate held for development and resale.

## FINANCIAL POSITION

<b>COMPANY</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	11,773	9,413
Current investments – equities	2	-
Investment in controlled entity (OEQ)	693,206	2,248,238
Investment in Associate entity (BEL)	-	-
Receivables	754	-
Other assets	2,072	2,677
<b>Total Assets</b>	<b>707,807</b>	<b>2,260,328</b>
Loan from controlled entity	(165,403)	(97,149)
Other payables and liabilities	(299,394)	(290,277)
<b>Net Assets</b>	<b>243,010</b>	<b>1,872,902</b>
Issued capital	6,239,370	6,239,370
Reserves	4,480,557	4,480,557
Accumulated losses	(10,476,917)	(8,847,025)
<b>Total Equity</b>	<b>243,010</b>	<b>1,872,902</b>

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

<b>Investment</b>	<b>Shareholding</b>	<b>ASX Market Value<sup>1</sup></b>	
		<b>30 June 2023</b>	<b>30 June 2022</b>
Orion Equities Limited (ASX:OEQ)	9,367,653	\$693,206	\$2,248,237
Bentley Capital Limited (ASX:BEL)	1,225,752	\$57,610	\$75,997
Total		<b>\$750,816</b>	<b>\$2,324,234</b>

1 Based on closing bid price on ASX

# DIRECTORS' REPORT

## OPERATING RESULTS

COMPANY	2023	2022
	\$	\$
Total revenues	43	-
Net loss on financial assets	(1,555,028)	(281,032)
Share of Associate entity's net loss	90,912	(48,303)
Other Expenses	(74,905)	(113,163)
<b>Loss before tax</b>	<b>(1,538,978)</b>	<b>(442,498)</b>
Income tax expense	-	(523,632)
<b>Loss for the year</b>	<b>(1,538,978)</b>	<b>(966,130)</b>

## LOSS PER SHARE

CONSOLIDATED ENTITY	2023	2022
Basic and diluted loss per share (cents)	(1.85)	(9.64)
Weighted average number of fully paid ordinary shares in the Company outstanding during the year used in the calculation of basic and diluted loss per share	27,072,332	27,072,332

## CONSOLIDATED FINANCIAL PERFORMANCE

The Consolidated Entity's results incorporate the results of controlled entity, Orion.

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

- \$0.56 million recognised as a share of an Associate entity's net loss – this relates to Orion's investment in Bentley Capital Limited (ASX:BEL) (**Bentley**); Bentley generated a net loss of \$3.582 million for the financial year (attributable principally to a \$2.745 million unrealised loss on its investment in Strike); and
- \$0.5 million unrealised loss from Orion's investment in Strike Resources Limited (ASX:SRK) (**Strike**), which declined in price from 11 to 6 cents per share during the financial year.

The Consolidated Entity accounts for Bentley as an Associate entity, which means that Queste is required to recognise a share of Bentley's net profit or loss in respect of the financial year based on Queste's (28.556% as at 30 June 2023) direct and indirect shareholding interest in Bentley (this is known as the equity method of accounting for an associate entity).

The Consolidated Entity's financial performance is primarily dependent on the share price performance of Strike (in which Orion has 10 million shares and Bentley has 56.7 million shares).

The SRK share price has traded within a range of 4.9 cents (on 18 April 2023) to 16.5 cents (on 19 October 2022) in the past 12 months, with a bid price of 6 cents (as at 30 June 2023) and a current price of 6.5 cents (as at 23 August 2023).

Further information about Orion's operations financial position and performance for the financial year ended 30 June 2023 are outlined in Orion's 30 June 2023 Full Year Report / 2023 Annual Report.

Further information about Bentley's operations financial position and performance for the financial year ended 30 June 2023 are outlined in Bentley's 30 June 2023 Full Year Report / 2023 Annual Report.

## DIVIDENDS

The Company's Directors have not declared a dividend in respect of the financial year ended 30 June 2023.

# DIRECTORS' REPORT

## SECURITIES ON ISSUE

At the Balance Date (and currently), the Company had 27,072,332 listed fully paid ordinary shares (2022: 27,072,332 fully paid ordinary shares) on issue.

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

## REVIEW OF OPERATIONS

### 1. Orion Equities Limited (ASX:OEQ)

#### 1.1. Current Status of Investment in Orion

Orion is an investment entity.

The Company holds 9,367,653 shares in Orion, being 59.86% of its issued ordinary share capital (2022: 9,367,653 shares and 59.86%). Orion has been recognised as a controlled entity and included as part of the Queste's results since 1 July 2002.

Queste's shareholders are advised to refer to the 30 June 2023 Full Year Report and monthly NTA disclosures lodged by Orion for further information about the status and affairs of the company.

Information concerning Orion may be viewed from its website: [www.orionequities.com.au](http://www.orionequities.com.au).

Orion's market announcements may also be viewed from the ASX website ([www.asx.com.au](http://www.asx.com.au)) under ASX code "OEQ".

Sections 1.2 and 1.3 below contain information extracted from Orion's public statements.

#### 1.2. Orion's Portfolio Details as at 30 June 2023

##### Asset Weighting

	% of Net Assets	
	2023	2022
Australian equities	27%	56%
Property held for development and resale	82%	56%
Net tax liabilities (current-year and deferred tax assets/liabilities)	-	-
Net cash/other assets and provisions	(9)%	(12)%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

##### Major Holdings in Securities Portfolio

Equities	Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited	0.96	43%	BEL	Diversified
Strike Resources Limited	0.60	27%	SRK	Materials
<b>TOTAL</b>	<b>1.56</b>	<b>70%</b>		

#### 1.3. Orion's Assets

##### (a) Bentley Capital Limited (ASX:BEL)

Bentley is a listed investment company.

Queste holds 1.61% (1,225,752 shares) of Bentley's issued ordinary share capital with Orion holding 26.95% (20,513,783 shares) of Bentley's issued ordinary share capital (2022: Queste held 1,225,752 shares (1.61%) and Orion held 20,513,783 shares (26.95%)).

# DIRECTORS' REPORT

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

Bentley (through its wholly-owned subsidiary, Scarborough Resources Pty Ltd), holds (have applied for) a number of exploration licence tenements in Western Australia (prospective for rare earths elements (**REE**) and uranium). Bentley is developing an exploration programme in respect of the granted tenements, subject to receipt of Cultural and Heritage clearances and approvals from affected Traditional Owners. Bentley intends to build and develop a portfolio of exploration projects (via application, farm-in, acquisition or joint venture) and may also pursue a spin-off into an IPO.

Shareholders are advised to refer to the 30 June 2023 Full Year Report and monthly NTA disclosures lodged by Bentley for further information about the status and affairs of the company.

Information concerning Bentley may be viewed from its website: [www.bel.com.au](http://www.bel.com.au).

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

## (b) **Strike Resources Limited (ASX:SRK)**

As at 30 June 2023 and currently, Orion holds 10,000,000 Strike shares (3.52%) (2022: 10,000,000 shares; 3.70%) while Associate entity, Bentley, holds 56,739,857 Strike shares (19.996%) (2022: 52,553,493 shares; 19.885%). Therefore, Orion has a deemed relevant interest in 66,739,857 Strike shares.

The SRK share price has traded within a range of 4.9 cents (on 18 April 2023) to 16.5 cents (on 19 October 2022) in the past 12 months, with a bid price of 6 cents (as at 30 June 2023) and a current price of 6.5 cents (as at 23 August 2023).

Strike Resources Limited (ASX:SRK) is an ASX listed resource company which is developing the Paulsens East Iron Ore Project in Western Australia – Strike has exported 66,618 tonnes of ~62% Fe Lump DSO (mined from surface detrital material) from Utah Point (Port Hedland) and is developing a 1.8Mtpa export solution out of the Port of Ashburton (Onslow). Strike also owns the high grade Apurimac Iron Ore Project in Peru where it has exported "Apurimac Premium Lump" DSO product of ~65% Fe. Strike currently has a 31.41 million (30.49%) shareholding in Lithium Energy Limited (ASX:LEL), which was spun-out of Strike under a \$9m IPO in May 2021. Lithium Energy is developing battery minerals related assets - the Solaroz Lithium Brine Project in Argentina and the Burke and Corella Graphite Projects in Queensland.<sup>2</sup>

Orion is also entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from the Paulsens East Iron Ore Project tenement (Mining Lease M47/1583) owned by Strike. This royalty entitlement stems from Orion's sale of a portfolio of tenements (including the Paulsens East tenement) to Strike in September 2005.<sup>3</sup>

Orion received \$206,661 in royalty payments from Strike during the financial year.

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

- 26 July 2023: Quarterly Report – 30 June 2023;
- 5 March 2023: Half Year Report – 31 December 2022;
- 18 October 2022: Annual Report - 2022.

Information concerning Strike may be viewed from its website: [www.strikeresources.com.au](http://www.strikeresources.com.au).

Strike's market announcements may also be viewed from the ASX website ([www.asx.com.au](http://www.asx.com.au)) under ASX: "SRK".

<sup>2</sup> Based on SRK ASX announcement released on 26 July 2023: Quarterly Report – 30 June 2023

<sup>3</sup> For further information, please refer to the following ASX Announcements: Orion's announcement dated 23 September 2005: CXL Retains a 25% Free Carried Interest in NT Uranium Tenements and Strike's announcement dated 11 August 2008: Acquisition of Outstanding Interests in Berau Coal and Paulsens East Iron Ore Projects

# DIRECTORS' REPORT

Strike is also the largest shareholder of Lithium Energy Limited (ASX:LEL) with 31,410,000 shares (30.49%) (2022: 34,410,000; 36.2%). Lithium Energy was spun out of Strike via a \$9 million (at \$0.20 per share) initial public offering (IPO) in in May 2021.<sup>4</sup>

The LEL share price has traded within a range of 52 cents (on 18 April 2023) to 16.5 cents (on 19 October 2022) in the past 12 months, with a bid price of 86 cents (as at 30 June 2023) and a current price of 58.5 cents (as at 23 August 2023).

Lithium Energy Limited is an ASX listed battery minerals company which is developing its flagship Solaroz Lithium Brine Project in Argentina and the Burke and Corella Graphite Projects in Queensland. The Solaroz Lithium Project (LEL:90%) comprises 12,000 hectares of prospective lithium mineral concessions (where an initial JORC Inferred Mineral Resource of lithium has been delineated<sup>5</sup>) located strategically within the Salar de Olaroz Basin in South America's "Lithium Triangle" in north-west Argentina. Lithium Energy shares the lithium rights in the Olaroz Salar basin with lithium carbonate producers Allkem Limited (ASX/TSX:AKE) and Lithium Americas Corporation (TSX/NYSE:LAC). The Burke<sup>6</sup> and Corella<sup>7</sup> Graphite Deposits (LEL:100%) in Queensland, Australia, contains high grade JORC Indicated and Inferred Mineral Resources of graphite; Lithium Energy is undertaking a Prefeasibility Study on a proposed vertically integrated battery anode material manufacturing facility in Queensland.<sup>8</sup>

Further information about Lithium Energy's resource projects and activities are contained in their ASX releases, including as follows:

- 31 July 2023: Quarterly Activities and Cash Flow Reports – 30 June 2023;
- 14 March 2023: Half Year Report – 31 December 2022; and
- 8 September 2022: Annual Report - 2022.

Information concerning Lithium Energy may be viewed from its website: [www.lithiumenergy.com.au](http://www.lithiumenergy.com.au).

Lithium Energy's market announcements may also be viewed from the ASX website ([www.asx.com.au](http://www.asx.com.au)) under ASX code "LEL"

## (c) Other Assets

Orion owns a property held for redevelopment or sale but currently rented out located in Mandurah, Western Australia.

## 2. Queste's Other Assets

In addition to the investment in controlled entity, Orion, Queste has a direct share investment in Associate entity, Bentley, being 1,225,752 shares (or 1.61% of Bentley's issued ordinary share capital) (2022: 1,225,752 shares and 1.61%).

The Company notes that it lodges Monthly Cash Flow Reports and Quarterly Activities and Cash Flow Reports on ASX, which may be viewed and downloaded from the Company's website: [www.queste.com.au](http://www.queste.com.au) or the ASX website ([www.asx.com.au](http://www.asx.com.au)) under ASX Code: "QUE".

4 Refer LEL ASX Announcement released on 17 May 2021: Prospectus

5 Refer LEL ASX announcement dated 29 June 2023: Significant Maiden JORC Lithium Resource of 3.3Mt LCE at Solaroz Project in Argentina

6 Refer LEL ASX Announcement dated 5 April 2023: Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence

7 Refer LEL ASX Announcement dated 16 June 2023: Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory

8 Based on LEL ASX announcement released on 31 July 2023: Quarterly Report – 30 June 2023

# DIRECTORS' REPORT

## 3. Material Business Risks

Risks facing the Company can be divided into the broad categories of operations, market and compliance risks.

Operations risk refers to risks arising from day-to-day operational activities which may result in direct or indirect loss from inadequate or failed internal processes, people or systems or external events. The Company has clear accounting and internal control systems to manage risks to the accuracy of financial information and other financial risks. The Executive Chairman/Managing Director and Executive Director (also the Company Secretary) have delegated responsibility from the Board for identification of operations risks generally, for putting processes in place to mitigate them and monitoring compliance with those processes.

Market risk encompasses risks to the Company's performance from changes in equity prices, interest rates, currency exchange rates, capital markets and economic conditions generally. Management represents the first line in managing this risk, under the supervision of the Board. The Board retains final responsibility to assess the Company's exposure to these risks and set the strategic direction for managing them.

Compliance risk is the risk of failure to comply with all applicable legal and regulatory requirements and industry standards and the corresponding impact on the Company's business, reputation and financial condition. The Company's compliance risk management strategy ensures compliance with key legislation affecting the Company's activities. The Company Secretary has oversight responsibility for managing the Company's compliance risk. The Company Secretary take external legal and other professional advice as necessary. Comprehensive advice is taken from appropriate external professionals when establishing an operation in a new country and standing relationships are maintained with relevant external advisers, whose brief includes alerting the Company to material changes in law and government policy.

The Company also has policies on responsible business practices and ethical behaviour including a Statement of Values, Board Charter, Code of Conduct, Continuous Disclosure Policy, Anti-Bribery and Anti-Corruption Policy, Whistleblower Policy, Share Trading Policy and its Corporate Governance Statement (which is updated and released on ASX annually) to maintain confidence in the Company's integrity and ensure legal compliance.

The Company's approach to risk management is not stationary; it evolves constantly in response to developments in operations and changing market conditions.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year not otherwise disclosed in this Directors' Report or the Consolidated Financial Statements.

## FUTURE DEVELOPMENTS

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

## ENVIRONMENTAL REGULATION

The Consolidated Entity is not subject to any particular or significant environmental regulation under Australian Commonwealth or State legislation.



# DIRECTORS' REPORT

## DIRECTORS

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

<b>Farooq Khan</b>	<b>Executive Chairman and Managing Director</b>
<i>Appointed</i>	10 March 1998
<i>Qualifications</i>	BJuris, LLB ( <i>Western Australia</i> )
<i>Experience</i>	Farooq Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	5,344,872 shares <sup>9</sup>
<i>Other current directorships in listed entities</i>	(1) Executive Chairman of Bentley Capital Limited (ASX:BEL) (since 2 December 2003) (2) Executive Chairman of Orion Equities Limited (ASX:OEQ) (since 23 October 2006) (3) Executive Chairman (since 18 December 2015) of Strike Resources Limited (ASX:SRK) (Director since 1 October 2015) (4) Executive Director of Lithium Energy Limited (ASX:LEL) (since 14 January 2021)
<i>Former directorships in other listed entities in past 3 years</i>	None

<b>Yaqoob Khan</b>	<b>Non-Executive Director</b>
<i>Appointed</i>	10 March 1998
<i>Qualifications</i>	BCom ( <i>Western Australia</i> ), Master of Science in Industrial Administration ( <i>Carnegie Mellon</i> )
<i>Experience</i>	After working for several years in the Australian Taxation Office, Yaqoob Khan completed his postgraduate Master's degree and commenced work as a senior executive responsible for product marketing, costing systems and production management. Mr Khan has been an integral member of the team responsible for the pre-IPO structuring and IPO promotion of a number of ASX floats and has been involved in the management of such companies. Mr Khan brings considerable international experience in key aspects of corporate finance and the strategic analysis of listed investments.
<i>Relevant interest in shares</i>	5,387,394 shares <sup>10</sup>
<i>Other current directorships in listed entities</i>	Non-Executive Director of Orion Equities Limited (ASX:OEQ) (since 5 November 1999).
<i>Former directorships in other listed entities in past 3 years</i>	None

<sup>9</sup> Refer Farooq Khan's Change of Director's Interest Notices dated 10 July 2019

<sup>10</sup> Refer Yaqoob Khan's Change of Director's Interest Notice dated 30 March 2022

# DIRECTORS' REPORT

## Victor P. H. Ho Executive Director and Company Secretary

*Appointed* Executive Director since 3 April 2013; Company Secretary since 30 August 2000

*Qualifications* BCom, LLB (Western Australia), CTA

*Experience* Victor Ho has been in Executive roles with a number of ASX-listed companies across the investments, resources and technology sectors over the past 22+ years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the investment management of listed investment companies (as an Executive Director and/or a member of the Investment Committee), the structuring and execution of a number of corporate, M&A and international joint venture (in South America (Peru, Chile and Argentina), Indonesia and the Middle East (Saudi Arabia and Oman)) transactions, capital raisings, resources project (debt) financing, spin-outs/demergers and IPO's/re-listings on ASX and capital management initiatives and has extensive experience in public company administration, corporations' law, ASIC/ASX compliance and investor/shareholder relations.

*Relevant interest in shares* 17,500 shares<sup>11</sup>

*Other current positions held in listed entities*

- (1) Executive Director and Company Secretary of Orion Equities Limited (ASX:OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003)
- (2) Executive Director and Company Secretary of Strike Resources Limited (ASX:SRK) (Director since 24 January 2014 and Company Secretary since 1 October 2015)
- (3) Company Secretary of Bentley Capital Limited (ASX:BEL) (since 5 February 2004)
- (4) Company Secretary of Lithium Energy Limited (ASX:LEL) (since 14 January 2021)

*Former positions in other listed entities in past 3 years* Executive Director of Lithium Energy Limited (ASX:LEL) (14 January to 18 March 2021)

## DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's Directors held during the financial year (including Directors' circulatory resolutions), and the numbers of meetings attended by each Director of the Company:

Name of Director	Meetings Attended	Maximum Possible Meetings
Farooq Khan	6	6
Yaqoob Khan	6	6
Victor Ho	6	6

There were no meetings of committees of the Board of the Company.

## Board Committees

During the financial year and as at the date of this Directors' Report, the Company did not have separate designated Audit or Remuneration Committees. In the opinion of the Directors, in view of the size of the Board and nature and scale of the Queste's activities, matters typically dealt with by an Audit or Remuneration Committee are dealt with by the full Board.

<sup>11</sup> Refer Victor Ho's Initial Director's Interest Notice dated 3 April 2013

# REMUNERATION REPORT

This Remuneration Report details the nature and amount of remuneration for each Director and Company Executive (being a company secretary or senior manager) (**Key Management Personnel**) of Queste.

The information provided under headings (1) to (6) below has been audited for compliance with section 300A of the *Corporations Act 2001 (Cth)* as required under section 308(3C).

## (1) Remuneration Policy

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

**Corporate Governance Principles:** The Company's Corporate Governance Statement (**CGS**) also addresses matters pertaining to the Board, Senior Management and Remuneration. The latest version of the CGS may be downloaded from the Company's website: <http://queste.com.au/corporate-governance>.

**Fixed Cash Short Term Employment Benefits:** The Key Management Personnel of the Company are paid a fixed amount per annum plus applicable employer superannuation contributions. The Non-Executive Directors of the Company are paid a maximum aggregate base remuneration of \$75,000<sup>12</sup> per annum inclusive of minimum employer superannuation contributions where applicable, to be divided as the Board determines appropriate.

The Board has determined the following fixed cash remuneration for current Key Management Personnel as follows (as at 30 June 2023):

### Executive Director

- (1) Mr Farooq Khan (Executive Chairman and Managing Director) - a base annual salary of \$31,250 (voluntarily reduced from \$125,000) to assist the Company in reducing its corporate overheads) per annum plus employer superannuation contributions (which Mr Khan has voluntarily agreed to suspend in respect of the financial year); and
- (2) Mr Victor Ho (Executive Director and Company Secretary) - a base annual salary of \$22,500 (voluntarily reduced from \$45,000) per annum plus employer superannuation contributions (which Mr Ho has voluntarily agreed to suspend in respect of the financial year). Mr Ho also agreed to join the Board as an Executive Director on 3 April 2013 at no further cost to the Company.

### Non – Executive Director

- (3) Mr Yaqoob Khan (Non-Executive Director) - a base annual fee of \$15,000 per annum (the payment of which Mr Khan has voluntarily agreed to suspend in respect of the 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 reimbursement of all travelling, hotel and other expenses reasonably incurred by a Director for the purpose of attending meetings of the Board or otherwise in and about the business of the Company; and
- (b) In respect of Non-Executive Directors, payment for the performance of extra services or the making of special exertions for the benefit of the Company (at the request of and with the concurrence of the Board).

<sup>12</sup> As approved by shareholders at the Annual General Meeting held on 30 November 1999; refer Queste's ASX announcement dated 30 November 1999: Results of Annual General Meeting of Shareholders

# REMUNERATION REPORT

**Short-Term Benefits:** The Company does not have any short-term incentive (**STI**) cash bonus schemes (or equivalent) in place for Key Management Personnel.

**Long-Term Benefits:** The Company does not have any long-term incentive (**LTI**) cash bonus schemes (or equivalent) in place for Key Management Personnel.

**Equity Based Benefits:** The Company does not presently have any equity (shares or options) based remuneration arrangements for any personnel pursuant to any executive or employee share or option plan or otherwise.

**Post-Employment Benefits:** The Company does not presently provide retirement benefits to Key Management Personnel. Other than compulsory superannuation contribution and early termination benefits disclosed in 'Employment Agreement' below, Key Management Personnel also have no right to termination payments save for payment of accrued unused annual and long service leave (where applicable) (these accrued employee entitlements are not applicable in respect of Non-Executive Directors). The Company notes that shareholder approval is required where a Company proposes to make a "termination payment" (for example, a payment in lieu of notice, a payment for a post-employment restraint and payments made as a result of the automatic or accelerated vesting of share based payments) in excess of one year's "base salary" (defined as the average base salary over the previous 3 years) to a director or any person who holds a managerial or executive office.

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

The Board does not believe that it is appropriate at this time to implement an equity-based benefit scheme or a performance related/variable component to Key Management Personnel remuneration or remuneration generally linked to the Company's performance but reserves the right to implement these remuneration measures if appropriate in the future (subject to prior shareholder approval where applicable).

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

	2023	2022	2021	2020	2019
Profit/(Loss) Before Income Tax (\$)	(849,698)	(4,189,159)	5,259,241	(847,983)	(1,369,019)
Basic Earnings/(Loss) per Share (cents)	(1.85)	(9.64)	11.60	(1.96)	(3.36)
Dividends Paid (\$)	-	-	-	-	-
VWAP Share Price on ASX for financial year (cents)	3.2	6.0	4.3	3.1	7
Closing Bid Share Price at 30 June (cents)	2.4	4.3	6	2.2	6

# REMUNERATION REPORT

## (2) Employment Agreement

Details of the material terms of an employment agreement entered by the Company with a Key Management Personnel are as follows:

Key Management Personnel and Position(s) Held	Relevant Date(s)	Base Salary/Fees per annum	Other Material Terms
Victor Ho	25 January 2000 (date of employment agreement)	\$45,000 (but voluntarily reduced to \$22,500, as at 30 June 2021)	<ul style="list-style-type: none"> <li>The agreement has no fixed term or fixed rolling terms of service.</li> <li>Standard annual leave (20 days) and personal/sick leave (10 days paid) entitlements plus entitlement to long service leave of 60 days after 7 years of service with an additional 5 days after each year of service thereafter.</li> <li>One month's notice of termination by the Company or employee. Immediate termination without notice if employee commits any serious act of misconduct.</li> </ul>
Company Secretary (since 30 August 2000)	2009/2010 (date of effect of current remuneration)	plus employer superannuation contributions	
Executive Director (since 3 April 2013)			

The Company does not presently have formal service agreements or employment agreements with any other Key Management Personnel.

## (3) Details of Remuneration of Key Management Personnel

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

### Paid by the Company (Queste) to its Key Management Personnel

Key Management Person	Performance related %	Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	Total
		Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares & Options	
		\$	\$	\$	\$	\$	
<b>Executive Directors:</b>							
Farooq Khan	-	-(A)	-	-	-	-	-
Victor Ho	-	-(A)	-	-	-	-	-
<b>Non-Executive Director:</b>							
Yaqoob Khan	-	-(A)	-	-	-	-	-

(A) Messrs Khan and Ho have voluntarily agreed to suspend their salaries in respect of the financial year

Key Management Person	Performance related %	Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	Total
		Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares & Options	
		\$	\$	\$	\$	\$	
<b>Executive Directors:</b>							
Farooq Khan	-	-(B)	-	-	-	-	-
Victor Ho	-	-(B)	-	-	-	-	-
<b>Non-Executive Director:</b>							
Yaqoob Khan	-	15,000	-	-	-	-	15,000

(B) Messrs Khan and Ho have voluntarily agreed to suspend their salaries in respect of the financial year

# REMUNERATION REPORT

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

2023		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 & Options	Total
		\$	\$	\$	\$	\$	\$
<b>Executive Directors:</b>							
Farooq Khan	-	-(C)	-	-	-	-	-
Victor Ho	-	-(C)	-	-	-	-	-
<b>Non-Executive Director:</b>							
Yaqoob Khan	-	-(C)	-	-	-	-	-

(C) Messrs Khan and Ho have voluntarily agreed to suspend their salaries in respect of the financial year

2022		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 & Options	Total
		\$	\$	\$	\$	\$	\$
<b>Executive Directors:</b>							
Farooq Khan	-	-(D)	-	-	-	-	-
Victor Ho	-	-(D)	-	-	-	-	-
<b>Non-Executive Director:</b>							
Yaqoob Khan	-	25,000	-	-	-	-	25,000

(D) Messrs Khan and Ho have voluntarily agreed to suspend their salaries in respect of the financial year

Victor Ho is also Company Secretary of Queste and Orion.

The tables above may be aggregated to arrive at the aggregate amount of each element of remuneration of each Key Management Personnel paid or payable by Queste and Orion during the financial year.

### (4) Other Benefits Provided to Key Management Personnel

No Key Management Personnel has during or since the end of the financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed above, by reason of a contract made by the Company or a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

### (5) Engagement of Remuneration Consultants

The Company has not engaged any remuneration consultants to provide remuneration recommendations in relation to Key Management Personnel during the year. The Board has established a policy for engaging external Key Management Personnel remuneration consultants which includes, inter alia, that the Non-Executive Directors on the Remuneration Committee be responsible for approving all engagements of and executing contracts to engage remuneration consultants and for receiving remuneration recommendations from remuneration consultants regarding Key Management Personnel. Furthermore, the Company has a policy that remuneration advice provided by remuneration consultants be quarantined from Management where applicable.

# REMUNERATION REPORT

## (6) Shares held by Key Management Personnel

The number of ordinary shares in the Company held by Key Management Personnel is set below:

Key Management Personnel	Balance at 30 June 2022	Additions	Received as part of remuneration	Disposals	Balance at 30 June 2023
<b>Executive Directors:</b>					
Farooq Khan	5,612,972	-	-	-	5,612,972
Victor Ho	17,500	-	-	-	17,500
<b>Non-Executive Director:</b>					
Yaqoob Khan	5,387,394	-	-	-	5,387,394

Note: The disclosures of shareholdings above are in accordance with the accounting standards which require disclosure of shares held directly, indirectly or beneficially by each key management person, a close member of the family of that person, or an entity over which either of these persons have, directly or indirectly, control, joint control or significant influence (as defined under Accounting Standard AASB 124 Related Party Disclosures).

## (7) Voting and Comments on the Remuneration Report at the 2022 AGM

At the Company's most recent (2022) AGM, a resolution to adopt the prior year (2022) Remuneration Report was put to the vote and passed on a poll (called by the Chair) with 52.39% majority support<sup>13</sup>, but constitutes a '1<sup>st</sup> Strike'<sup>14</sup>. No comments were made on the Remuneration Report that was considered at the AGM.

This concludes the audited Remuneration Report.

<sup>13</sup> Refer Queste's ASX announcement dated 24 November 2022: Results of 2022 Annual General Meeting

<sup>14</sup> For the purposes of section 250U of the *Corporations Act 2001 (Cth)* (ie. receipt of at least 25% "Against" votes)

# DIRECTORS' REPORT

## DIRECTORS DEEDS

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the *Corporations Act 2001 (Cth)*), the Company has also entered into a deed with each of the Directors and the Company Secretary (**Officer**) to regulate certain matters between the Company and each Officer, both during the time the Officer holds office and after the Officer ceases to be an officer of the Company, including the following matters:

- (a) The Company's obligation to indemnify an Officer for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the *Corporations Act 2001 (Cth)*); and
- (b) Subject to the terms of the deed and the *Corporations Act 2001 (Cth)*, the Company may advance monies to the Officer to meet any costs or expenses of the Officer incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any legal proceedings brought against the Officer.

## LEGAL PROCEEDINGS ON BEHALF OF CONSOLIDATED ENTITY

No person has applied for leave of a court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of such proceedings. The Consolidated Entity was not a party to any such proceedings during and since the financial year.

## AUDITORS

Details of the amounts paid or payable to the Auditors for audit and non-audit services (tax services) provided during the financial year are set out below:

Auditor	Consolidated Entity			Company		
	Audit & Review Fees	Non-Audit Services	Total	Audit & Review Fees	Non-Audit Services	Total
	\$	\$	\$	\$	\$	\$
Rothsay Audit & Assurance Pty Ltd	25,200	-	25,200	12,000	-	12,000

On 9 August 2022, Rothsay Audit & Assurance Pty Ltd were appointed the Company's<sup>15</sup> (and Orion's<sup>16</sup>) Auditor, following the resignation of the firm of 'Rothsay Auditing' and receipt of ASIC's consent to that resignation.

Rothsay Audit & Assurance Pty Ltd completed the audits of Queste and Orion for the financial year ended 30 June 2022.

Rothsay Audit & Assurance Pty Ltd did not provide any non-audit services during the financial year to Queste or Orion.

Rothsay Audit & Assurance Pty Ltd continues in office in accordance with section 327C of the *Corporations Act 2001 (Cth)*.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001 (Cth)* forms part of this Directors Report and is set out on page 17. This relates to the Independent Auditor's Report, where the Auditor states that they have issued an independence declaration.

<sup>15</sup> Refer Queste's ASX Announcement dated 9 August 2022: Change of Auditors

<sup>16</sup> Refer Orion's ASX Announcement dated 9 August 2022: Change of Auditors



# DIRECTORS' REPORT

## EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any other matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report (in particular, in Review of Operations) or the financial statements or notes thereto (in particular Note 23, 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  
Executive Chairman and  
Managing Director

23 August 2023



Victor Ho  
Executive Director and  
Company Secretary

# ROTHSAY

AUDIT & ASSURANCE PTY LTD

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

As lead auditor of the audit of Queste Communications Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Queste Communications Limited and the entities it controlled during the year.

Rothsay Audit & Assurance Pty Ltd



Daniel Dalla  
Director

23 August 2023



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## for the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Revenue</b>	2	38,804	37,705
<b>Other</b>			
Other income		206,661	-
Impairment reversal on revaluation of property held for development or resale		100,000	-
<b>Total revenue</b>		<b>345,465</b>	<b>37,705</b>
<b>Expenses</b>	3		
Share of Associate entity's net loss		(560,643)	(2,469,052)
Net loss on financial assets at fair value through profit or loss		(499,998)	(1,550,003)
Land operation expenses		(9,712)	(7,775)
Personnel expenses		(33,751)	(126,064)
Occupancy expenses		(8,583)	(12,174)
Corporate expenses		(56,680)	(55,848)
Finance expenses		(317)	(280)
Administration expenses		(25,479)	(5,668)
<b>Loss before tax</b>		<b>(849,698)</b>	<b>(4,189,159)</b>
Income tax expense	5	-	-
<b>Loss after income tax</b>		<b>(849,698)</b>	<b>(4,189,159)</b>
<b>Other comprehensive income</b>			
Other comprehensive income, after tax		-	-
<b>Total comprehensive income for the year</b>		<b>(849,698)</b>	<b>(4,189,159)</b>
<b>Loss attributable to:</b>			
Owners of Queste Communications Ltd		(502,187)	(2,608,941)
Non-controlling interest		(347,511)	(1,580,218)
		<b>(849,698)</b>	<b>(4,189,159)</b>
<b>Total comprehensive income for the year is attributable to:</b>			
Owners of Queste Communications Ltd		(502,187)	(2,608,941)
Non-controlling interest		(347,511)	(1,580,218)
		<b>(849,698)</b>	<b>(4,189,159)</b>
<b>Basic and diluted loss per share (cents) attributable to the ordinary equity holders of the Company</b>	6	<b>(1.85)</b>	<b>(9.64)</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## as at 30 June 2023

	Note	2023	2022
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	7	148,180	23,052
Financial assets at fair value through profit or loss	8	600,002	1,100,000
Receivables		1,407	-
<b>Total current assets</b>		<b>749,589</b>	<b>1,123,052</b>
<b>Non current assets</b>			
Property held for development or resale	11	1,850,000	1,750,000
Investment in Associate entity	19	-	560,643
Property, plant and equipment		3,227	4,306
<b>Total non current assets</b>		<b>1,853,227</b>	<b>2,314,949</b>
<b>Total assets</b>		<b>2,602,816</b>	<b>3,438,001</b>
<b>Current liabilities</b>			
Payables	12	145,367	135,118
Provisions	13	251,332	247,068
<b>Total current liabilities</b>		<b>396,699</b>	<b>382,186</b>
<b>Non Current liabilities</b>			
Payables	12	405,092	405,092
<b>Total liabilities</b>		<b>801,791</b>	<b>787,278</b>
<b>Net assets</b>		<b>1,801,025</b>	<b>2,650,723</b>
<b>Equity</b>			
Issued capital	14	6,239,370	6,239,370
Reserves			
Profits reserve	15	9,414,438	9,081,322
Option premium reserve		2,138,012	2,138,012
Other reserve		884,748	884,748
Accumulated losses		(17,779,179)	(16,943,876)
<b>Parent interest</b>		<b>897,389</b>	<b>1,399,576</b>
Non-controlling interest	16	903,636	1,251,147
<b>Total equity</b>		<b>1,801,025</b>	<b>2,650,723</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## for the year ended 30 June 2023

	Issued capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total \$
<b>Balance at 1 July 2021</b>	<b>6,239,370</b>	<b>11,850,694</b>	<b>(14,081,547)</b>	<b>2,831,365</b>	<b>6,839,882</b>
Loss for the year	-	-	(2,608,941)	(1,580,218)	<b>(4,189,159)</b>
Profits reserve transfer	-	253,388	(253,388)	-	-
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>253,388</b>	<b>(2,862,329)</b>	<b>(1,580,218)</b>	<b>(4,189,159)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Transactions with non-controlling interest	-	-	-	-	-
<b>Balance at 30 Jun 2022</b>	<b>6,239,370</b>	<b>12,104,082</b>	<b>(16,943,876)</b>	<b>1,251,147</b>	<b>2,650,723</b>
<b>Balance at 1 July 2022</b>	<b>6,239,370</b>	<b>12,104,082</b>	<b>(16,943,876)</b>	<b>1,251,147</b>	<b>2,650,723</b>
Loss for the year	-	-	(502,187)	(347,511)	<b>(849,698)</b>
Profits reserve transfer	-	333,116	(333,116)	-	-
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>333,116</b>	<b>(835,303)</b>	<b>(347,511)</b>	<b>(849,698)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Transactions with non-controlling interest	-	-	-	-	-
<b>Balance at 30 Jun 2023</b>	<b>6,239,370</b>	<b>12,437,198</b>	<b>(17,779,179)</b>	<b>903,636</b>	<b>1,801,025</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

## for the year ended 30 June 2023

		2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		37,700	37,700
Interest received		1,104	5
Payments to suppliers and employees		(120,202)	(226,397)
Other receipts		206,661	(1)
<b>Net cash provided by/(used in) operating activities</b>	<b>7(a)</b>	<b>125,263</b>	<b>(188,693)</b>
<b>Cash flows from financing activities</b>			
Orion dividends paid		(135)	-
<b>Net cash used in financing activities</b>		<b>(135)</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>		<b>125,128</b>	<b>(188,693)</b>
Cash and cash equivalents at beginning of financial year		23,052	211,745
<b>Cash and cash equivalents at end of financial year</b>	<b>7</b>	<b>148,180</b>	<b>23,052</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

### 1. ABOUT THIS REPORT

#### 1.1 Background

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

Queste Communications Ltd (ASX:QUE) (the **Company** or **QUE**) is a company limited by shares, incorporated in Western Australia, Australia and whose shares are publicly traded on the Australian Securities Exchange (**ASX**).

These financial statements have been prepared on a streamlined basis where key information is grouped together for ease of understanding and readability. The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Consolidated Entity.

Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Consolidated Entity;
- it helps to explain the impact of significant changes in the Consolidated Entity's business; or
- it relates to an aspect of the Consolidated Entity's operations that is important to its future performance.

The notes are organised into the following sections:

- Key Performance:** Provides a breakdown of the key individual line items in the profit or loss that the Directors consider most relevant to understanding performance and shareholder returns for the year:

#### Notes

2	Revenue
3	Expenses
4	Segment information
5	Tax
6	Loss per share

- Financial Risk Management:** Provides information about the Consolidated Entity's exposure and management of various financial risks and explains how these affect the Consolidated Entity's financial position and performance:

#### Notes

7	Cash and cash equivalents
8	Financial assets at fair value through profit or loss
9	Financial risk management
10	Fair value measurement of financial instruments

- Other Assets and Liabilities:** Provides information on other balance sheet assets and liabilities that do not materially affect performance or give rise to material financial risk:

#### Notes

11	Property held for resale
12	Payables
13	Provisions

- Capital Structure:** This section outlines how the Consolidated Entity manages its capital structure and related financing costs, as well as capital adequacy and reserves. It also provides details on the dividends paid by the Company:

#### Notes

14	Issued capital
15	Reserves
16	Non-controlling interest

- Consolidated Entity Structure:** Provides details and disclosures relating to the parent entity of the Consolidated Entity, controlled entities, investments in associates and any acquisitions and/or disposals of businesses in the year. Disclosure on related parties is also provided in the section:

#### Notes

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

- Other:** Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however, are not considered significant in understanding the financial performance or position of the Consolidated Entity:

#### Notes

21	Auditor's remuneration
22	Contingencies
23	Events occurring after the reporting period

Significant and other accounting policies that summarise the measurement basis used and presentation policies and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

#### 1.2. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001 (Cth)*, as appropriate for for-profit entities.

#### Compliance with IFRS

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

### Reporting Basis and Conventions

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

### 1.3. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Queste Communications Ltd as at 30 June 2023 and the results of its subsidiary for the year then ended. Queste Communications Ltd and its subsidiaries are referred to in this financial statement as the Consolidated Entity.

The controlled entity has a June financial year-end. All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

### 1.4. Comparative Figures

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

### 1.5. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### 1.6. Impairment of Assets

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

### 1.7. Dividends Policy

Provision is made for the amount of any dividend declared; being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at the Balance Date.

### 1.8. Leases

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

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

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

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

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

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

### Exceptions to lease accounting

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

### 1.9. New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not mandatory have not been early adopted. These are not expected to have a material impact on the Consolidated Entity's financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

### 2. REVENUE

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

	2023	2022
	\$	\$
<b>Revenue</b>		
Rental revenue	37,700	37,700
Interest revenue	1,104	5
	<u>38,804</u>	<u>37,705</u>
<b>Other</b>		
Tenement royalties	206,661	-
Impairment reversal on revaluation of property held for development or resale	100,000	-
	<u><u>345,465</u></u>	<u><u>37,705</u></u>

#### Accounting policy

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. All revenue is stated net of the amount of Goods and Services Tax (**GST**) except where the amount of GST incurred is not recoverable from the Australian Tax Office. The following specific recognition criteria must also be met before revenue is recognised:

#### (a) Sale of financial assets, goods and other assets

Revenue from the sale of financial assets, goods or other assets is recognised when the Consolidated Entity has passed control of the financial assets, goods or other assets to the buyer.

#### (b) Interest revenue

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

#### (c) Dividend revenue

Dividend revenue is recognised when the right to receive a dividend has been established. The Consolidated Entity brings dividend revenue to account on the applicable ex-dividend entitlement date.

#### (d) Other revenues

Other revenues are recognised on a receipts basis.

### 3. EXPENSES

The Consolidated Entity's operating loss before income tax includes the following items of expenses:

	2023	2022
	\$	\$
Share of Associate entity's net loss	560,643	2,469,052
Net loss on financial assets at fair value through profit or loss	499,998	1,550,003
Land operations	9,712	7,775
Salaries, fees and employee benefits	33,751	126,064
Occupancy expenses	8,583	12,174
Finance expenses	317	280
Corporate expenses		
ASX and CHESS fees	36,689	35,953
ASIC fees	11,996	11,130
Share registry	6,051	6,119
Other corporate expenses	1,944	2,646

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

3. EXPENSES (continued)	2023	2022
	\$	\$
Administration expenses		
Professional fees	954	342
Audit fees	25,200	25,200
Legal fees	98	226
Depreciation	1,078	1,668
Reversal of provision of realisation costs	(4,039)	(11,648)
Payroll tax refunded	-	(15,899)
Other administration expenses	2,188	5,779
	<b>1,195,163</b>	<b>4,226,864</b>

### 4. SEGMENT INFORMATION

2023	Investments	Corporate	Total
	\$	\$	\$
<b>Segment revenues</b>			
Revenue	37,700	1,104	38,804
Other	306,661	-	306,661
<b>Total segment revenues</b>	<b>344,361</b>	<b>1,104</b>	<b>345,465</b>
Personnel expenses	-	33,751	33,751
Finance expenses	-	317	317
Administration expenses	-	28,441	28,441
Depreciation expenses	-	1,078	1,078
Other expenses	1,066,314	65,262	1,131,576
<b>Total segment loss</b>	<b>(721,953)</b>	<b>(127,745)</b>	<b>(849,698)</b>
<b>Segment assets</b>			
Cash and cash equivalents	-	148,180	148,180
Financial assets	600,002	-	600,002
Receivables	655	752	1,407
Property held for development or resale	1,850,000	-	1,850,000
Property, plant and equipment	-	3,227	3,227
<b>Total segment assets</b>	<b>2,450,657</b>	<b>152,159</b>	<b>2,602,816</b>
<b>2022</b>			
<b>Segment revenues</b>			
Revenue	37,700	5	37,705
<b>Total segment revenues</b>	<b>37,700</b>	<b>5</b>	<b>37,705</b>
Personnel expenses	-	126,064	126,064
Finance expenses	-	280	280
Administration expenses	(11,648)	15,648	4,000
Depreciation expenses	-	1,668	1,668
Other expenses	4,026,830	68,022	4,094,852
<b>Total segment loss</b>	<b>(3,977,482)</b>	<b>(211,677)</b>	<b>(4,189,159)</b>
<b>Segment assets</b>			
Cash and cash equivalents	-	23,052	23,052
Financial assets	1,100,000	-	1,100,000
Property held for development or resale	1,750,000	-	1,750,000
Investment in Associate entity	560,643	-	560,643
Property, plant and equipment	-	4,306	4,306
<b>Total segment assets</b>	<b>3,410,643</b>	<b>27,358</b>	<b>3,438,001</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

### 4. SEGMENT INFORMATION (continued)

#### Accounting policy

The operating segments are reported in a manner consistent with the internal reporting provided to the "Chief Operating Decision Maker" (**CODM**). The Consolidated Entity's CODM is the Board of Directors who are responsible for allocating resources and assessing performance of the operating segments.

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

#### Description of segments

- (a) Investments comprise equity investments in companies listed on the Australian Securities Exchange (**ASX**) and liquid financial assets; and
- (b) Corporate items comprise corporate assets and operations.

#### Liabilities

Liabilities are not reported to the Board of Directors by segment. All liabilities are assessed at a consolidated entity level.

### 5. TAX

	2023	2022
	\$	\$
<b>The components of tax expense comprise:</b>		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
<b>(a) The prima facie tax on operating profit/(loss) before income tax is reconciled to the income tax as follows:</b>		
Prima facie tax payable on operating profit/(loss) before income tax at 30% (2022: 30%)	(254,910)	(1,256,748)
Adjust tax effect of:		
Non-deductible expenses	230,608	-
Non-assessable income	(30,000)	-
Share of Associate entity's loss	168,193	740,717
Current year tax losses not brought to account	-	516,031
Tax losses utilised	(113,891)	-
	<u>-</u>	<u>-</u>
<b>Income tax attributable to entity</b>	<u>-</u>	<u>-</u>
<b>Unrecognised deferred tax balances</b>		
Unrecognised deferred tax asset - revenue losses	4,529,145	4,675,840
Unrecognised deferred tax asset - capital losses	77,889	77,890
Unrecognised deferred tax asset - timing differences	1,352,528	1,232,075
	<u><b>5,959,562</b></u>	<u><b>5,985,805</b></u>

#### Critical accounting judgement and estimate

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

### 5. TAX (continued)

#### Accounting policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each taxing jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses (if applicable).

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each taxing jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The amount of deferred tax assets benefits brought to account or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

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

### 6. LOSS PER SHARE

	2023	2022
Basic and diluted loss per share (cents)	<u>(1.85)</u>	<u>(9.64)</u>

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

Loss after income tax attributable to Owners of Queste (\$)	(502,187)	(2,608,941)
	<b>Number of shares</b>	
Weighted average number of ordinary shares	27,072,332	27,072,332

#### Accounting policy

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

7. CASH AND CASH EQUIVALENTS	2023	2022
	\$	\$
Cash at bank	<u>148,180</u>	<u>23,052</u>
<b>(a) Reconciliation of operating loss after income tax to net cash used in operating activities</b>		
<b>Loss after income tax</b>	(849,698)	(4,189,159)
<b>Add non-cash items:</b>		
Depreciation	1,078	1,668
Share of Associate entity's net (profit)/loss	560,643	2,469,052
Net loss on financial assets at fair value through profit or loss	499,998	1,550,003
Impairment reversal on revaluation of property held for development or resale	(100,000)	-
<b>Changes in assets and liabilities:</b>		
Receivables	(1,407)	16,772
Payables	10,249	(65,391)
Provisions	4,400	28,362
	<u>125,263</u>	<u>(188,693)</u>

### Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts (if any) are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	2023	2022
	\$	\$
Listed securities at fair value	<u>600,002</u>	<u>1,100,000</u>

### Accounting policy

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, financial assets at fair value through profit and loss acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 9: Financial Instruments will recognise its realised and unrealised gains and losses arising from changes in the fair value of these assets are included in profit or loss in the period in which they arise.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date which is the current bid price. The Consolidated Entity's investment portfolio is accounted for as "financial assets at fair value through profit and loss" and is carried at fair value.

## 9. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist of deposits with banks, accounts receivable and payable, investments in listed securities, and other unlisted securities. The principal activity of the Consolidated Entity is the management of these investments - "financial assets at fair value" (refer to Note 8). The Consolidated Entity's investments are subject to market (which includes interest rate and price risk), credit and liquidity risks.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market risk (continued)

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

The Consolidated Entity holds the following financial assets and liabilities:		2023	2022
	Note	\$	\$
Cash and cash equivalents	7	148,180	23,052
Financial assets at fair value through profit or loss	8	600,002	1,100,000
Receivables		1,407	-
		<b>749,589</b>	<b>1,123,052</b>
Payables	12	(145,367)	(135,118)
<b>Net financial assets</b>		<b>604,222</b>	<b>987,934</b>

#### (a) Market risk

Market risk is the risk that the fair value and/or future cash flows from a financial instrument will fluctuate as a result of changes in market factors. Market risk comprises of price risk from fluctuations in the fair value of equities and interest rate risk from fluctuations in market interest rates.

##### (i) Price risk

The Consolidated Entity is exposed to equity securities price risk. This arises from investments held by the Consolidated Entity and classified in the Statement of Financial Position at fair value through profit or loss. The Consolidated Entity is not exposed to commodity price risk, save where this has an indirect impact via market risk and equity securities price risk.

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

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

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

ASX All Ordinaries Accumulation Index	Impact on post-tax profit		Impact on other components of equity	
	2023	2022	2023	2022
	\$	\$	\$	\$
Increase 15%	(28,439)	148,360	(28,439)	148,360
Decrease 15%	28,439	(148,360)	28,439	(148,360)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

### 9. FINANCIAL RISK MANAGEMENT (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 average interest rate for the year for the table below is 4.01% (2022: 0.1%). The revenue exposure is immaterial in terms of the possible impact on profit or loss or total equity.

#### (b) **Credit risk**

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

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

	2023	2022
<b>Cash and cash equivalents</b>	\$	\$
AA-	147,053	21,916
	<u>1,407</u>	<u>-</u>
<b>Receivables (due within 30 days)</b>		
No external credit rating available		

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

#### (c) **Liquidity risk**

Liquidity risk is the risk that the Consolidated Entity will encounter difficulty in meeting obligations associated with financial liabilities. The Consolidated Entity has no external borrowings. The Consolidated Entity's non-cash investments can be realised to meet trade and other payables arising in the normal course of business. The financial liabilities disclosed in the above table have a maturity obligation of not more than 30 days.

### 10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

#### **Fair value hierarchy**

AASB 13 (Fair Value Measurement) requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

### 10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value through profit or loss:				
Listed securities at fair value				
<b>2023</b>	600,002	-	-	600,002
<b>2022</b>	1,100,000	-	-	1,100,000

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

#### (a) Valuation techniques

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

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

#### (b) Fair values of other financial assets and liabilities

		2023	2022
		\$	\$
Cash and cash equivalents	7	148,180	23,052
Receivables		1,407	-
		<b>149,587</b>	<b>23,052</b>
Payables	12	(145,367)	(135,118)
		<b>4,220</b>	<b>(112,066)</b>

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

#### Accounting policy

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the Balance Date. The quoted market price used for financial assets held by the Consolidated Entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, including but not limited to recent arm's length transactions, reference to similar instruments and option pricing models. The Consolidated Entity may use a variety of methods and makes assumptions that are based on market conditions existing at each Balance Date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for other financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Consolidated Entity for similar financial instruments.

The Consolidated Entity's investment portfolio (comprising listed and unlisted securities) is accounted for as "financial assets at fair value through profit and loss" and is carried at fair value based on the quoted last bid prices at the Balance Date (refer Note 8).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

### 11. PROPERTY HELD FOR RESALE

	2023	2022
	\$	\$
Property held for development or resale	3,797,339	3,797,339
Revaluation of property	(1,947,339)	(2,047,339)
	<b><u>1,850,000</u></b>	<b><u>1,750,000</u></b>

#### Critical accounting judgement and estimate

Property held for development or resale was valued by an independent qualified valuer (a Licensed Valuer of the Australian Property Institute) as at 30 June 2023. The reversal of impairment on the revaluation of \$100,000 has been recognised in Profit or Loss.

#### Accounting policy

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

### 12. PAYABLES

	2023	2022
	\$	\$
<b>Current</b>		
Trade payables	55,521	35,559
Dividend payable	6,592	6,727
GST payable	15,110	14,217
Other payables and accrued expenses	68,144	78,615
	<b><u>145,367</u></b>	<b><u>135,118</u></b>
<b>Non-current</b>		
Accrued Directors' fees and entitlements	<b><u>405,092</u></b>	<b><u>405,092</u></b>

#### Risk exposure

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

#### Accounting policy

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

### 13. PROVISIONS

	2023	2022
	\$	\$
<b>Current</b>		
Employee benefits - annual leave	106,624	105,725
Employee benefits - long service leave	144,708	141,343
	<b><u>251,332</u></b>	<b><u>247,068</u></b>

#### (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:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

<b>13. PROVISIONS (continued)</b>	<b>2023</b>	<b>2022</b>
	\$	\$
Leave obligations expected to be settled after 12 months	<u><b>144,708</b></u>	<u><b>141,343</b></u>

### Accounting policy

#### Short-term obligations

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

#### Other long-term employee benefit obligations

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

<b>14. ISSUED CAPITAL</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	Number	Number	\$	\$
Fully paid ordinary shares	27,072,332	27,072,332	<u><b>6,239,370</b></u>	<u><b>6,239,370</b></u>

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

### Capital risk management

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

The Board will consider capital management initiatives as is appropriate and in the best interests of the Company and shareholders from time to time, including undertaking capital raisings, share Buy-backs, capital reductions and the payment of dividends. The Consolidated Entity has no external borrowings. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

### Accounting policy

Ordinary shares are classified as equity. Fully paid ordinary shares carry one vote per share and the right to dividends. At any meeting, each shareholder present in person or by proxy, attorney, or representative has one vote for each fully paid ordinary share held either upon a show of hands or by a poll. Holders of partly-paid ordinary shares have a fraction of a vote for each partly-paid share held, with the fractional vote of each share being equivalent to the proportion of the total amount paid and payable (excluding amounts credited) that has actually been paid (not credited) for each share. Amounts paid in advance of a call are ignored when calculating proportions. The holder of a partly-paid ordinary share is not entitled to vote at a meeting in respect of those shares on which calls are outstanding.

The profits of the Consolidated Entity, which the Directors may from time to time determine to distribute to shareholders by way of dividends, will be divisible amongst the shareholders in proportion to the amounts paid on the shares. An amount paid in advance of a call is not to be included as an amount paid on a share for the purposes of calculating an entitlement to dividends.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

15. RESERVES	2023	2022
	\$	\$
<b>Profits reserve</b>	<b>9,414,438</b>	<b>9,081,322</b>
<b>Option premium reserve</b>	<b>2,138,012</b>	<b>2,138,012</b>
<b>Other reserve</b>		
Dilution movement	1,071,663	1,071,663
Non-controlling interest	(186,915)	(186,915)
	<b>884,748</b>	<b>884,748</b>
<b>Total reserves</b>	<b>12,437,198</b>	<b>12,104,082</b>
<b>Movements in Profits reserve</b>		
<b>Opening balance</b>	9,081,322	8,827,934
Profits reserve transfer	333,116	253,388
<b>Closing balance</b>	<b>9,414,438</b>	<b>9,081,322</b>

Other Reserve relates to differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control (refer also Note 16).

An increase in the Profits Reserve will arise when the Company or its subsidiaries generates a net profit (after tax) for a relevant financial period (i.e. half year or full year) which the Board determines to credit to the company's Profits Reserve. Dividends may be paid out of (and debited from) a company's Profits Reserve, from time to time.

16. NON-CONTROLLING INTEREST	2023	2022
	\$	\$
Issued capital	7,549,512	7,549,512
Other reserve	186,915	186,915
Accumulated losses	(6,832,791)	(6,485,280)
	<b>903,636</b>	<b>1,251,147</b>

The non-controlling interest is a 40.14% (2022: 40.14%) equity holding in Orion Equities Limited (not held by the Company).

### Accounting policy

The Consolidated Entity treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Consolidated Entity. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve (refer to Note 15) within equity attributable to owners of Queste Communications Ltd.

## 17. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Queste Communications Ltd, as at 30 June 2023.

	2023	2022
	\$	\$
Loss for the year	(1,538,978)	(966,130)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(1,538,978)</b>	<b>(966,130)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

### 17. PARENT ENTITY INFORMATION (continued)

	2023	2022
	\$	\$
<b>Statement of financial position</b>		
Current assets	12,527	9,413
Non-current assets	695,281	2,250,915
<b>Total assets</b>	<b>707,808</b>	<b>2,260,328</b>
Current liabilities	72,447	67,595
Loan from controlled entity	165,403	97,149
Non-current liabilities	226,948	222,682
<b>Total liabilities</b>	<b>464,798</b>	<b>387,426</b>
<b>Net assets</b>	<b>243,010</b>	<b>1,872,902</b>
Issued capital	6,239,370	6,239,370
Reserves - Profits reserves	2,342,545	2,342,545
- Option premium reserve	2,138,012	2,138,012
Accumulated losses	(10,476,917)	(8,847,025)
<b>Equity</b>	<b>243,010</b>	<b>1,872,902</b>

### 18. INVESTMENT IN CONTROLLED ENTITY

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

	Ownership Interest	Parent		Non-Controlling Interest		
		Incorporated	2023	2022	2023	2022
Orion Equities Limited	Australia		59.86%	59.86%	40.14%	40.14%

Summarised financial information of the subsidiary with non-controlling interests that are material to the consolidated entity are set out below:

	2023	2022
	\$	\$
<b>Summarised statement of profit or loss and other comprehensive income</b>		
Revenue	358,196	45,367
Expenses	(1,223,946)	(3,982,149)
<b>Profit/(Loss) from operations</b>	<b>(865,750)</b>	<b>(3,936,782)</b>
Income tax expense	-	-
<b>Profit/(Loss) after income tax expense</b>	<b>(865,750)</b>	<b>(3,936,782)</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(865,750)</b>	<b>(3,936,782)</b>

#### Summarised Statement of Financial Position

Current assets	902,464	1,210,789
Non-current assets	1,851,155	2,403,181
<b>Total Assets</b>	<b>2,753,619</b>	<b>3,613,970</b>
Current liabilities	228,941	223,543
Non-current Liabilities	273,456	273,455
<b>Net Assets</b>	<b>2,251,222</b>	<b>3,116,972</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

### 18. INVESTMENT IN CONTROLLED ENTITY (continued)

	2023	2022
	\$	\$
<b>Statement of cash flows</b>		
Net cash used in operating activities	178,381	(127,230)
Net cash used in financing activities	(55,615)	(54,553)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>122,766</b>	<b>(181,783)</b>
<b>Other financial information</b>		
Profit/(Loss) attributable to non-controlling interest	(347,511)	(177,496)
Accumulated non-controlling interest at the end of the year	903,636	1,073,652

#### Accounting policy

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control (also controlled entities). The Consolidated Entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

The controlled entity has a June financial year-end. All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

#### Changes in Ownership Interests

When the Consolidated Entity ceases to have control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Consolidated Entity has directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

### 19. INVESTMENT IN ASSOCIATE ENTITY

	<b>Ownership Interest</b>		<b>Carrying Amount</b>	
	2023	2022	2023	2022
			\$	\$
Bentley Capital Limited (ASX:BEL)	28.56%	28.56%	-	<b>560,643</b>
<b>Movements in carrying amounts</b>				
Opening balance			560,643	3,029,695
Share of net profit/(loss) after tax			(560,643)	(2,469,052)
Closing balance			-	<b>560,643</b>
<b>Fair value (at market price on ASX) of investment in Associate entity</b>			<b>1,021,758</b>	<b>1,347,851</b>
<b>Net asset backing value of investment in Associate entity</b>			<b>975,065</b>	<b>1,997,822</b>
<b>Summarised statement of profit or loss and other comprehensive income</b>				
Revenue			2,469	6,375
Expenses			(3,583,981)	(8,652,563)
<b>Profit/(Loss) before income tax</b>			<b>(3,581,512)</b>	<b>(8,646,188)</b>
Income tax expense			-	-
<b>Profit/(Loss) after income tax</b>			<b>(3,581,512)</b>	<b>(8,646,188)</b>
Other comprehensive income			-	-
<b>Total comprehensive income</b>			<b>(3,581,512)</b>	<b>(8,646,188)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

### 19. INVESTMENT IN ASSOCIATE ENTITY (continued)

	2023	2022
	\$	\$
<b>Summarised statement of financial position</b>		
Current assets	4,508,246	8,020,784
Non-current assets	268,929	170,895
<b>Total assets</b>	<b>4,777,175</b>	<b>8,191,679</b>
Current liabilities	1,362,676	1,195,668
<b>Total liabilities</b>	<b>1,362,676</b>	<b>1,195,668</b>
<b>Net assets</b>	<b>3,414,499</b>	<b>6,996,011</b>

#### Accounting policy

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

A share of an Associate entity's net gain increases the investment (and a share of net loss decreases the investment) and dividend income received from an Associate entity decreases the investment. When the Consolidated Entity's share of losses in an Associate equals or exceeds its interest in the Associate, including any other unsecured long-term receivables, the Consolidated Entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the Associate.

Where applicable, unrealised gains on transactions between the Consolidated Entity and its Associates are eliminated to the extent of the Consolidated Entity's interest in the Associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of Associates are aligned to ensure consistency with the policies adopted by the Consolidated Entity, where practicable.

### 20. RELATED PARTY TRANSACTIONS

#### (a) Loan from Controlled Entity

The Company is deemed to have control of Orion Equities Limited (ASX:OEQ) (**OEQ**) as it holds 59.86% (9,367,653 shares) of Orion's issued capital (30 Jun 2022: 59.86% and 9,367,653 shares).

OEQ and the Company have entered into a Loan Agreement for the Company to borrow up to \$200,000 from OEQ (**Loan**). The Loan is unsecured and currently matures on 31 December 2024 and accrues interest at 10% pa in respect of the first \$150,000 advanced and 7.5% pa in respect of \$50,000 advanced thereafter. During the financial year, the OEQ advanced \$66,420 to the Company and the Company repaid \$10,940 to OEQ and incurred interest expenses of \$12,631 under the Loan. The balance of the Loan is \$165,403 as at balance date.

#### (b) Transactions with key management personnel

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Consolidated Entity's KMP for the year ended 30 June 2023. The total remuneration paid to KMP of the Consolidated Entity during the year is as follows:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2023

### 20. RELATED PARTY TRANSACTIONS (continued)

#### (b) Transactions with key management personnel (continued)

	2023	2022
	\$	\$
<b>Directors</b>		
Short-term employment benefits	-	-
Post-employment benefits	-	-
	<u>-</u>	<u>-</u>

At Balance Date, the Company and Orion owes its Directors an aggregate \$110,040 and \$298,456 in unpaid salaries respectively (net of PAYG withholding tax remitted to the ATO) (2022: \$110,040 and \$298,456 respectively).

During the year, the Consolidated Entity generated \$37,700 rental income from a family member of Queste and Orion Director, Farooq Khan, pursuant to a standard form residential tenancy agreement in respect of Property Held for Resale (held by Orion subsidiary, Silver Sands Developments Pty Ltd) (2022: \$37,700).

#### (c) Transactions with Related Parties

During the financial year there were transactions between the Company, Orion and Associate Entity, Bentley Capital Limited (ASX:BEL), pursuant to shared office and administration expense arrangements. There were no outstanding amounts at the Balance date.

### 21. AUDITOR'S REMUNERATION

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

	2023	2022
	\$	\$
<b>Rothsay Auditing</b>		
Review of financial statements	-	8,400
<b>Rothsay Audit &amp; Assurance Pty Ltd</b>		
Audit and review of financial statements	25,200	16,800
	<u>25,200</u>	<u>25,200</u>

### 22. CONTINGENCIES

#### (a) Directors' Deeds

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

#### (b) Tenement Royalties

Orion is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from the Paulsens East Iron Ore Project tenement (Mining Lease M47/1583) in Western Australia currently owned by Strike Resources Limited (ASX:SRK). This royalty entitlement stems from Orion's sale of a portfolio of tenements (including the Paulsens East tenement) to Strike in September 2005.

### 23. EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

# DIRECTORS' DECLARATION

The Directors of the Company declare that:

- (1) The financial statements, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes as set out on pages 18 to 38 are in accordance with the *Corporations Act 2001 (Cth)* and:
  - (a) comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting; and
  - (b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its performance for the year ended on that date;
- (2) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (3) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001 (Cth)* by the Executive Chairman/Managing Director (the person who, in the opinion of the Directors, performs the Chief Executive Officer function) and Executive Director/Company Secretary (the person who, in the opinion of the Directors, performs the Chief Financial Officer function); and
- (4) The Company has included in the notes to the Financial Statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001 (Cth)*.



Farooq Khan  
Executive Chairman and  
Managing Director



Victor Ho  
Executive Director and  
Company Secretary

23 August 2023



# ROTHSAY

AUDIT & ASSURANCE PTY LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUESTE COMMUNICATIONS LIMITED

### *Opinion*

We have audited the financial report of Queste Communications Limited (“the Company”) and its controlled entities (“the Group”) which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors’ declaration.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group’s financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the “Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor’s report.

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

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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**CHARTERED ACCOUNTANTS**  
AUSTRALIA - NEW ZEALAND



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

We have determined the following key audit matter to communicate in our report:

<i>Key Audit Matter - Going Concern</i>	<i>How our Audit Addressed the Key Audit Matter</i>
<p>The financial statements have been prepared on a going concern basis as disclosed in Note 1 to the financial statements.</p> <p>We have included going concern as a key audit matter as the Group relies on existing cash reserves and the realisation of financial and non-financial assets generating sufficient cashflows to cover future expenditure.</p>	<p>In assessing the appropriateness of the going concern assumption in preparing the financial statements our procedures included the following:</p> <ul style="list-style-type: none"><li>• Assessing the cash flow requirements of the Group over the next 12 months based on the historical and budgeted cash outflows;</li><li>• Considering the liquidity of assets on the balance sheet; and</li><li>• Assessing whether the disclosures included in the financial report meet the requirements of Australian Accounting Standards.</li></ul>

***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Directors' Responsibility for the Financial Report***

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.



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

*Auditor's Responsibility for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/Home.aspx](http://www.auasb.gov.au/Home.aspx).

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

*Report on the Remuneration Report*

*Opinion on the Remuneration Report*

We have audited the remuneration report included in the directors' report for the year ended 30 June 2023.

In our opinion the remuneration report of Queste Communications Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.



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

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla  
Director  
Dated 23 August 2023

# ADDITIONAL ASX INFORMATION

## as at 6 October 2023

### DISTRIBUTION OF LISTED ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	20	9,403	0.04%
1,001	-	5,000	42	114,511	0.42%
5,001	-	10,000	54	86,967	1.80%
10,001	-	100,000	76	2,167,448	8.00%
100,001	-	and over	23	24,294,003	89.74%
<b>Total</b>			<b>215</b>	<b>27,072,332</b>	<b>100%</b>

### UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	20,833	162	1,343,713	4.96%
20,834	-	over	53	25,728,619	95.04%
<b>Total</b>			<b>215</b>	<b>27,072,332</b>	<b>100%</b>

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 20,833 shares or less, being a value of \$500 or less in total, based upon the Company's last sale price on ASX as at 30 June 2023 of \$0.024 per share.

### SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Shareholding	Total Shares	% Voting Power <sup>5</sup>
Geoff Wilson and Associates <sup>1</sup>	Dynasty Peak Pty Ltd		5,391,975	19.92%
Yaqoob Khan and Associate <sup>2</sup>	Mr Yaqoob Khan	5,387,394	5,387,394	19.90%
	KYA Pty Ltd	53,325		
Farooq Khan and Associate <sup>3</sup>	Mr Farooq Khan & Ms Rosanna De Campo	4,921,295	5,344,872	19.74%
	Island Australia Pty Ltd	423,577		
Renmuir Holdings Limited <sup>4</sup>	Renmuir Holdings Ltd		3,003,668	11.10%

Notes:

- (1) Based on the Notice of Change in Interests of Substantial Holder filed by Geoff Wilson and associates dated 28 November 2022.
- (2) Based on the Notice of Change in Interests of Substantial Holder filed by Mr Yaqoob Khan and associates dated 31 March 2022.
- (3) Based on the Notice of Change in Interests of Substantial Holder filed by Farooq Khan and associates dated 20 November 2014 (updated to reflect current registered shareholdings and percentage voting power) and the Change of Director's Interest Notices filed by Farooq Khan dated 10 July 2019.
- (4) Based on the Notice of Change in Interests of Substantial Holder filed by Azhar Chaudhri and associates dated 31 March 2022.
- (5) Movements of less than 1% in voting power are not required to be disclosed to ASX via an updated substantial shareholding notice and accordingly, there may be variances between the shareholdings recorded in the table above and the most recent substantial shareholding notices lodged on ASX. Current registered shareholdings have been disclosed (where applicable).

# ADDITIONAL ASX INFORMATION

## as at 6 October 2023

### TOP 20 ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Shares Held	Total Shares	% Issued Capital
1	DYNASTY PEAK PTY LTD		5,391,975	19.92
2	YAQOOB KHAN KYA CORPORATION PTY LTD	5,334,069 53,325	5,387,394	19.90
3	MR FAROOQ KHAN + MS ROSANNA DE CAMPO ISLAND AUSTRALIA PTY LTD	4,921,295 423,577	5,344,872	19.74
4	RENMUIR HOLDINGS LTD		3,003,668	11.10
5	MR BOBBY VINCENT LI		1,324,919	4.89
6	GA & AM LEAVER INVESTMENTS PTY LTD		991,117	3.66
7	GIBSON KILLER PTY LTD		420,000	1.55
8	GLENVIEW SERVICES PTY LTD		380,000	1.40
9	MR PETER SCARF + MRS IDA SCARF		358,733	1.32
10	MS ROSANNA DE CAMPO		268,100	0.99
11	MR SANTOSA GUZZETTA		221,300	0.82
12	MR AYUB KHAN		215,000	0.79
13	MRS AFIA KHAN		215,000	0.79
14	MR SIMON KENNETH CATO + MRS KAYE LOUISE HOPKINS ROSEMONT ASSET PTY LTD	118,000 75,000	193,000	0.71
15	TOMATO 2 PTY LTD		185,019	0.68
16	MISS ALICE JANE LI		161,086	0.60
17	MR JOHN CHENG-HSIANG YANG + MS PEGA PING MOK		136,125	0.50
18	MR MUHAMMAD DODHIA		115,000	0.43
19	MR EUGENE RODRIGUEZ		110,000	0.41
20	MRS MARY THERESE CAMILLERI		100,000	0.37
<b>Total</b>			<b>24,522,308</b>	<b>90.57%</b>



**ASX Code: QUE**

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

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