QUESTUS
LIMITED

ABN 26 100 460 035

ANNUAL REPORT

YEAR ENDED 30 JUNE 2009

if money matters
www.questus.com.au

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CORPORATE DIRECTORY

DIRECTORS	DJ Somerville (Executive Chairman) (Appointed 22 October 2007)
	RW Olde (Executive Director) (Appointed 7 November 2007)
	AJ Kelly (Executive Director) (Appointed 11 August 2008)
	R Pollastri (Non-Executive Director) (Appointed 7 November 2007) (Resigned 11 August 2008)
COMPANY SECRETARY	KJ Kitney (Appointed 14 January 2008)
	AJ Kelly (Appointed Jointly 5 August 2008)
REGISTERED AND PRINCIPLE OFFICE	Level 3 / 47 Kishorn Road APPLECROSS WA 6153 Telephone: +61 8 6310 5040 Facsimile: +61 8 6310 5041
AUDITORS	RSM Bird Cameron Partners Chartered Accountants 8 St George's Terrace PERTH WA 6000
SOLICITORS	Steinepreis Paganin Level 4, Next Building 16 Milligan Street PERTH WA 6000
SHARE REGISTRY	Security Transfer Registrars Pty Ltd Alexandrea House Suite 1, 770 Canning Highway APPLECROSS WA 6153 Telephone: + 61 8 9315 2333 Facsimile: + 61 8 9315 2233
STOCK EXCHANGE LISTING	Questus Limited shares are listed on the Australian Securities Exchange under the code QSS.
WEB SITE	www.questus.com.au
COMPANY DOMICILE AND LEGAL FORM	Questus Limited is a public company limited by shares, incorporated and domiciled in Australia.

29 September 2009

Dear Shareholder

The year ended 30 June 2009 will be remembered as a difficult year with the Global Financial Crisis (GFC) causing a significant reduction in investor confidence and sentiment in the funds management sectors throughout the world. This has impacted on the Questus Ltd performance as a reduction in the flow of funds into the company core business activities.

The Board of Questus recognised the impact of the GFC and the diminished demand for traditional investment markets and have now sought to consolidate on existing activities and to diversify into new investment opportunities that would appeal to investors in the current economic climate.

One such diversity was the creation of the Questus Residential Investment Fund (QRIF). The QRIF was developed specifically to participate in the National Rental Affordability Scheme (NRAS), a Federal Government initiative with a Federal and State Government funded incentive program to create additional rental dwellings in the affordable housing market. The Questus Residential Investment Fund (QRIF) allows investors to acquire new investment properties with an entitlement to the scheme, resulting in the owner of the property receiving annual tax free amounts of $8,672+ (indexed) per year for ten years. Residential investment properties have long been acknowledged as a conservative and non-volatile investment in a portfolio. Through the development of the QRIF, investors can own a residential investment property with significantly enhanced returns above that of a traditional rental property. The initial interest in this new product has been encouraging with all available allocations received to date being sold. The company is optimistic that this product will become a significant contributor to the company over the coming years.

Questus Funds Management Limited (QFML) has continued its development of The Questus Waterfront Property Trust (QWPT) which is a unique waterfront based commercial and retail open ended property trust with identified assets in excess of $80 million. QWPT intends to commence its first capital raising activities in the coming months with the proceeds being used to acquire the Endeavour Shed in Fremantle for development and retention.

The Questus Land Development Fund (QLDF) is an existing fund established by Questus in 2005. The QLDF is an open ended unlisted property trust, predominantly comprised of Western Australian residential land subdivisions. The company's wholly owned subsidiary QFML is the Responsible Entity of the fund. QLDF commenced selling land in stage one of its subdivision in Pinjarra during the year and a significant portion of the sales within this subdivision is attributable to the successful receipt of NRAS entitlements under the QRIF. QLDF current fund assets are in excess of $46 million and holds options to acquire a further $32 million in assets in 2009/2010.

Demand for Questus Super Warrants - an innovative tailored turn key product for Self Managed Superannuation Funds to acquire property utilising debt and an instalment warrant has been equally affected by the GFC during the year and demand was impacted by interest rates and decreased propensity for SMSF's to invest. The company is positioned well with this product with some key strategic differentiators between Questus Warrant product and other leveraged products. The Questus Super Warrants are a unique investment product with all necessary trustee, legal and financing requirements arranged.

The Board of Questus Limited acknowledge that the performance of the company for the year is reflective of the industry and the impacts of the GFC. However, the company has positioned itself well by developing new products and enhancing its current offerings in line with the present economic climate. This will allow the company to capture opportunities as the economic climate improves. Indications today show that the worst is likely behind us and the company will be well positioned to perform well in 2009 / 2010 and beyond.

On behalf of the Questus team, I would like to thank Shareholders for their support and look forward to maximising future opportunities for the Company and building value for Shareholders.

Yours faithfully

DAVID SOMERVILLE
Chairman

DIRECTOR'S REPORT

Your directors submit their report for the year ended 30 June 2009.

DIRECTORS

The names of the company's directors in office during the year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated:

DJ Somerville	Age 49	first appointed 22 October 2007	Non Independent
RW Olde	Age 38	first appointed 7 November 2007	Non Independent
AJ Kelly	Age 51	first appointed 11 August 2008	Non Independent
RAJ Pollastri	Age 48	first appointed 7 November 2007 resigned 11 August 2008	Non Independent

DIRECTORSHIPS OF OTHER LISTED COMPANIES

David Somerville is a director of CI Resources Ltd, an ASX Listed Company . David is also a director of EMC Solar Ltd, a public unlisted company.

The current directors do not hold and have not held directorships of any other listed companies in the past three years other than the two companies mentioned above**.**

DIRECTORS' QUALIFICATIONS AND EXPERIENCE

The directors of the Company and their qualifications are set out below.

David Somerville (B.Bus, MBA, CPA, AFAIM)
Executive Chairman

David has a background as a Certified Practising Accountant with considerable experience in capital raising, business development and property development over 25 years. David was a senior partner with a large Western Australian accounting practice, where he was responsible for a large number of clients across a broad range of industries, through the provision of accounting, taxation and management services. David was the founding director and shareholder of Questus Group in 2003.

Robert Olde (Dip FS, AIMM)
Executive Director

Robert studied Commerce at Murdoch University and holds a Diploma in Financial Planning. Robert is a member of the Australian Institute of Management and also holds a Certificate of Registration as a Real Estate and Business Sales Representative from the Real Estate Institute of Western Australia.

Alexander James Kelly (MA Funds Management, Dip FP)
Executive Director

Alexander has a Masters of Arts majoring in Funds Management from Macquarie University, a Diploma in Financial Planning from Deakin University and is a Fellow of the Financial Planning Association of Australia (FPA).

Alexander held various positions with the Commonwealth Bank of Australia, before commencing with Mercantile Mutual (now ING Australia) in 1988 as manager of investment products, firstly in Western Australian and subsequently New South Wales and the Australian Capital Territory. He commenced with Challenger Financial Services Group in 2000 and held roles of State Manager, National Sales Manager and Manager of a range of managed investment products.

Alexander has over thirty years experience in funds management industry in both retail and wholesale funds management environment.

DIRECTORS' MEETINGS

The number of meetings of the Company's board of directors held during the year and the number of meetings attended by each director were:

DIRECTOR	NUMBER OF MEETINGS ATTENDED		NUMBER OF MEETINGS ENTITLED TO ATTEND	
	BOARD	AUDIT COMMITTEE	BOARD	AUDIT COMMITTEE
David Somerville	12	-	12	-
Robert Olde	12	-	12	-
Jamie Kelly	8	-	8	-
Remo Pollastri	1	-	2	-

DIRECTORS' INTERESTS

As at the date of this report, the direct and indirect interests of the Directors in the Company were:

DIRECTOR	SHARES		OPTIONS (UNLISTED)	
	In Own Name	In Other Names	In Own Name	In Other Names
David Somerville	-	15,130,715	2,025,000	5,000,000
Robert Olde	134,542	-	2,025,000	-
Jamie Kelly	10,000	-	540,000	-
Andrew Boots	10,000	-	540,000	-
Remo Pollastri	590,000	-	-	-

COMPANY SECRETARY

J Alexander James Kelly - MA Funds Management, Dip FP (Appointed 05 August 2008)

Alexander has a Masters of Arts majoring in Funds Management from Macquarie University, a Diploma in Financial Planning from Deakin University and is a Fellow of the Financial Planning Association of Australia (FPA).

Alexander held various positions with the Commonwealth Bank of Australia, before commencing with Mercantile Mutual (now ING Australia) in 1988 as manager of investment products, firstly in Western Australian and subsequently New South Wales and the Australian Capital Territory. He commenced with Challenger Financial Services Group in 2000 and held roles of State Manager, National Sales Manager and Manager of a range of managed investment products.

Alexander has over thirty years experience in funds management industry in both retail and wholesale funds management environment.

KJ Kitney LL.B.B.Com (Appointed 14 January 2008, resigned 21 September 2009)

Kristen is a Barrister and Solicitor of the Supreme Court of Western Australia, admitted to practice in December 1998, after graduating Murdoch University in 1997 with a Bachelor of Law and Bachelor of Commerce. Kristen has ten years experience in corporate, commercial and insurance litigation.

PRINCIPAL ACTIVITIES

The principal activities of the Group became that of a boutique funds management and facilitation of capital raising. Previously this was the provision of lease, general finance and plant and equipment contracting and hire, the entities within the group in regard to these activities are either in liquidation or in the process of running out the loan books with the view to closing them. The Company continues in the activities of provision of lease and general financing.

The company was in administration to the 27th November 2007 during which time the only activity was the maintenance of the loan books re leases and general finance.

RESULTS AND REVIEW OF OPERATIONS

The consolidated income statement shows a profit after tax attributable to members of $437,789 (2008: profit of $1,602,407).

This profit after tax is not reflective of the operational performance of the company as it reflects an Income Tax Benefit of $772,757. This tax benefit amount is largely attributable to with the write-off of unrecoverable loans that were written off in the 2007 financial year for accounting purposes.

The loss before income tax for the company for the year ended 30 June 2009 is $334,968 (2008: profit of $814,191).

The Board of Questus Limited acknowledge that the performance of the company for the year is reflective of the industry and the impacts of the GFC. However, the company has positioned itself well by developing new products and enhancing its current offerings in line with the present economic climate. This will allow the company to capture opportunities as the economic climate improves. Indications today show that the worst is likely behind us and the company will be well positioned to perform well in 2009 / 2010 and beyond.

DIVIDENDS

There was no dividend for the year ended 30 June 2009 paid on ordinary shares (2008: $nil):

PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATION

The Company is not subject to significant environmental regulation in respect of its operating activities.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes.

REMUNERATION REPORT (AUDITED)

Remuneration Philosophy

The Board of Directors of Questus Limited is responsible for determining and reviewing compensation arrangements for directors and the executive team. The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and level of performance and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Remuneration Details

The Directors are remunerated based on the provision of consulting services provided to the Company for executive management and for their services as Directors. The Directors fees are determined by the Company in general meeting and other consulting services are remunerated at levels agreed by the Board of Directors. Each non-executive director receives a fixed fee for their services as directors. Non-executive director's fees not exceeding an aggregate of $150,000 per annum have been approved by the Company in a general meeting.

The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and directors and executives are on a continuing basis the terms of which are not expected to change in the immediate future. Upon retirement directors and executives are paid employee benefit entitlements accrued to date of retirement.

Director and executive of the Company has received options (unlisted) as part of their remuneration during the financial year.

Employment contracts for Directors and Executives stipulate a range of one to three month resignation periods. Termination payments are generally not payable on dismissal for serious misconduct. The Company may terminate an employment contract without cause by providing the appropriate written notice under each contract or making payment in lieu, based upon the individual's remuneration together with a severance benefit.

The remuneration for the directors comprises of base pay and benefits only.

Details of the nature and amount of each element of the remuneration of each director of the Company for the financial year are as follows:

Remuneration of directors:

30 June 2009	Primary			Post Employment		Equity	Other	Total	
Name	Salary & Fees $	Cash Bonus $	Non Monetary benefits $	Superan-nuation $	Retire-ment benefits $	Options $	Un-listed Options $		Total option related %
David Somerville	200,000	-	-	18,000	-	-	61,274	279,274	22
Robert Olde(4)	152,207	-	-	19,269	-	-	61,274	232,750	26
Jamie Kelly	104,486	-	-	-	-	-	16,340	120,826	13.5
Remo Pollastri	-	-	-	-	-	-	-	-	
Andrew Boots (5)	105,633	-	-	9,248	-	-	16,340	131,221	12.4
Total remuneration:									
Directors	562,326	-	-	46,517	-	-	155,228	764,071	

30 June 2008	Primary			Post Employment		Equity	Other	Total
Name	Salary & Fees $	Cash Bonus $	Non Monetary benefits $	Super-annua-tion $	Retire-ment benefits $	Options $	Un-listed Options $	$
David Somerville(1)	95,384	-	-	8,585	-	-	-	103,969
Robert Olde(2)	86,538	-	-	8,423	-	-	-	94,961
Jamie Kelly(3)	44,512	-	-	-	-	-	-	44,512
Ray Andersen	6,000	-	-	-	-	-	-	6,000
Andrew Boots (5)	51,376	-	-	4,624	-	-	-	56,000
Total remuneration:								
Directors	283,810			21,632				305,442

Note: Salary includes consulting fees paid to directors and to related parties of directors.

(1) Mr Somerville was appointed as a director of Questus Ltd on 22 October 2007. The remuneration disclosed is for the period 1 January 2008 to 30 June 2008.

(2) Mr Olde was appointed as a director of Questus Ltd on 7 November 2007. The remuneration disclosed is for the period 27 November 2007 to 30 June 2008.

(3) Mr Kelly is a Director of Questus Ltd and Questus Funds Management Ltd only. He is joint company secretary for all companies. The remuneration disclosed is for the period 27 November to 30 June 2008 and includes consulting income paid prior to becoming a director on of Questus Ltd on 11 August 2008.

Note: Salary includes consulting fees paid to directors and to related parties of directors.

(4) Payments to Mr Olde include payments made to his consulting company.

(5) Andrew Boots was appointed a director of Questus Warrants Pty Ltd from 04 February 2008, The remuneration disclosed is his total remuneration and includes salary income from other entities within the group. For the year ended 30 June 2008 the remuneration disclosed includes salary income prior to becoming a director.

There are no other contracts to which a Director is a party or under which a Director is entitled to a benefit other than as disclosed in these financial statements.

Remuneration of executive officer:

There were no executive officers other than the directors directly accountable and responsible for the strategic direction and management of the affairs of the Company and the Group.

SHARE OPTIONS

During the financial year there were 5,400,000 options granted over unissued ordinary shares of the Company (2008: 5,000,000).

The issue was in accordance with the employee option plan. 5,400,000 options exercisable at a $0.06 were issued on the 15 January 2009 to Staff of Questus Administration Services Pty Ltd (100% owned subsidiary of Questus Ltd, this includes the executive directors). These options expire on the 04 January 2012.

The weighted average fair value of the options granted during the financial year was $0.03026 (2008:- $nil).

This price was calculated by using a Black-Scholes option pricing model, in respect of option issue in the respective year are applying the following inputs:

Weighted average exercise price	$0.06
Weighted average life of the option	3 years
Underlying share price	$0.065
Expected share price volatility	63.1%
Risk free interest rate	3.03%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Included under employee benefits expense in the income statement is $163,397 (2008: $nil), and relates, in full, to equity-settled share-based payment transactions.

As at the date of this report the following options were on issue:

Option expiry date	Listed / Unlisted	Exercise price	Number on issue
04 January 2012	Unlisted	$0.06	5,400,000
31 December 2012	Unlisted	$0.50	5,000,000

No person entitled to exercise the options has any right by virtue of the options to participate in any share issue of the Company or of any other entity within the consolidated group. Nil options were exercised during year ended 30 June 2009 (2008: Nil).

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company has paid an insurance premium in respect of a contract insuring each of the Directors of the Company and its controlled entities and each executive officer against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law, other than conduct involving a wilful breach of duty in relation to the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

NON AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to RSM Bird Cameron for non-audit services provided during the year ended 30 June 2009:

	$
Taxation services	45,000

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 19 of the financial report

At no time during the year was any officer of the Company a partner in an audit firm, or a director of an audit company that was an auditor of the Company for the year.

This report is made in accordance with a resolution of Directors.

R Olde
Director

Dated at Perth this 29th day of September 2009

CORPORATE GOVERNANCE

Questus Limited is a boutique funds management company operating in the funds management industry. Questus Limited is committed to protecting and enhancing shareholder value and adopting best practice governance policies and practices. The Corporate Governance Statement outlines the main Corporate Governance practices that were in place throughout the financial year, which comply with the Australian Securities Exchange Corporate Governance Council recommendations.

The following summarises the ten recommended ASX Principles of Good Governance and the Company's policies and procedures against each of the principles. Where a recommendation has not been followed, this is clearly stated along with an explanation for the departure.

Principle 1 – Lay solid foundation for management and oversight.

The Board which currently consists of three non-independent Directors, is the governing body of the Company. The Board and the Company act within a statutory framework – principally the Corporations Act and also the Constitution of the Company. Subject to this statutory framework, the Board has the authority and the responsibility to perform the functions, determine the policies and control the affairs of Questus Limited.

The Directors are aware of their responsibilities and obligations to protect shareholder's funds. Due care is taken to explain both the positive and negative aspects in all reports to highlight the inherent risks involved in the finance industry. The Board must ensure that Questus Limited acts in accordance with prudent commercial principles and satisfies shareholders – consistent with maximising the Company's long term value.

The Board of Directors, two of which work full time for the Company and one who works part time,, determine the strategic direction of the Company by regularly monitoring and evaluating the performance and status of each of the Company's projects and activities. and it is the shareholders who will determine if the Board is maximising and enhancing the reputation and performance of the Company to increase shareholder value

Advice on the performance of the Company's business operations and investments is also provided by consultants and employees, where required. No formal evaluation of Board members took place this financial year.

Principle 2 – Structure the board to add value.

The Board comprises an Executive Chairman, and two Executive Directors. Full details of the Company's Board of Directors and their relevant experience and skills are detailed within the Directors' Report. The Company's Constitution requires that one third of the members of the Board retire by rotation each year but they are eligible for re-election.

Any new Director appointed holds office only until the next general meeting and is then eligible for re-election. The Board will ensure that any such person to be appointed as a Director possesses an appropriate level of qualifications, expertise and experience. Due to its size, the Company does not have a Nomination Committee. Key terms and conditions relating to the appointment of non-executive directors are set out in a formal letter of appointment.

The Chairman is also the Managing Director, appointed by the full Board. The Board does not have a predominance of non-executive Directors. A majority of the Board are also substantial shareholders; there clearly are no independent directors. The Board considers that given the size of the company, it is more important that directors are motivated to perform as a result of their shareholding in the company

Principle 3 – Promote ethical and responsible decision making.

The Board place great emphasis on ethics and integrity in all its business dealings. In regards to principles 3.1, the Board considers the business practices and ethics exercised by individual board members and key executives to be of the highest standards.

The Board being committed to the highest standards of ethical business conduct has adopted a formal Code Code of Conduct to guide executives, management and staff in carrying out their duties and responsibilities. The Code is subject to ongoing review to ensure that Questus Limited 's standards of behaviour and corporate culture reflect best practice in corporate governance. The Code is based on the following key principles:

- acting with honesty and integrity
- abiding by laws and regulations
- respecting confidentiality and handling information in a proper manner
- maintaining the highest standards of professional behaviour
- avoiding conflicts of interest
- striving to be a good corporate citizen and to achieve community respect.

Questus Limited also has a number of specific policies, including the Directors Code of Conduct, that underpin the Code of Conduct and elaborate on various legal and ethical issues. These policies are designed to foster and maintain ethical business conduct within Questus Limited , and govern such things as workplace and human resources practices, handling of confidential information, insider trading, risk management and legal compliance.

A formal policy has been adopted which is to ensure compliance with the "insider trading" provisions of the Corporations Act by executive staff who may be in possession of sensitive information concerning the Company's affairs, prior to release to the market.

In addition, the Board has guidelines dealing with disclosure of interests by Directors in participating and voting at Board meetings where any such interests are discussed. In accordance with the Corporations Act, any Director with a material personal interest in a matter being considered by the Board must not be present when the matter is being considered, and may not vote on the matter.

A copy of the Directors Code of Conduct and the Corporate Code of Conduct can be found on the Questus website.

Principle 4 – Safeguard integrity in financial reporting.

The Board has not formally established Audit Committee, these responsibilities are undertaken by the Board. It is the Boards responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, including the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The Company in general meeting is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors. The Company has retained RSM Bird Cameron as its auditors.

Principle 5 – Make timely and balance disclosure.

The Company complied with all disclosure requirements to ensure that it manages the disclosure of price sensitive information effectively and in accordance with the requirements as set out by regulatory bodies. All market disclosures are approved by the Board.

The Executive Chairman and Company Secretary are authorised to communicate with shareholders and the market in relation to Board approved disclosures. The Executive Chairman and Company Secretary are responsible for ensuring compliance with the continuous disclosure to the Australian Securities Exchange, analysts, broker, shareholders, the media and the public.

The continuous disclosure requirements are set out in the ASX Listing rules. The rules require the company to immediately notify the ASX of any information concerning the Company, which a reasonable person would expect to have a material effect on the price of securities. When considering the disclosure of information due consideration should also be given to the exemptions (carve outs) granted under the ASX listing rules in respect of continuous disclosure.

The Company shall disclose:

- all information that is required to be disclosed pursuant to ASX Listings Rules.
- the Board, collectively, has primary responsibility for ensuring that the company complies with its disclosure obligations.
- the Board will monitor news sources and seek to avoid the emergence of a false market in the company's securities. However, it is recognised that this may not be possible pursuant to ASX Listing Rule 3.1.B.
- the confidentiality of corporate information will be safeguarded to avoid premature disclosure.
- the Company Secretary is appointed as the Disclosure Officer in compliance with ASX Listing Rules. All directors and employees must immediately inform the Disclosure Officer if they obtain material information.

A copy of the Continuous Disclosure Policy can be found on the Questus website.

Principle 6 – Respect the rights of shareholders.

The Company has a positive strategy to communicate with shareholders and actively promote shareholder involvement in the company. It aims to continue to increase and improve the information available to shareholders on its website. All company announcements, presentations to analysts and other significant briefings are posted on the company's website after release to the Australian Securities Exchange.

Principle 7 – Recognise and manage risk.

The Board has adopted a formal Risk Management Policy. The Board's collective experience should assist in enabling accurate identification of the principal risks which may affect the Company's business. Identifying key operational risks and their management will be recurring items for deliberation at Board meetings.

The Board oversees the establishment, implementation and ongoing review of the company's risk management and internal control system. Recommendation 7.1 requires the establishment of a risk committee. During the year Questus Limited did not have a separately established risk committee. The Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate risk committee.

The board has received assurance from the Executive Chairman and the Financial Controller that, the directors declaration provided in accordance with section 295A of the Corporations Act, is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 8 – Remunerate fairly and responsibly

The Board is responsible for determining and reviewing compensation arrangements for the directors themselves the Managing Director, and senior executives. The Directors are remunerated based on the provision of services provided to the Company for executive management and for their services as Directors. The Directors fees are determined by the Company in general meeting and other consulting services are remunerated at levels agreed by the Board of Directors. Access is available to the Company's auditors and senior managers, and the ability to consult independent experts when necessary.

In relation to non-executive directors, there are presently no schemes for termination or retirement benefits, other than statutory superannuation.

The Board recognises that the interests of all stakeholders will be best served when the Company, its directors and staff adhere to highest standards of business ethics and comply with the law.

The Board expects a high standard of ethical behaviour from all directors and staff. A code of business ethics has been developed outlining the policies and procedures which operate within the company to ensure its exemplary reputation is maintained.

CORPORATE GOVERNANCE

EXPLANATION FOR DEPARTURE FROM BEST PRACTICE RECOMMENDATIONS

The Company has complied with each of the Ten Essential Corporate Governance principles and the corresponding Best Practice Recommendations as published by ASX Corporate Governance Council ("ASX Principles and Recommendations"), other than in relation to the matters specified below.

Principle No	Best Practice Recommendation	Compliance	Reason for Non-compliance
2.1 and 2.2	A majority of the Board and Chairman should be independent directors	Directors David Somerville (Managing Director and Chairman of the Board), Robert Olde (Executive Director) and Jamie Kelly (Executive Director) do not satisfy the test of 'independence' as set out in the ASX Corporate Governance Council Practice Recommendations. David Somerville and Robert Olde are Substantial Shareholders of the Company and David Somerville, Robert Olde and Jamie Kelly are executives of the Company. In light of the above, the Company does not comply with the Best Practice Recommendations requirement of having a majority of independent directors.	The Board considers that given the current size of the company, it is more important that directors are motivated to perform as a result of their shareholding in the company and involvement in day-to-day activities.
2.4	The board should establish a nomination committee	The board does not have a nomination committee.	The Board members have concluded that no efficiencies would be achieved by establishing a separate nomination committee. The functions of any nomination committee are normally undertaken by the full board.

Principle No	Best Practice Recommendation	Compliance	Reason for Non-compliance
2.5	Disclose the process for performance evaluation of the board and individual directors	The board and individual directors are constantly aware of the Company's share price, market capitalisation and its financial performance. There is no formal policy for evaluating performance. However, the Company maintains regular contact with financial advisors and stockbrokers seeking third party feedback on the Company's performance in order to continue to seek improvement in this area.	In a competitive environment such as the sector in which Questus Limited operates, market forces will ensure that the board and individual directors are judged based upon the performance of the company both relative to the market and relative to its particular circumstances.
8.1	The board should establish a remuneration committee	The Company does not have a remuneration committee.	Given the size and scope of the company's operations, and the size of the board it is not considered that a remuneration committee is necessary. Accordingly the company does not have a remuneration committee.
8.2	Clearly distinguish the structure of non-executive directors remuneration from that of executives	Executive directors receive a fixed salary pursuant to a contract plus a fixed annual director's fee. Non-executive directors do not receive a fixed salary but are entitled to director's fees approved by shareholders and fees for additional services provided up to a maximum of $150,000 per annum in aggregate.	Individuals must be remunerated for the risks of being a director of a public company. It is not feasible to attract quality directors unless they can be appropriately remunerated for their efforts and the risks undertaken.

RSM! Bird Cameron Partners
Chartered Accountants

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AUDITOR INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Questus Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

Perth, WA
Dated: 29 September 2009

T PHONG
Partner

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

		CONSOLIDATED		PARENT	
	Notes	2009 $	2008 $	2009 $	2008 $
Revenue	3	3,602,957	4,943,476	385,562	194,170
Employee benefits expenses	3	(855,090)	(658,585)	-	-
Depreciation and amortisation	3	(15,984)	(15,570)	-	-
Impairment of assets		(16,170)	-	(130,964)	-
Other expenses	3	(2,905,951)	(3,083,953)	(171,604)	(180,109)
(Loss) / Profit before tax and finance costs		(190,238)	1,185,368	82,994	14,061
Finance costs	3	(144,730)	(371,177)	(40,295)	(9,267)
(Loss) / Profit before income tax		(334,968)	814,191	42,699	4,794
Income tax benefit / (expense)	4	772,757	788,216	(12,970)	(1,438)
Net profit after income tax		437,789	1,602,407	29,729	3,356
Loss attributable to minority interest		-	(16,167)	-	-
Outside equity interest assumed by company		-	16,167	-	-
Profit attributable to members of the parent		437,789	1,602,407	29,729	3,356
Earnings per share (cents per share)	5				
- basic		1.2	7.1		
- diluted		1.1	7.1		

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2009

	Notes	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT 2009 $	PARENT 2008 $
ASSETS					
Current Assets					
Cash and cash equivalents	6	394,002	1,394,994	145,066	1,047,479
Trade and other receivables	7	2,445,604	3,145,755	3,563,693	2,474,956
Other assets	8	109,716	134,438	29,957	47,124
Total Current Assets		2,949,322	4,675,187	3,738,716	3,569,559
Non-Current Assets					
Financial assets	9,10	435,215	256,363	3,566,974	3,403,571
Trade and other receivables	7	1,877,653	340,446	-	-
Other assets	8	21,719	-	6,241	-
Deferred tax asset	16	2,733,950	1,731,343	79,570	58,877
Plant and equipment	11	14,017	6,307	-	-
Intangible assets	12	2,552,571	2,564,433	-	-
Total Non-Current Assets		7,635,125	4,898,892	3,652,785	3,462,448
TOTAL ASSETS		10,584,447	9,574,079	7,391,501	7,032,007
LIABILITIES					
Current Liabilities					
Trade and other payables	13	1,014,742	330,352	82,582	33,006
Interest-bearing liabilities	14	126,775	835,579	312,808	229,677
Provisions	15	36,604	65,241	-	-
Income tax payable	16	682,519	707,158	34,579	-
Total Current Liabilities		1,860,640	1,938,330	429,969	262,683
Non-Current Liabilities					
Interest-bearing liabilities	14	472,527	20,000	-	-
Deferred tax liabilities	16	380,333	345,988	23	941
Total Non-Current Liabilities		852,860	365,988	23	941
TOTAL LIABILITIES		2,713,500	2,304,318	429,992	263,624
NET ASSETS		7,870,947	7,269,761	6,961,509	6,768,383
EQUITY					
Equity attributable to equity holders of the parent					
Issued capital	17	18,328,243	18,328,243	18,296,425	18,296,425
Reserves		163,397	-	163,397	-
Accumulated losses		(10,620,693)	(11,058,482)	(11,498,313)	(11,528,042)
Parent interests		7,870,947	7,269,761	6,961,509	6,768,383
Minority interests		-	-	-	-
TOTAL EQUITY		7,870,947	7,269,761	6,961,509	6,768,383

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

		CONSOLIDATED		PARENT	
	Notes	2009 $	2008 $	2009 $	2008 $
Cash flows from operating activities					
Receipts from customers		2,543,126	2,965,511	39,118	27,634
Payments to suppliers and employees		(3,227,319)	(4,167,291)	(113,382)	(200,752)
Interest received		265,984	537,185	353,516	165,766
Interest paid		(144,304)	(373,229)	(40,317)	(8,346)
Net cash flows (used in)/from operating activities	18a	**(562,513)**	**(1,037,824)**	**238,935**	**(15,698)**
Cash flows from investing activities					
Net investment in loans receivables		10,006	584,006	(1,115,188)	(2,301,489)
Purchase of controlled entities, net of cash acquired		-	549,711	-	(8)
Payments for investments		(215,002)	(150,000)	-	-
Proceeds from investments		17,529	-	-	-
Purchase of plant and equipment		(11,832)	-	-	-
Proceeds from sale of plant and equipment		-	2,206	-	-
Net cash flows (used in)/from investing activities		**(199,299)**	**985,923**	**(1,115,188)**	**(2,301,497)**
Cash flows from financing activities					
Repayment of investor/depositor loans		(204,473)	(876,000)	-	-
Proceeds from the issue of shares		-	3,500,000	-	3,500,000
Payment for expenses on issue of shares		-	(166,099)	-	(197,917)
Net (payment) / proceeds from funding arrangements		(34,707)	(1,209,906)	(26,160)	62,591
Net cash flows (used in)/from financing activities		**(239,180)**	**1,247,995**	**(26,160)**	**3,364,674**
Net (decrease) / increase in cash and cash equivalents		(1,000,992)	1,196,094	(902,413)	1,047,479
Cash and cash equivalents at beginning of year		1,394,994	198,900	1,047,479	-
Cash and cash equivalents at end of year	6	**394,002**	**1,394,994**	**145,066**	**1,047,479**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Attributable to equity holders of the parent				Minority Interest	Total Equity
	Issued capital	Accumulated losses	Share Option Reserves	Total		
	$	$	$	$	$	$
CONSOLIDATED						
At 1 July 2007	11,934,967	(12,660,889)	-	(725,922)	-	(725,922)
Profit for the year	-	1,602,407	-	1,602,407	-	1,602,407
Issue of share capital	6,393,276	-	-	6,393,276	-	6,393,276
At 30 June 2008	18,328,243	(11,058,482)	-	7,269,761	-	7,269,761
At 1 July 2008	18,328,243	(11,058,482)	-	7,269,761	-	7,269,761
Profit for the year	-	437,789	-	437,789	-	437,789
Share based payments	-	-	163,397	163,397	-	163,397
At 30 June 2009	18,328,243	(10,620,693)	163,397	7,870,947	-	7,870,947
PARENT						
At 1 July 2007	11,934,967	(11,531,398)	-	403,569	-	403,569
Profit for the year	-	3,356	-	3,356	-	3,356
Issue of share capital	6,361,458	-	-	6,361,458	-	6,361,458
At 30 June 2008	18,296,425	(11,528,042)	-	6,768,383	-	6,768,383
At 1 July 2008	18,296,425	(11,528,042)	-	6,768,383	-	6,768,383
Profit for the year	-	29,729	-	29,729	-	29,729
Share based payments	-	-	163,397	163,397	-	163,397
At 30 June 2009	18,296,425	(11,498,313)	163,397	6,961,509	-	6,961,509

The accompanying notes form part of these financial statements.

1 CORPORATE INFORMATION

The financial report includes the consolidated financial statement and notes of Questus Limited and controlled entities (‘Consolidated’ or ‘Group’), and the separate financial statements and notes of Questus Limited as an individual parent entity (‘the Company’ or ‘Parent’)

The financial report of Questus Limited for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 29 September 2009.

Questus Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. In accordance with Accounting Standard AASB 101 Presentation of Financial Statements, compliance with Australian equivalent to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Going Concern

As disclosed in the financial statements, the parent and consolidated entity had net cash outflows of $902,413 and $1,000,992 respectively for the year ended 30 June 2009 and at balance date, the parent and consolidated entity had unrestricted cash assets of $145,066 and $318,017. These financial conditions indicate significant uncertainty, whether the company and consolidated entity will continue as going concerns and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe after consideration of the above matters, the company and consolidated entity will be able to continue as going concerns, because of the following factors:

- Unrestricted cash assets at the date of authorisation of this report of the parent and consolidated entity were $333,431 and $504,208 respectively. This increase in unrestricted cash assets from 30 June 2009 has been due to the collection of trade and other receivables;
- The ability to issue additional shares under the *Corporation Act 2001*;
- Management has recently established a new fund to participate in the National Rental Affordability Scheme which is forecasted to be profitable in year ended 30 June 2010; and
- Improved operating results, due to additional business opportunities in the market as the economy continues to recover from the global financial crisis.

Accordingly, the Directors believe that the company will obtain sufficient funding to enable it and the consolidated entity to continue as going concerns and that it is appropriate to adopt the going concern basis of accounting in the preparation of the financial report.

This financial report does not contain any adjustments to the amounts or classification of recorded assets or liabilities that might be necessary if the company and consolidated entity do not continue as going concerns.

The financial report has also been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Questus Limited and its subsidiaries as at 30 June each year.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Questus Limited has control.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

(d) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis to write off the net cost (including any expected residual value) over the estimated useful life of the asset as follows:

Plant and equipment - over 3 to 7 years
Office equipment - over 1 to 5 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued used of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Borrowing costs

Borrowing costs are recognised as an expense when incurred. It includes interest on bank overdrafts and short-term and long-term borrowings, ancillary costs incurred in connection with the arrangement of borrowings and finance lease charges.

(f) Intangible assets

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible Assets

Australian Financial Services Licence

The expenditure incurred by the Company in relation to the issue by the Australian Securities and Investments Commission of an Australian Financial Services Licence has been capitalised. The amount is being amortised over 10 years.

(g) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial Instruments (Cont'd)

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. Loans and receivables

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

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial Instruments (Cont'd)

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(h) Impairment of Assets

At each reporting date, the Group 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 income statement.

Impairment testing is performed annually for goodwill and intangible assets with infinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(j) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and on hand and short-term deposits.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(m) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

(n) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest

Revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

(p) Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Income tax

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(q) Good 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 balance sheet are shown inclusive of GST.

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

(r) Lease receivables

Unearned Revenue

Unearned revenue is being progressively recognised over the period of the lease in a manner which produces a constant rate of return on the investment in the lease outstanding at the beginning of each lease payment period. For revenue recognition purposes, the investment in the lease represents the total lease payment receivable net of unearned revenue.

Investment in the Lease

The investment in the lease is allocated between current and non current elements. The principal component of the lease rental due as at the end of the succeeding financial year is shown as current and the remainder of the investment as non-current.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Earnings per Share

Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, excluding any costs of servicing of equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with diluted potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(t) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates — Impairment

The directors have identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Goodwill

The Group determines whether goodwill with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill with indefinite useful life are discussed in note 12.

Trade receivables

No impairment has been recognised in respect of trade receivables for the year ended 30 June 2009 as the directors is of the opinion that all the debts are recoverable.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Critical Accounting Estimates and Judgments(cont'd)

Recovery of deferred taxes

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined by the management using Black-Scholes option pricing model, using the assumptions detailed in note 26. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amount of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Taxation

The Group's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Judgements are also required about the applicable of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the income statement.

	CONSOLIDATED		PARENT	
	2009 $	2008 $	2009 $	2008 $

3 REVENUE AND EXPENSES

Revenue

Operating activities				
Capital raising fees	200,000	1,690,848	-	-
Finance revenue – bank/loan interest	282,042	544,494	68,002	55,993
NRAS income	30,000	-	-	-
Warrant revenue	55,828	-	-	-
Commission income	652,925	-	-	-
Project management fees	480,000	240,000	-	-
Management fees	243,777	148,328	-	-
Sundry income	41,858	39,296	105	269
	1,986,430	2,662,966	68,107	56,262
Non-operating activities				
Recovery of expenses	134,784	150,707	-	-
Management fees - intercompany	-	-	35,000	25,000
Interest income - intercompany	-	-	282,455	112,908
Profit on disposal of plant and equipment	-	-	-	-
Write down of liabilities	-	11,522	-	-
Recovery of FRL(WA) Ltd loans	1,481,743	2,118,281	-	-
	1,616,527	2,280,510	317,455	137,908
Total revenue	3,602,957	4,943,476	385,562	194,170

3 REVENUE AND EXPENSES (CONT'D)

Expenses

(a) Employee benefits expense

	CONSOLIDATED		PARENT	
	2009 $	2008 $	2009 $	2008 $
Wages and salaries	424,248	345,225	-	-
Directors' remuneration	350,000	198,930	-	-
Superannuation costs	71,474	43,759	-	-
Other employment costs	9,368	70,671	-	-
	855,090	658,585	-	-

(b) Depreciation and amortisation

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT 2009 $	PARENT 2008 $
Depreciation	4,122	5,538	-	-
Amortisation	11,862	10,032	-	-
	15,984	15,570	-	-

(c) Other expenses

Included in other expenses:

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT 2009 $	PARENT 2008 $
Payments to HSBC	1,224,535	2,213,608	-	
Rent expense	170,773	100,553	-	-
Legal costs	179,771	191,155	1,425	28,541
Accounting, tax and audit fees	118,436	89,812	94,607	61,200
Consulting fee	190,679	85,895	4,000	6,000
Compliance fees	95,233	102,495	10,844	49,060
Share based payments	163,397	-	-	-
Advertising and marketing	102,990	11,552	-	-
Insurance	141,750	74,756	52,117	9,428
Commission and brokerage	319,364	33,235	-	-
Other expenses	199,023	180,892	8,611	25,880
Total	2,905,951	3,083,953	171,604	180,109

	CONSOLIDATED		PARENT	
	2009 $	2008 $	2009 $	2008 $

3 REVENUE AND EXPENSES (CONT'D)

(d) Finance costs

Payments to HSBC	78,234	265,406	-	-
Customer deposits	51,427	90,637	-	-
Non bank financing arrangements	15,069	15,134	4,663	921
Interest expense – inter-group	-	-	35,632	8,346
	144,730	371,177	40,295	9,267

4 INCOME TAX

a. Major components of income tax expense comprise:

Current income tax				
Current tax	(784,552)	(774,846)	12,970	1,438
Under provision in respect of prior years	11,795	(13,370)	-	-
Income tax (benefit) / expense	(772,757)	(788,216)	12,970	1,438

	CONSOLIDATED		PARENT	
	2009 $	2008 $	2009 $	2008 $

4 INCOME TAX (CONT'D)

b. The prima facie tax on (loss) / profit before income tax is reconciled to the income tax as follows:

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT 2009 $	PARENT 2008 $
Prima facie tax payable on (loss) / profit before income tax at 30% (2008: 30%)	(100,489)	244,257	12,810	1,438
Add tax effect of:				
Expenditure not allowable for income tax	426,537	680,559	160	-
Assessable income for tax purposes	1,802	82,034	-	-
Less tax effect of:				
Expenditure allowable for income tax	(667,786)	(1,150,535)	-	-
Income not assessable for income tax	(444,616)	(625,903)	-	-
Adjustments in respect of current income tax of previous years	11,795	(13,370)	-	-
Recoup of prior year tax losses not previously brought to account	-	(5,258)	-	-
Income tax attributable to entity	(772,757)	(788,216)	12,970	1,438

Tax consolidation

Questus Limited and its 100% owned subsidiaries are not part of a tax consolidated group. Investigations are in progress as to the eligibility and benefits of forming a tax consolidated group.

5 EARNINGS PER SHARE

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	CONSOLIDATED	
	2009 $	2008 $
Net profit attributable to ordinary shareholders for basic and diluted earnings per share	437,789	1,602,407
Weighted average number of ordinary shares for basic earnings per share	35,909,883	22,553,719
Weighted average number of ordinary shares dilutive earnings per share	38,380,568	22,553,719
Earnings per share (cents per share)		
- basic for profit for the year	1.2c	7.1c
- diluted for profit for the year	1.1c	7.1c

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

The 2008 weighted average number of shares is based on those shares on issue adjusted for the 1 for 20 capital restructure that took place in November 2007.

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	$	$	$	$
6 CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	318,017	1,365,609	145,066	1,047,479
Cash at bank - restricted	75,985	5,957	-	-
Short term deposits	-	23,428	-	-
	394,002	1,394,994	145,066	1,047,479

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	$	$	$	$

6 CASH AND CASH EQUIVALENTS (CONT'D)

Reconciliation of cash

For the purposes of the cash flow statement, cash and cash equivalents comprise the following at 30 June:

	2009 $	2008 $	2009 $	2008 $
Cash at bank and on hand	394,002	1,371,566	145,066	1,047,479
Short-term deposits	-	23,428	-	-
	394,002	1,394,994	145,066	1,047,479

7 TRADE AND OTHER RECEIVABLES

	2009 $	2008 $	2009 $	2008 $
CURRENT				
Trade receivables	1,057,338	485,900	-	135
Lease commitment receivables	220,793	235,149	-	-
Loan receivables	-	115,307	-	-
GST refundable	-	-	1,526	3,110
Amounts receivable from:				
- wholly-owned subsidiaries	-	-	3,121,151	2,190,212
Less impairment	-	-	(130,483)	-
- Other related parties	911,497	632,864	571,423	278,364
Accrued income	188,069	1,654,545	-	-
Interest receivable	24,349	8,290	76	3,135
Other debtors	43,558	13,700	-	-
	2,445,604	3,145,755	3,563,693	2,474,956

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	$	$	$	$

7 TRADE AND OTHER RECEIVABLES (CONT'D)

NON-CURRENT				
Trade Receivables	1,654,546	-	-	-
Lease commitment receivables	223,107	340,445	-	-
	1,877,653	340,445	-	-

For terms and conditions relating to related party receivables, refer to note 22.

Lease Commitments Receivable

Current				
Lease commitments receivable	220,793	350,456	-	-
Accumulated allowance for uncollectible minimum lease payments receivable	-	-	-	-
	220,793	350,456	-	-
Non-current				
Lease commitments receivable	223,107	340,445	-	-
Accumulated allowance for uncollectible minimum lease payments receivable	-	-	-	-
	223,107	340,445	-	-
Total				
Lease commitments receivable	443,900	690,901	-	-
Accumulated allowance for uncollectible minimum lease payments receivable	-	-	-	-
	443,900	690,901	-	-

7 TRADE AND OTHER RECEIVABLES (CONT'D)

Time expected to elapse to expected date of receipt	Minimum Lease Payments $	Lease Finance Revenue not yet Recognised $	Lease Receivable $
Consolidated 2009			
Not later than 1 year	278,377	(57,584)	220,793
Later than 1 year and not later than 5 years	246,391	(23,284)	223,107
	524,768	(80,868)	443,900
Consolidated 2008			
Not later than 1 year	410,949	(60,493)	350,456
Later than 1 year and not later than 5 years	441,826	(101,381)	340,445
	852,775	(161,874)	690,901

8 OTHER ASSETS

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	$	$	$	$
CURRENT				
Prepaid insurance	109,716	134,438	29,957	47,124
NON-CURRENT				
Prepaid insurance	21,719	-	6,241	-

9 FINANCIAL ASSETS

Available-for-sale financial assets	9a	70,213	56,363	3,566,974	3,403,571
Held to maturity financial asset	9b	365,000	200,000	-	-
Associated companies	9c	2	-	-	-
		435,215	256,363	3,566,974	3,403,571

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	$	$	$	$
9 FINANCIAL ASSETS (CONT'D)				
a. Available-for-sale financial assets				
Listed investment, at fair value				
— Share in listed trust	133,861	183,893	-	-
Less: Impairment provision	(113,648)	(127,530)	-	-
	20,213	56,363	-	-
Unlisted investments, at cost				
— shares in controlled entities	-	-	3,748,405	3,585,002
Less: Impairment provision	-	-	(181,431)	(181,431)
	-	-	3,566,974	3,403,571
— Units in unit trusts	50,000	-	-	-
Less: Impairment Provision	-	-	-	-
	50,000	-	-	-
Total available-for-sale financial assets	70,213	56,363	3,566,974	3,403,571
b. Held-to-maturity financial assets comprise:				
Deposit - Questus Mortgage Fund Limited	50,000	50,000	-	-
Debentures - Links Ridge Estate	315,000	150,000	-	-
	365,000	200,000	-	-
c. Associated company				
Associated companies	2	-	-	-

9 FINANCIAL ASSETS (CONT'D)

Name	Principal activities	Country of incorporation	Shares	Ownership interest		Carry amount of investment	
Unlisted:				2009	2008	2009	2008
				%	%	$	$
Davack Pty Ltd	Dormant	Australia	1	50	-	1	-
Ticsy Pty Ltd	Dormant	Australia	1	50	-	1	-

10 CONTROLLED ENTITIES

a. Investments in controlled entities at cost less impairment:

	Country of incorporation	Percentage owned (%)		Investment	
Subsidiaries of Questus Limited:		2009	2008	2009	2008
		%	%	$	$
FRL (WA) Limited	Australia	100	100	-	-
FRL Contracting Pty Ltd	Australia	100	100	-	-
Financial Resources Securities Ltd	Australia	100	100	585,000	585,000
- Impairment provision				(181,431)	(181,431)
Quickcard Australia Pty Ltd**	Australia	-	75	-	-
Quickcard (WA) Pty Ltd*	Australia	-	75	-	-
Questus Capital Solutions Pty Ltd	Australia	100	100	720,000	720,000
Questus Funds Management Limited	Australia	100	100	2,280,000	2,280,000
Questus Administration Services Pty Ltd	Australia	100	100	163,399	2
Questus Warrants Pty Ltd	Australia	100	100	2	2
Questus Asset Management Pty Ltd	Australia	100	100	2	2
Questus Property Management Pty Ltd	Australia	100	100	2	2
				3,566,974	3,403,571

** The company has been deregistered.

* The company has been deregistered.

11 PLANT AND EQUIPMENT

	CONSOLIDATED		
	Office Equipment	Plant and equipment	Total
	$	$	$
2008			
Balance at beginning of year	5,027	-	5,027
Additions	12,867	6,167	19,034
Disposals	(5,027)	-	(5,027)
Depreciation	(7,941)	(4,786)	(12,727)
Balance at end of year	4,926	1,381	6,307
At cost	29,111	13,952	43,063
Accumulated depreciation	(24,185)	(12,571)	(36,756)
Net carrying amount	4,926	1,381	6,307
2009			
Balance at beginning of year	4,926	1,381	6,307
Additions	9,909	1,923	11,832
Disposals	-	-	-
Depreciation	(2,550)	(1,572)	(4,122)
Balance at end of year	12,285	1,732	14,017
At Cost	39,019	15,874	54,893
Accumulated depreciation	(26,734)	(14,142)	(40,876)
Net carrying amount	12,285	1,732	14,017

12 INTANGIBLE ASSETS

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	$	$	$	$
Goodwill at cost	2,481,368	2,481,368	-	-
Accumulated impairment losses	-	-	-	-
Net carrying value	2,481,368	2,481,368		
Licences	118,620	118,620	-	-
Less accumulated amortisation	(47,417)	(35,555)	-	-
Net carrying value	71,203	83,065		
Total intangibles	2,552,571	2,564,433	-	-

Reconciliation of carrying amounts at the beginning and end of the period:

	CONSOLIDATED		
	Goodwill	Licences	Formation
	$	$	$
2008			
At 1 July 2007	-	-	-
Additions	2,481,368	91,338	1,759
Amortisation	-	(8,273)	(1,759)
Impairment losses	-	-	-
At 30 June 2008	2,481,368	83,065	-
2009			
At 1 July 2008	2,481,368	83,065	-
Additions	-	-	-
Amortisation charge	-	(11,862)	-
Impairment losses	-	-	-
At 30 June 2009	2,481,368	71,203	-

12 INTANGIBLE ASSETS (CONT'D)

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the income statement. Goodwill has an infinite life.

Impairment Disclosures

Goodwill is allocated to cash-generating units.

	2009 $	2008 $
Questus Funds Management Pty Ltd	1,947,235	1,947,235
Questus Capital Solutions Pty Ltd	534,133	534,133
Total	2,481,368	2,481,368

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period. The discount rate applied to the cash flow projections for the year ended 30 June 2009 was 12%.

The following assumptions were used in the value-in-use calculations:

	Growth Rate	Discount Rate
Questus Funds Management Pty Ltd cash generating unit; and	1%	12%
Questus Capital Solutions Pty Ltd cash generating unit	1%	12%

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets consider historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	$	$	$	$

13 TRADE AND OTHER PAYABLES

Trade payables	277,266	151,129	66,582	18,987
Other payables	434,857	114,216	16,000	14,019
GST payable	33,887	2,549	-	-
Amount payable to related parties*	268,732	62,458	-	-
	1,014,742	330,352	82,582	33,006

Trade payables are non-interest bearing and are normally settled on 60-day terms. Other payables are non-interest bearing and have an average term of 3 months.

*For terms and conditions relating to related parties, refer to note 22.

14 INTEREST-BEARING LIABILITIES

	Effective interest rate %				
Current					
Amount due to controlled entity	10.0%	-	-	276,378	167,086
Insurance Funding – unsecured	16.5%	126,775	161,481	36,430	62,591
ATO running balance account	14.7%.	-	17,098	-	-
Investor loans - unsecured	9.7%	-	657,000	-	-
		126,775	835,579	312,808	229,677
Non-current					
Investor loans - unsecured	9.7%	472,527	20,000	-	-
		472,527	20,000	-	-

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	$	$	$	$

15 PROVISIONS

Consolidated

	Long Service leave	Annual Leave	Total
	$	$	$
Opening balance at 1 July 2008	3,470	61,771	65,241
Additional provisions	1,100	32,697	33,797
Amounts used	(2,285)	(60,149)	(62,434)
Balance at 30 June 2009	2,285	34,319	36,604

Analysis of Total Provisions

	2009	2008	2009	2008
Current	36,604	65,241	-	-

16 TAX

CURRENT

	2009	2008	2009	2008
Income tax payable	682,519	707,158	34,579	-

NON-CURRENT

	Opening Balance	Charged to Income	Charged directly to Equity	Opening Balance Adjustment	Closing Balance
Consolidated	$	$	$	$	$
Deferred tax liability					
Trade and other receivables	5,232	464	-	(4,291)	1,405
Lease receivables	340,756	27,978	-	10,194	378,928
Balance at 30 June 2009	345,988	28,442	-	5,903	380,333

16 TAX (CONT'D)

NON-CURRENT

Consolidated	Opening Balance $	Charged to Income $	Charged directly to Equity $	Opening Balance Adjustment $	Closing Balance $
Deferred tax liability					
Trade and other receivable	-	5,232	-	-	5,232
Lease receivables	-	340,756	-	-	340,756
Balance at 30 June 2008	-	345,988	-	-	345,988
Provisions	19,573	(8,592)	-	-	10,981
Trade and other payables	6,833	8,772	-	-	15,605
Others	423	1	-	-	424
Future income tax benefits attributable to tax losses	1,657,014	1,014,301	-	-	2,671,315
Transaction costs on equity issue	47,500	(11,875)	-	-	35,625
Balance at 30 June 2009	1,731,343	1,002,607	-	-	2,733,950
Provisions	-	17,018	-	2,555	19,573
Trade and other payables	-	55	-	6,778	6,833
Prepayment	-	73	-	(73)	-
Others	-	423	-	-	423
Lease receivables	15,208	(15,208)	-	-	-
Future income tax benefits attributable to tax losses	-	1,630,157	-	26,855	1,657,014
Transaction costs on equity issue	-	(11,875)	59,375	-	47,500
Balance at 30 June 2008	15,208	1,620,645	59,375	36,115	1,731,343

16 TAX (CONT'D)

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 2(p) occur:

- temporary differences : $nil (2008: $nil)

- tax losses : $nil (2008: $nil)

	Opening Balance	Charged to Income	Charged directly to Equity	Opening Balance on Purchase	Closing Balance
Parent	**$**	**$**	**$**	**$**	**$**
Deferred Tax Liability					
Receivables	941	(918)	-	-	23
Balance at 30 June 2009	941	(918)	-	-	23
Deferred Tax Asset					
Future income tax benefits attributable to tax losses	11,377	(11,377)	-	-	-
Provisions	-	4,800	-	-	4,800
Impairment of assets	-	39,145	-	-	39,145
Transaction costs on equity issue	47,500	(11,875)	-	-	35,625
Balance at 30 June 2009	58,877	20,693	-	-	79,570
Parent					
Deferred Tax Liability					
Receivables	-	941	-	-	941
Balance at 30 June 2008	-	941	-	-	941
Deferred Tax Asset					
Future income tax benefits attributable to tax losses	-	11,377	-	-	11,377
Transaction costs on equity issue	-	(11,875)	59,375	-	47,500
Balance at 30 June 2008	-	(498)	59,375	-	58,877

17 ISSUED CAPITAL

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
35,909,883 (2008: 35,909,883) fully paid ordinary shares	18,328,243	18,328,243	18,296,425	18,296,425

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

a. Movement in ordinary shares capital:

	Consolidated		Parent	
	Number	$	Number	$
At 1 July 2007	68,197,660	11,934,967	68,197,660	11,934,967
Reconstructed Share Capital based on 1 for 20 Shares held	(64,787,777)	11,934,967	(64,787,777)	11,934,967
Capital raised in November 2007	17,500,000	3,500,000	17,500,000	3,500,000
Capital raised pursuant to the purchase of Questus Capital Solution Pty Ltd and Questus Funds Management Limited	15,000,000	3,000,000	15,000,000	3,000,000
Costs incurred in raising capital	-	(106,724)	-	(138,542)
Balance at 30 June 2008	35,909,883	18,328,243	35,909,883	18,296,425
At 1 July 2008	35,909,883	18,328,243	35,909,883	18,296,425
Balance at 30 June 2009	35,909,883	18,328,243	35,909,883	18,296,425

b. Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital, redeemable preference shares, convertible preference shares and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. This strategy is to ensure that the Group's gearing ratio remains below 30%.

The gearing ratio's for the year ended 30 June 2009 and 30 June 2008 are as follows:

17 ISSUED CAPITAL (CONT'D)

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		$	$	$	$
Total borrowings	13,14	1,614,044	1,185,931	395,390	262,683
Less cash and cash equivalents	6	(394,002)	(1,394,994)	(145,066)	(1,047,479)
Net debt		1,220,042	(209,063)	250,324	(784,796)
Total equity		7,870,947	7,269,761	6,961,509	6,768,383
Total capital		9,090,989	7,060,698	7,211,833	5,983,587
Gearing ratio		13.4%	-	3.4%	-

c. Options

i. For information relating to the Questus Limited's employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 26 Share-based Payments.

ii. For information relating to share options issued to key management personnel during the financial year, refer to Note 26 Share-based Payments.

18 CASHFLOW INFORMATION

a. Reconciliation of cash flow from Operations with profit after income tax

Profit after income tax	437,789	1,602,407	29,729	3,356
Non-cash flows in profit				
Amortisation	11,862	8,273	-	-
Depreciation	4,122	5,538	-	-
Dividend and Distribution Income	2,451	-	-	-
Share based payments	163,397	-	-	-
Write-downs to recoverable amount	72,500	(14,406)	-	-
Impairment loss	16,170	(22,536)	130,965	-
Change in operating assets and liabilities				
Trade and other receivables	(796,292)	(1,429,257)	7,072	(770)
Other assets	3,001	(75,068)	10,925	(47,124)
Deferred tax asset	(1,002,606)	(1,620,648)	(20,693)	498
Trade payables and accruals	294,818	(322,505)	47,276	27,401
Interest payable	426	(2,053)	-	-
Income taxes payable	195,504	486,443	34,579	-
Deferred tax liability	34,345	345,988	(918)	941
Net cash (outflow) / inflow from operations	(562,513)	(1,037,824)	238,935	(15,698)

18 CASHFLOW INFORMATION (CONT'D)

b. Acquisition and disposal of entities

No entities were acquired or disposed of during the year ended 30 June 2009.

19 SEGMENT INFORMATION

The Group operates in the single business segment being the supply of financial services and products in one geographical location, Australia.

The directors believe this to be the case because of the following reasons:

- The Group performs services and provides products to a common profiled client base;
- The Group operates with a centralised system and shared personnel;
- There is a common use of the client base, financial planners and software; and
- The operations are conducted within a single regulatory environment**.**

20 FINANCIAL RISK MANAGEMENT

a. **Financial Risk Management Policies**

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills, leases, and promissory notes.

The main purpose of non-derivative financial instruments is to raise finance for Group operations.

Derivatives are not used by the Group.

i. Treasury Risk Management

The Group's exposure to Treasury Risk is considered minimal.

ii. Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases, hire purchase contracts and funding arrangements.

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained

20 FINANCIAL RISK MANAGEMENT (CONT'D)

a. Financial Risk Management Policies (CONT'D)

Credit risk

The Group monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

— The Group trades only with recognised, creditworthy third parties.

— It is the Group policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

There are no significant concentrations of credit risk within the Group.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Collateral has been given in the form of a guarantee and indemnity by Questus Ltd and Questus Asset Management Pty Ltd, to QLDF Development 3 Pty Ltd, which owes Bank of Queensland Ltd an amount of $7,525,000. Should QLDF Development 3 Pty Ltd be unable to pay the outstanding debt within the agreed terms from its own assets the amount will be settled by Questus Ltd and Questus Asset Management Pty Ltd.

Collateral has been given in the form of a guarantee and indemnity by Questus Ltd and Questus Asset Management Pty Ltd, to QLDF Development 2 Pty Ltd, which owes Bank of Queensland Ltd an amount of $3,796,000. Should QLDF Development 2 Pty Ltd be unable to pay the outstanding debt within the agreed terms from its own assets the amount will be settled by Questus Ltd and Questus Asset Management Pty Ltd.

Collateral has been given in the form of a guarantee and indemnity by Questus Ltd to Seacombe Gardens Pty Ltd, which owes St George Bank Ltd an amount of $12,000,000. Should Seacombe Gardens Pty Ltd be unable to pay the outstanding debt within the agreed terms from its own assets the amount will be settled by Questus Ltd.

QLDF Development 3 Pty Ltd and QLDF Development 2 Pty Ltd are entities controlled by Questus Land Development Fund of which Questus Funds Management Ltd, wholly owned subsidiary of Questus Ltd, is the responsible entity.

Credit risk is managed on a Group basis and reviewed regularly. It arises from exposures to customers as well as through certain deposits with financial institutions.

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

20 FINANCIAL RISK MANAGEMENT (CONT'D)

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $

The aging of the Group's trade and other receivable at the reporting date was:

Trade and other receivables				
No past due	4,323,257	3,486,201	3,563,693	2,474,956
Total	4,323,257	3,486,201	3,563,693	2,474,956

The consolidated group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated group.

Price risk

The Group's exposure to price risk is considered minimal.

20 FINANCIAL RISK MANAGEMENT (CONT'D)

i. Financial instrument composition and maturity analysis:

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

2009	Weighted average effective interest rate	<1 Year	>1 - <5 Years	>5 Years	Non Interest Bearing	Total
		$	$	$	$	$
CONSOLIDATED						
Financial Assets – Fixed Rate						
Lease receivables	16.7%	220,793	223,107	-	-	443,900
Loan receivables	10.0%	911,497	-	-	-	911,497
Trade receivables	-	-	-	-	2,711,884	2,711,884
Interest receivables	-	-	-	-	24,349	24,349
Other debtors	-	-	-	-	43,558	43,558
		1,132,290	223,107	-	2,779,791	4,135,188
Financial Liabilities – Fixed Rate						
Trade creditors	-	-	-	-	(277,266)	(277,266)
Other payables	-	-	-	-	(703,589)	(703,589)
Obligations under insurance funding contracts	16.5%	(126,775)	-	-	-	(126,775)
Investor loans – unsecured	9.7%	-	(472,527)	-	-	(472,527)
		(126,775)	(472,527)	-	(980,855)	(1,580,157)
Financial Assets - Floating rate						
Cash assets	0.15%	313,226	-	-	-	-
Cash assets	3.0%	80,776	-	-	-	-
		394,002	-	-	-	-

20 FINANCIAL RISK MANAGEMENT (CONT'D)

2009	Weighted average effective interest rate	<1 Year	>1 - <5 Years	>5 Years	Non Interest Bearing	Total
		$	$	$	$	$
PARENT					-	
Financial Assets – Fixed Rate						
Trade and other receivables		-	-	-	1,601	1,601
Loan receivables	10.0%	3,562,092	-	-	-	3,562,092
		3,562,092	-	-	1,601	3,563,693
Financial Liabilities – Fixed Rate						
Trade and other payables		-	-	-	(82,582)	(82,582)
Insurance funding	16.5%	(36,430)	-	-	-	(36,430)
Amount due to controlled entities	10%	(276,378)	-	-	-	(276,378)
		(312,808)	-	-	(82,582)	(395,390)
Financial Assets - Floating rate						
Cash assets	0.05%	64,290	-	-	-	64,290
Cash assets	3.0%	80,776	-	-	-	80,776
		145,066	-	-	-	145,066

20 FINANCIAL RISK MANAGEMENT (CONT'D)

2008	Weighted average effective interest rate	<1 Year	>1 - <5 Years	>5 Years	Non Non Interest Bearing	Total
		$	$	$	$	$
CONSOLIDATED						
Financial Assets – Fixed Rate						
Cash assets	5.7%	23,428	-	-	-	23,428
Lease receivables	16.8%	235,149	340,445	-	-	575,594
Loan receivables	11.3%	383,189	-	-	364,982	748,171
Trade receivables		-	-	-	485,900	485,900
Interest receivables		-	-	-	8,290	8,290
Other debtors		-	-	-	13,700	13,700
		641,766	340,445	-	872,872	1,855,083
Financial Liabilities – Fixed Rate						
Trade creditors		-	-	-	(151,129)	(151,129)
Other payables		-	-	-	(176,674)	(176,674)
Obligations under insurance funding contracts	19.1%	(161,481)	-	-	-	(161,481)
Investor loans – unsecured	9.6%	(657,000)	(20,000)	-	-	(677,000)
		(818,481)	(20,000)	-	(327,803)	(1,166,284)
Financial Assets - Floating rate						
Cash assets	0.5%	355,109	-	-	-	-
Cash assets	6.9%	1,016,457	-	-	-	-
		1,371,566	-	-	-	-
Financial Liabilities - Floating rate						
ATO running balance account	14.7%	(17,098)	-	-	-	(17,098)

20 FINANCIAL RISK MANAGEMENT (CONT'D)

2008	Weighted average effective interest rate	<1 Year	>1 - <5 Years	>5 Years	Non Non Interest Bearing	Total
		$	$	$	$	$
PARENT						
Financial Assets – Fixed Rate						
Trade and other receivables	-	-	-	-	3,270	3,270
Loan receivables	10.0%	2,468,576	-	-	-	2,468,576
		2,468,576	-	-	3,270	2,471,946
Financial Liabilities – Fixed Rate						
Trade and other payables	-	-	-	-	(33,006)	(33,006)
Insurance funding	19.1%	(62,591)	-	-	-	(62,591)
		(62,591)	-	-	(33,006)	(95,597)
Financial Assets - Floating rate						
Cash assets	0.5%	35,769	-	-	-	35,769
Cash assets	6.9%	1,011,710	-	-	-	1,011,710
		1,047,479	-	-	-	1,047,479

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument.

The other financial instruments of the Group and Parent that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

20 FINANCIAL RISK MANAGEMENT (CONT'D)

Trade and sundry payables are expected to be paid as followed:

	Consolidated		Parent	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Less than 6 months	1,014,742	330,352	82,582	33,006
	1,014,742	330,352	82,582	33,006

ii. **Net Fair Values**

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements at other than fair values.

	Carrying amount		Fair value	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
CONSOLIDATED				
Financial assets				
Financial asset	435,215	256,363	435,215	256,363
Cash and cash equivalent	394,002	1,394,994	394,002	1,394,994
Trade and other receivables	4,323,257	3,486,200	4,323,257	3,486,200
	5,152,474	5,137,557	5,152,474	5,137,557
Financial liabilities				
Trade and other payables	980,855	327,803	980,855	327,803
Interest bearing loan and borrowings	599,302	855,579	599,302	855,579
	1,580,157	1,183,382	1,580,157	1,183,382

iii. **Sensitivity Analysis**

Interest Rate Risk

The Group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

20 FINANCIAL RISK MANAGEMENT (CONT'D)

iii. Sensitivity Analysis (cont'd)

Consolidated		-1% change		+1% change	
	Carrying amount	Profit	Equity	Profit	Equity
2009	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	394,002	(3,940)	(3,940)	3,940	3,940
Total Increase/(Decrease)		(3,940)	(3,940)	3,940	3,940
2008					
Financial Assets					
Cash and cash equivalents	1,371,566	(13,716)	(13,716)	13,716	13,716
Financial Liabilities					
ATO running balance	17,098	171	171	(171)	(171)
Total Increase/(Decrease)		(13,545)	(13,545)	13,545	13,545
Parent					
2009					
Financial Assets					
Cash and cash equivalents	145,066	(1,450)	(1,450)	1,450	1,450
Total Increase/(Decrease)		(1,450)	(1,450)	1,450	1,450
2008					
Financial Assets					
Cash and cash equivalents	1,047,479	(10,474)	(10,474)	10,474	10,474
Total Increase/(Decrease)		(10,474)	(10,474)	10,474	10,474

The above interest rate risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$

21 COMMITMENTS

Operating lease commitments

The Group has entered into a commercial lease on one property. This lease is cancellable at any time.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

Within one year	12,155	12,155	-	-
After one year but not more than five years	32,411	44,566	-	-
	44,566	56,721	-	-

22 RELATED PARTY DISCLOSURE

The Company advanced and repaid loans, received loans and provided accounting and administrative assistance to other entities in the group during the current financial year. These transactions were on commercial terms and conditions.

Identification of related parties

The consolidated financial statements include the financial statements of Questus Limited and its subsidiaries listed in note 10a.

Questus Limited is the parent entity of Questus Funds Management Limited. Questus Funds Management Limited is the Responsible Entity of Questus Land Development Fund, Questus Residential Investment Fund and Questus Waterfront Property Trust.

22 RELATED PARTY DISCLOSURE (CONT'D)

Short term Loans
The following table sets out the related party loans included in the balance sheet of Questus Limited and its subsidiaries at 30 June 2009.

		CONSOLIDATED		PARENT	
Short term loans		**2009**	**2008**	**2009**	**2008**
Loan provided by:	**Loan provided to/ (from):**	**$**	**$**	**$**	**$**
Questus Limited and its subsidiaries	Questus Land Development Fund and its subsidiaries*	863,549	600,151	571,422	277,882
Questus Limited	Subsidiaries*	-	-	2,844,773	2,190,695
Questus Limited and its subsidiaries	Davack Pty Ltd	604	-	-	-
Questus Limited and its subsidiaries	Ticsy Pty Ltd	604	-	-	-
Questus Limited and its subsidiaries	R Olde (Director)	6,338	5,412	-	-
Questus Limited and its subsidiaries	D Somerville (Director)	2,000	2,000	-	-
Questus Limited and its subsidiaries	Questus Residential Investment Fund	100	-		
Questus Limited and its subsidiaries	Questus Capital Group Pty Ltd#	(215,080)	24,451	-	
Questus Limited and its subsidiaries	Euromicrocaps Pty Ltd#	850	850	-	-
Questus Limited and its subsidiaries	Questus Water Front Property Trust	(16,200)	-	-	-
		642,765	632,864	3,416,195	2,468,576

*The loan is charged with interest of 10%p.a. #DJ Somerville is the director of the company.

22 RELATED PARTY DISCLOSURE (CONT'D)

Debtors

The following amounts appeared as trade debtors or accrued income and trade creditors in the books of Questus Limited and its subsidiaries at 30 June 2009.

	CONSOLIDATED	
	2009	2008
Debtors	$	$
EMC Solar Ltd#	54,857	60,712
Barwick Mortgage Investments Ltd*	36,015	36,015
Questus Land Development Fund and its subsidiaries	501,061	388,903
Questus Mortgage Funds Ltd	135	135
	592,068	485,765

*RW Olde is the director of the company.

#DJ Somerville is the director of the company.

Creditors		
Questus Capital Group Pty Ltd	4,068	45,958

22 RELATED PARTY DISCLOSURE (CONT'D)

Services provided by Questus Limited and its subsidiaries

The following services were provided by/to Questus Limited and its subsidiary to/by related companies/ Key management personnel.

		CONSOLIDATED		PARENT	
		2009	2008	2009	2008
Service provided to	**Nature of service**	$	$	$	$
Questus Land Development Fund and its subsidiaries	Professional fees	734,022	994,524	-	-
Questus Land Development Fund and its subsidiaries	Expense Recoveries	53,724	99,763	-	-
Questus Land Development Fund and its subsidiaries	Interest on loans	64,350	12,609	40,551	-
EMC Solar Ltd and its subsidiaries	Expense Recoveries	158,209	10,712	-	-
Barwick Mortgage Investments Limited	Capital Raising Fees	-	36,015	-	-
Questus Mortgage Funds Limited	Commissions	-	154	-	-
Questus Land Development Fund and its subsidiaries	Sales Commission	39,276	-	-	-
Service provided by					
Questus Capital Group Pty Ltd	Expense Recoveries	13,889	116,722	-	-
Questus Capital Group Pty Ltd	Professional fees	-	15,000	-	-
Alexander James Kelly	Consulting fees	104,775	40,291	-	-
Andrew Boots#	Commission and Fees	3,136	-	-	-
Armada Consulting Pty Ltd*	Commission and Fees	7,688	-	-	-

*RW Olde is the director of the company.

Key management personnel.

22 RELATED PARTY DISCLOSURE (CONT'D)

The following services were provided within the Questus Limited to its subsidiaries.

		CONSOLIDATED		PARENT	
		2009	2008	2009	2008
		$	$	$	$
Service provided to	**Nature of service**				
Financial Resource Securities Ltd	Management fees	-	-	35,000	25,000
Subsidiaries	Interest on loan	-	-	282,454	112,908
Questus Limited	Interest on loan	-	-	35,633	8,346
DIY Super Warrants Pty Ltd	Professional fees	-	13,554	-	-
Financial Resources Limited	Professional fees	-	31,818	-	-
Service provided by					
DIY Super Warrants Pty Ltd	Professional fees	-	11,864	-	-

23 EVENTS AFTER THE BALANCE SHEET DATE

No matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the economic entity in future financial years.

24 AUDITOR'S REMUNERATION

	Consolidated		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Remuneration of the auditor of the parent entity for:				
— auditing or reviewing the financial report	47,000	51,500	47,000	38,000
— audit of AFSL licence	5,000	5,000	-	-
— taxation services	6,500	5,000	6,500	5,000

25 KEY MANAGEMENT PERSONNEL

a. Names and positions held of consolidated and parent entity key management personnel in office at any time during the financial year are:

Key Management Person	Position
Mr. DJ Somerville	Executive Chairman
Mr. RW Olde	Executive Director
Mr. AJ Kelly	Executive Director / Company Secretary (appointed 11 August 2008)
Mr. Andrew Boots	General Manager

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report, pursuant to the relief provided by AASB 2008-4 Amendments to Australian Accounting Standards – Key Management Personnel Disclosures by Disclosing Entities.

(b) Option holdings of key management personnel

2009	Balance at beg of period	Granted as Remuneration	Options Exercised	Net Change Other	Balance at end of period	Not Vested & Not Exercisable	Vested & Exercisable
Directors							
DJ Somerville*	5,000,000	2,025,000	-	-	2,025,000	-	7,025,000
RW Olde	-	2,025,000	-	-	2,025,000	-	2,025,000
AJ Kelly	-	540,000	-	-	540,000	-	540,000
Andrew Boots	-	540,000	-	-	540,000	-	540,000
Total	5,000,000	5,130,000	-	-	5,130,000	-	10,130,000

The options are unlisted, issued for nil consideration and have a term of 3 years.

25 KEY MANAGEMENT PERSONNEL (CONT'D)

(b) Option holdings of key management personnel (CONT'D)

2008	Balance at beg of period	Granted as Remuneration	Options Exercised	Net Change Other	Balance at end of period	Not Vested & Not Exercisable	Vested & Exercisable
Directors							
DJ Somerville*	-	-	-	5,000,000	-	-	5,000,000
Mr. RW Olde	-	-	-	-	-	-	-
AJ Kelly	-	-	-	-	-	-	-
R Pollastri	-	-	-	-	-	-	-
R.J. Andersen	-	-	-	-	-	-	-
RHC Turner	31,250	-	-	(31,250)	-	-	-
JK Bryant	59,982	-	-	(59,982)	-	-	-
Total	91,232	-	-	4,908,768	-	-	5,000,000

* Held either directly or indirectly by the director.

(c) Shareholdings of key management personnel

	Balance 01 July 2008	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 June 2009
	Ord	Ord	Ord	Ord	Ord
Directors					
DJ Somerville*	15,130,715	-	-	-	15,130,715
RW Olde*	643,373	-	-	-	643,373
AJ Kelly	10,000	-	-	-	10,000
Andrew Boots	20,000	-	-	-	20,000
Total	15,804,088	-	-	-	15,804,088

25 KEY MANAGEMENT PERSONNEL (CONT'D)

(c) Shareholdings of key management personnel (CONT'D)

	Balance 01 July 2007	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 June 2008
	Ord	Ord	Ord	Ord	Ord
Directors					
DJ Somerville*	-	-	-	15,130,715	15,130,715
RW Olde*	-	-	-	643,373	643,373
AJ Kelly	-	-	-	10,000	10,000
R Pollastri	-	-	-	590,000	590,000
RHC Turner	28,000	-	-	-	28,000
JK Bryant	120,484	-	-	-	120,484
Total	148,484	-	-	16,374,088	16,522,572

* Held either directly or indirect by the director.

(d) Other transactions and balances with key management personnel

A number of directors of the Company, or their director-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

The terms and conditions of the transactions with directors and their director related entities were no favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

26 SHARE-BASED PAYMENTS

The following share-based payment arrangements occurred in the current financial year:

- On 14 January 2009, 4,590,000 share options were granted to directors to accept ordinary shares at an exercise price of $0.06. The options are exercisable after 14 January 2009 but before 4 January 2012. The options hold no voting or dividend rights and are not transferable. When a director ceases employment the options are deemed to have lapsed. Since balance date, no director has ceased their employment. At balance date, no share option has been exercised.

- On 14 January 2009, 810,000 share options were granted to employees to accept ordinary shares at an exercise price of $0.06. The options are exercisable after 14 January 2009 but before 4 January 2012. The options hold no voting or dividend rights and are not transferable. When an employee ceases employment the options are deemed to have lapsed. Since balance date, no employee has ceased their employment. At balance date, no share option has been exercised.
-

	Consolidated			
	2009		2008	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the year	-	-	-	-
Granted	5,400,000	0.06	-	-
Lapsed	-	-	-	-
Outstanding at year-end	5,400,000	0.06	-	-
Exercisable at year-end	5,400,000	0.06	-	-

There were no options exercised during the year ended 30 June 2009 (2008:- nil).

The options outstanding at 30 June 2009 had a weighted average exercise price of $0.06 (2008:- $nil) and a weighted average remaining contractual life of 2.5 years (2008:- Nil).

The weighted average fair value of the options granted during the financial year was $0.03026 (2008:- $nil).

This price was calculated by using a Black-Scholes option pricing model, in respect of option issue in the respective year are applying the following inputs:

Weighted average exercise price	$0.06
Weighted average life of the option	3 years
Underlying share price	$0.065
Expected share price volatility	63.1%
Risk free interest rate	3.03%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Included under employee benefits expense in the income statement is $163,397 (2008: $nil), and relates, in full, to equity-settled share-based payment transactions.

27 CONTINGENT LIABILITIES

In the course of liquidation and administration of the various subsidiaries and investments of the company, consideration has been given to the guarantee in place. The directors do not consider that there is any claim against the head entity that will have a material impact on the Group.

In the course of its normal business the Group occasionally receives claims or writs for damages and other matters arising from its operations. Where, in the opinion of the directors, it is deemed appropriate, a specific provisions is made in relation to such matters, otherwise the directors deem such matters to be either without merit or of such kind or involve such amounts that would not have a material adverse effect on the operating results or financial position of the Group if disposed of unfavourably. As at the date of this report, no specific provisions have been made in relation to such matters.

28 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIOD

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Group will be unable to be determined. The following changes to accounting requirements are included:
    - acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
    - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
    - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
    - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity;
    - dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
    - impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee.
- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.

28 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIOD (CONT'D)

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Group as a policy of capitalising qualifying borrowing costs has been maintained by the Group.
- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

29 COMPANY DETAILS

The registered office of the company is:
Questus Limited
Level 3
47 Kishorn Road
APPLECROSS WA 6153

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standards and the Corporations Regulations 2001; and
   b. give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and consolidated group.
2. the directors have been given the declaration as required by S295A of the *Corporations Act 2001*.
3. 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.

This declaration is made in accordance with a resolution of the Board of Directors.

RW Olde
Director

Dated at Perth this 29 day of September 2009

RSM Bird Cameron Partners
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUESTUS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Questus Limited ("the company"), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and it controlled entities at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Basis for Qualified Auditor's Opinion

The audit report on the financial report of Questus Limited for the year ended 30 June 2007 expressed a disclaimer of opinion. As detailed in our audit report dated 25 September 2008 on the 30 June 2008 financial report, we were unable to perform alternative audit procedures to enable us to form an opinion on the company's and consolidated entity's balance sheets as at 30 June 2007 and their results for the year ended on that date. The results of the company and consolidated entity for the year ended 30 June 2008 would be affected to the extent of any misstatement of their 30 June 2007 balance sheets. Our audit report on the 30 June 2008 financial report was qualified on that basis. Accordingly, we are not in a position to and do not express an opinion on the company's and consolidated entity's income statements, statements of changes in equity and the cash flow statements, for the year ended 30 June 2008.

Qualified Auditor's Opinion

In our opinion, except for the effects on the comparatives for 30 June 2008 of such adjustments, if any, as might have been determined to be necessary had the limitation on the scope of our work as described in the preceding paragraph not existed, the financial report of Questus Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

The financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Material Uncertainty regarding Continuation as a Going Concern

Without further qualification to the opinion expressed above, we draw attention to Note 2 (b) in the financial report, which indicates that:

(a) during the year ended 30 June 2009, the company and consolidated entity had net cash outflows of \$902,413 and \$1,000,992 respectively; and
(b) at 30 June 2009, the company and consolidated entity had unrestricted cash assets of \$145,066 and \$318,017;

These conditions along with the other matters set forth in Note 2(b), indicate the existence of a material uncertainty which may cast significant doubt about the company's and consolidated entity's abilities to continue as going concerns and therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Significant Uncertainty regarding the Carrying Value of Investment in Questus Land Development Fund

Without further qualification to the opinion expressed above, we draw attention to Note 22 in the financial report. The company and consolidated entity each have material receivables due from a related party, Questus Land Development Fund ("QLDF"). Due to QLDF's financial position as at 30 June 2009 and its performance for the year ended, there is significant uncertainty about its ability to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in its financial report. This may ultimately impact on the company and consolidated entity, being able to recover receivables due from QLDF, at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report contained in the directors' report for the financial year ended 30 June 2009. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Questus Limited for the financial year ended 30 June 2009 complies with section 300A of the *Corporations Act 2001.*

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

Perth, WA
Dated: 29 September 2009

T PHONG
Partner

ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report. This information was prepared based on share registry information processed up to 30 June 2009 and using the share price on 30 June 2009 of 8 cents.

DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of listed equity security holders by size of holding:

	Ordinary shares	**Share Options**	**Ordinary shares**	**Share Options**
	2009		**2008**	
1 - 1,000	110	-	121	-
1,001 - 5,000	118	-	134	-
5,001 - 10,000	136	-	153	-
10,001 - 100,000	114	-	130	-
100,001 and over	38	-	37	-
	516	-	575	-
Number of shareholders holding less than a marketable parcel:	251	-	265	-

STATEMENT OF QUOTED SECURITIES

Listed on the Australian Securities Exchange are 35,909,883 (2008: 3,409,883) fully paid shares and zero (2008: 1,750,973) options. Prior year options were exercisable at $4.00 each on or before 31 May 2008. In addition to this there are 5,000,000 unlisted options with an exercise price of $0.50 exercisable before 31 December 2012 and 5,400,000 unlisted options with an exercise price of $0.06 exercisable before 04 January 2012.

EQUITY SECURITY HOLDERS

The names of the twenty largest holders of equity securities are listed below:

	30 June 2009		30 June 2008	
	Ordinary shares		Ordinary shares	
Name	Number	% holding	Number	% holding
QUESTUS CAPITAL GROUP PTY LTD	15,130,715	42.14%	15,130,715	42.14%
INVESTEC WA PTY LTD	2,559,750	7.13%	2,559,750	7.13%
TPIC PTY LTD	1,750,000	4.87%	1,750,000	4.87%
MILSOP PTY LTD	1,000,000	2.78%	1,000,000	2.78%
MCGAVIN RBA	848,808	2.36%	0	0%
J B INVESTMENTS PTY LTD	0	0%	700,000	1.95%
HUNTER DEVELOPMENTS 2001 PTY LTD	700,000	1.95%	700,000	1.95%
HORSESHOE HOLDINGS PTY LTD	700,000	1.95%	700,000	1.95%
DWELLERS NOMINEES PTY LTD	700,000	1.95%	700,000	1.95%
CREAMY PTY LTD	600,000	1.67%	600,000	1.67%
POLLASTRI RAG & J	590,000	1.64%	590,000	1.64%
AMBER MANAGEMENT PTY LTD	521,623	1.45%	0	0%
PJWO PTY LTD	500,000	1.39%	508,831	1.39%
ALSFORD PTY LTD	428,125	1.19%	428,125	1.19%
CASEY JL + EA	390,000	1.09%	390,000	1.09%
DWELLERS NOMINEES PTY LTD	360,000	1.00%	360,000	1.00%
FITEL NOMINEES LIMITED	300,000	0.84%	300,000	0.84%
SELOM NOMINEES PTY LTD	240,000	0.67%	240,000	0.67%
PUMPITUP PTY LTD	240,000	0.67%	240,000	0.67%
COOK RC & KA	230,000	0.64%	230,000	0.64%
DIXON E & HN	225,000	0.63%	225,000	0.63%
	28,014,021	78.01%	27,352,421	77.60%

SUBSTANTIAL SHAREHOLDERS

Name	Ordinary shares Number 2009	2008
QUESTUS CAPITAL GROUP PTY LTD	15,130,715	15,130,715

Unquoted equity securities

Analysis of numbers of unlisted equity security holders:

	Number on issue		Number of holders	
	2009	2008	2009	2008
Options Exercisable at $0.50	5,000,000	5,000,000	1	1
Options Exercisable at $0.06	5,400,000	5,400,000	5	-

Options exercisable at $0.50 are all held by Questus Capital Group Pty Limited

Options exercisable at $0.06 are held by employees as part of the employee option plan

Equity Option Holders

The names of the twenty largest holders of equity options are listed below:

	2009 Options		2008 Options	
Name	Number	% holding	Number	% holding
No Listed Options on issue	-	-	-	-
	-	-	-	-

Voting Rights:

Ordinary Shares

All ordinary shares carry one vote per share without restriction.

Partly Paid Shares

No voting rights

Options

No voting rights.