FULL YEAR REPORT:

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

30 June 2012

ASX Code: OEQ

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

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CORPORATE DIRECTORY

BOARD

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

COMPANY SECRETARY
Victor Ho

PRINCIPAL & REGISTERED OFFICE
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ASX CODE
OEQ

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Results for Announcement to the Market

Current Reporting Period:	Financial year ended 30 June 2012
Previous Corresponding Period:	Financial year ended 30 June 2011
Balance Date:	30 June 2012
Company:	Orion Equities Limited (**OEQ**)
Consolidated Entity:	Orion and controlled entities

OVERVIEW OF RESULTS FOR ANNOUNCEMENT TO THE MARKET

CONSOLIDATED ENTITY	2012 $	2011 $	% Change	Up/ Down
Total revenues	849,382	628,133	35%	Up
Total expenses	(5,802,549)	(3,304,141)	76%	Up
Loss before tax	**(4,953,167)**	**(2,676,008)**	85%	Up
Income tax expense	(24,864)	(82,211)	70%	Down
Loss attributable to members of the Company	**(4,978,031)**	**(2,758,219)**	81%	Up
Basic and diluted loss per share (cents)	(27.94)	(15.48)	81%	Up
Pre-tax NTA backing per share	0.695	0.975	29%	Down
Post-tax NTA backing per share	0.695	0.975	29%	Down

BRIEF EXPLANATION OF RESULTS

Revenues include:

(1) $767,427 income from olive grove operations (June 2011: $450,027); and

(2) $52,531 rental income (June 2011: nil).

Expenses include:

(1) $2,648,619 net loss on financial assets held at fair value through profit or loss (June 2011: $1516,956);

(2) $576,195 share of ASX listed Bentley Capital Limited's (**BEL**) (Associate entity) loss (net of dividends received from Bentley of $697,469) (June 2011: $167,032 share of Bentley's profit, net of dividends received from Bentley of $410,276);

(3) $1,274,715 olive grove and oils operations (which does not include revaluation and depreciation expenses) (June 2011: $601,024);

(4) $78,361 olive grove impairment and depreciation expenses (June 2011: $201,041); and

(5) $610,270 personnel costs (including Directors' fees) (June 2011: $617,837).

The principal components of the $2,648,619 net loss on financial assets held at fair value through profit or loss are:

(a) $2.25 million unrealised loss on a share investment in ASX listed Strike Resources Limited (**SRK**), which declined in value from $0.245 to $0.11 per share during the financial year; and

(b) $0.38 million unrealised loss on a share investment in ASX listed Alara Resources Limited (**AUQ**), which declined in value from $0.365 to $0.305 per share during the financial year.

Results for Announcement to the Market

DIVIDENDS

The Directors have not declared a dividend in respect of the financial year ended 30 June 2012.

ASSOCIATE ENTITY

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

(1) 27.97% interest in ASX listed Bentley Capital Limited (ACN 008 108 218) (**BEL**) (30 June 2011: 28.26%).

CONTROLLED ENTITIES

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

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

Please refer to the attached Directors' Report and Financial Report for further information on a review of the Consolidated Entity's operations and the financial position and performance of the Consolidated Entity and Company for the year ended 30 June 2012.

ANNUAL GENERAL MEETING (AGM)

Pursuant to the ASX Listing Rules, the Company gives notice that its 2012 AGM is expected to be held in Perth, Western Australia on Friday, 23 November 2012.

For and on behalf of the Directors,

Date: 31 August 2012

Victor Ho
Executive Director and Company Secretary

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

DIRECTORS' REPORT

The Directors present their report on Orion Equities Limited (**Company** or **OEQ**) and its controlled entities (the **Consolidated Entity** or **Orion**) for the year ended 30 June 2012 (**Balance Date**).

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

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year were the management of its investments, including investments in listed and unlisted securities, real estate held for development and resale, an olive grove and ultra premium 'Dandaragan Estate' Olive Oil operation.

NET TANGIBLE ASSET BACKING (NTA)

Consolidated Entity	2012 $	2011 $
Net tangible assets (before tax)	12,382,503	17,364,240
Pre-Tax NTA Backing per share	**0.695**	**0.975**
Less deferred tax assets and tax liabilities	-	-
Net tangible assets (after tax)	12,382,503	17,364,240
Pre-Tax NTA Backing per share	**0.695**	**0.975**
Based on total issued share capital	17,814,389	17,814,389

FINANCIAL POSITION

Consolidated Entity	2012 $	2011 $
Cash	365,031	289,140
Financial assets at fair value through profit and loss	3,821,383	6,470,003
Investments in listed Associate entity	4,584,254	7,088,745
Inventory	1,917,595	2,799,430
Receivables	292,915	106,554
Intangibles	727,746	782,058
Other assets	1,686,035	1,794,954
Deferred tax asset	352,085	1,165,887
Total Assets	**13,747,044**	**20,496,771**
Other payables and liabilities	(284,710)	(1,184,586)
Deferred tax liability	(352,085)	(1,165,887)
Net Assets	**13,110,249**	**18,146,298**
Issued capital	19,374,007	19,374,007
Accumulated Losses	(6,625,263)	(1,647,232)
Reserves	361,505	419,523
Total Equity	**13,110,249**	**18,146,298**

DIRECTORS' REPORT

OPERATING RESULTS

Consolidated Entity	2012 $	2011 $
Total revenues	849,382	628,133
Total expenses	(5,802,549)	(3,304,141)
Loss before tax	**(4,953,167)**	**(2,676,008)**
Income tax expense	(24,864)	(82,211)
Loss attributable to members of the Company	**(4,978,031)**	**(2,758,219)**

Revenues include:

(1) $767,427 income from olive grove operations (June 2011: $450,027); and

(2) $52,531 rental income (June 2011: nil).

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(2) $576,195 share of ASX listed Bentley Capital Limited's (**BEL**) (Associate entity) loss (net of dividends received from Bentley of $697,469) (June 2011: $167,032 share of Bentley's profit, net of dividends received from Bentley of $410,276);

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(5) $610,270 personnel costs (including Directors' fees) (June 2011: $617,837).

The principal components of the $2,648,619 net loss on financial assets held at fair value through profit or loss are:

(a) $2.25 million unrealised loss on a share investment in ASX listed Strike Resources Limited (**SRK**), which declined in value from $0.245 to $0.11 per share during the financial year; and

(b) $0.38 million unrealised loss on a share investment in ASX listed Alara Resources Limited (**AUQ**), which declined in value from $0.365 to $0.305 per share during the financial year.

LOSS PER SHARE

Consolidated Entity	2012	2011
Basic and diluted loss per share (cents)	(27.94)	(15.48)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share	17,814,389	17,814,389

DIVIDENDS

The Directors have not declared a dividend in respect of the financial year ended 30 June 2012.

DIRECTORS' REPORT

SECURITIES IN THE COMPANY

At Balance Date and the date of this report, the Company had 17,814,389 shares on issue (30 June 2011: 17,814,389). The Company does not have other securities on issue at the date of this report.

REVIEW OF OPERATIONS

(a) Portfolio Details As At 30 June 2012

Asset Weighting

	% of Net Assets 2012	2011
Australian equities	64%	75%
Agribusiness[1]	15%	14%
Property held for development and resale	12%	10%
Net tax liabilities (current year and deferred tax assets/liabilities)	-	-
Net cash/other assets and provisions	9%	1%
TOTAL	**100%**	**100%**

Major Holdings in Securities Portfolio

Equities		Fair Value $'m	% Net Assets	ASX Code	Industry Sector Exposures
(1)	Bentley Capital Limited	3.08	23.47%	BEL	Diversified Financials
(2)	Alara Resources Limited	1.93	14.73%	AUQ	Materials
(3)	Strike Resources Limited	1.84	14.00%	SRK	Materials
TOTAL		**6.85**	**52.20%**		

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

Strike Resources Limited (**Strike**) is a resources company with iron ore exploration and development projects in Peru. Orion Director, William Johnson is on the Board of Strike as a Non-Executive Director.

The Company holds 16,690,802 shares in Strike, being 11.71% of Strike's issued ordinary share capital (30 June 2011: 16,690,802 shares and 11.71%).

The value of Orion's holdings in Strike declined by $2.25 million during the course of the financial year, from $4.09 million (at $0.245 per share as at 30 June 2011) to $1.84 million (at $0.11 per share on 30 June 2012).

The Strike share price has appreciated to $0.125 as at 30 August 2012, generating an unrealised gain of $0.25 million subsequent to the 30 June 2012 balance date.

Historically, the shareholding in Strike has predominantly been earned through the sale of various mining assets to Strike. These assets were acquired and funded to the point of sale to Strike at a

1 Agribusiness net assets include olive grove land, olive trees, water licence, buildings, plant and equipment and inventory (bulk and packaged oils)

DIRECTORS' REPORT

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

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

Alara Resources Limited (**Alara**) is a minerals exploration and development company with precious and base metals projects in Saudi Arabia, Oman and Chile. Orion Directors, Farooq Khan and William Johnson are both on the Board of Alara as Non-Executive Directors; Alara has announced that Farooq Khan will be resigning as a Director on 31 August 2012. Orion Director and Company Secretary is also Company Secretary of Alara.

The Company holds 6,332,744 shares in Alara, being 3% of Alara's issued ordinary share capital (30 June 2011: 6,332,744 shares and 3%).

The value of Orion's holdings in Alara declined by $0.38 million during the course of the financial year, from $2.31 million (at $0.365 per share as at 30 June 2011) to $1.93 million (at $0.305 per share on 30 June 2012).

The Alara share price has declined to $0.28 as at 30 August 2012, generating an unrealised loss of $0.158 million subsequent to the 30 June 2012 balance date.

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

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

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

Orion holds 27.97% (20,513,783 shares) of Bentley's issued ordinary share capital with Queste Communications Ltd (the controlling company of Orion) holding 2.37% (1,740,625 shares) of Bentley's issued ordinary share capital (30 June 2011: Orion held 20,513,783 shares (28.26%) and Queste held 1,740,625 shares (2.40%)).

Bentley had net assets of $20.07 million as at 30 June 2012 (30 June 2011: $28.81 million) and incurred an after tax net loss of $2.03 million for the financial year (30 June 2011: $0.574 million net profit). Bentley has also returned (via fully franked dividends and capital returns net of the cost of on market share buy-backs) $7.02 million during the financial year (2011: $1.44 million, via fully franked dividends).

Bentley's asset weighting as at 30 June 2012 was 75.6% Australian equities (30 June 2011: 98.9%) and 4.90% net cash/ other assets (30 June 2011: $1.1%).

DIRECTORS' REPORT

Orion has been in receipt of significant dividend and return of capital payments from Bentley, with distributions in the past year being as follows:

(a) Bentley paid a one cent final and 2.4 cent special fully franked dividend in September 2011, with Orion's share being $697,469 (2011: Bentley paid 2 cents of fully franked dividends with Orion's share being $410,276); and

(b) Bentley returned five cents and one cent per share to shareholders in October 2011 and April 2012 respectively (with Orion's share totalling $1,230,827) under a return of capital approved by Bentley shareholders on 4 October 2011 and 4 April 2012 respectively.

On 31 August 2012, Bentley announced its intention to seek shareholder approval (at the upcoming 2012 AGM) to undertake a one cent per share return of capital. Subject to receipt of Bentley shareholder approval, Orion's entitlement under the return of capital is expected to be $205,138.

(e) Agribusiness

The Company owns the ultra premium 'Dandaragan Estate' Extra Virgin Olive Oil business and a 143 hectare commercial olive grove located in Gingin, Western Australian (approximately 100 kilometres North of Perth) producing olive oil from approximately 64,500, 13 year old olive tree plantings.

The 2012 harvesting season (completed in May 2012) yielded ~170 tonnes of fruit from which ~34,079 litres of oils were extracted (2011: ~1,200 tonnes of fruit and ~200,000 litres of oils). The decrease in tonnes processed reflects the biennial cycle of growth and production from olive trees whereby trees exhibit alternating years of high and low bearing fruit. Furthermore, the 2012 harvest was intentionally significantly reduced to save costs. The oil harvested is sufficient for the ultra premium 'Dandaragan Estate' Extra Virgin Olive Oil business.

A summary of results for the olive grove operations during the 2012 financial year are as follows:

(i) Gross revenues were $767,427) (2011: $450,027);

(ii) Olive grove operation expenses were $1,274,715 (which does not include revaluation and depreciation expenses) (June 2011: $601,024);

(iii) Net revaluation and depreciation expense were $78,361 (2011: $201,041); and

(iv) Inventory - Bulk Oils of $206,320 reflects the cost of harvesting and processing during the 2012 season incurred up to balance date (June 2011: $890,093).

The carrying values of the olive grove property ($999,901), trees ($65,500) and water licence ($627,750) are based on an independent valuation of the assets undertaken for the 30 June 2012 accounts.

(f) Other Property Assets

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

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

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

FUTURE DEVELOPMENTS

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

ENVIRONMENTAL REGULATION

The Consolidated Entity notes the reporting requirements of both the *Energy Efficiency Opportunities Act 2006* (**EEOA**) and the *National Greenhouse and Energy Reporting Act 2007* (**NGERA**). The *Energy Efficiency Opportunities Act 2006* requires affected companies to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the company intends to take as a result. The *National Greenhouse and Energy Reporting Act 2007* requires affected companies to report its annual greenhouse gas emissions and energy use.

The Consolidated Entity has determined that it does not operate a recognised facility requiring registration and reporting under the NGERA and in any event, it would fall under the threshold of greenhouse gas emissions required for registration and reporting. Similarly, the Consolidated Entity's energy consumption would fall under the threshold required for registration and reporting under the EEOA.

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

The Consolidated Entity is not otherwise subject to any particular or significant environmental regulation under either Commonwealth or State legislation. To the extent that any environmental regulations may have an incidental impact on the Consolidated Entity's operations, the Directors are not aware of any breach by the Consolidated Entity of those regulations.

DIRECTORS' REPORT

BOARD OF DIRECTORS

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

Farooq Khan	**Executive Chairman**
Appointed	23 October 2006
Qualifications	BJuris, LLB (*Western Australia*)
Experience	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
Relevant interest in shares	2,000 shares[2]
Special Responsibilities	Chairman of the Board and the Investment Committee
Other current directorships in listed entities	(1) Executive Chairman and Managing Director of Queste Communications Ltd (QUE) (since 10 March 1998) (2) Executive Chairman of Bentley Capital Limited (BEL) (director since 2 December 2003)
Former directorships in other listed entities in past 3 years	(1) Alara Resources Limited (AUQ) (18 May 2007 to 31 August 2012) (2) Yellow Brick Road Holdings Limited (YBR) (27 April 2006 to 18 March 2011) (3) Strike Resources Limited (SRK) (3 September 1999 to 3 February 2011)

William M. Johnson	**Executive Director**
Appointed	28 February 2003
Qualifications	MA (Oxon), MBA
Experience	Mr Johnson commenced his career in resource exploration and has held senior management and executive roles in a number of public companies in Australia, New Zealand and Asia. Throughout his career, Mr Johnson has been actively involved in the strategic analysis of a diverse range of business and investment opportunities, and the execution of many corporate transactions. As Executive Director, Mr Johnson is part of the Investment Committee of the Company. Mr Johnson brings a considerable depth of experience in business strategy and investment analysis and execution.
Relevant interest in shares	None
Special Responsibilities	Member of Investment Committee
Other current directorships in listed entities	(1) Executive Director of Bentley Capital Limited (BEL) (since 13 March 2009) (2) Non-Executive Director of Alara Resources Limited (AUQ) (since 1 July 2011) (Director since 26 October 2009) (3) Non-Executive Director of Strike Resources Limited (SRK) (since 30 April 2010) (Director since 14 July 2006)
Former directorships in other listed entities in past 3 years	None

2 Refer also Change of Director's Interest Notice dated 30 April 2012

DIRECTORS' REPORT

Victor P. H. Ho	**Executive Director and Company Secretary**
Appointed	Executive Director since 4 July 2003; Company Secretary since 2 August 2000
Qualifications	BCom, LLB (*Western Australia*)
Experience	Mr Ho has been in company secretarial/executive roles with a number of public listed companies since 2000. Previously, Mr Ho had 9 years experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has extensive experience in the structuring and execution of commercial and corporate transactions, capital raisings, capital management matters, public company administration, corporations law and stock exchange compliance and shareholder relations.
Relevant interest in shares	None
Special Responsibilities	Member of Investment Committee
Other positions held in listed entities	Company Secretary of: (1) Queste Communications Ltd (QUE) (since 30 August 2000) (2) Bentley Capital Limited (BEL) (since 5 February 2004) (3) Alara Resources Limited (AUQ) (since 4 April 2007)
Former directorships in other listed entities in past 3 years	(1) Strike Resources Limited (SRK) (Secretary between 9 March 2000 and 30 April 2010 and Director between 12 October 2000 and 25 September 2009)

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

DIRECTORS' REPORT

DIRECTORS' MEETINGS

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

Name of Director	Meetings Attended	Maximum Possible Meetings
Farooq Khan	7	7
William Johnson	8	8
Victor Ho	8	8
Yaqoob Khan	7	7

Board Committees

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

REMUNERATION REPORT (audited)

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

The information provided under headings (1) to (4) below has been audited as required under section 308(3)(c) of the *Corporations Act 2001*.

(1) Remuneration Policy

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

Fixed Cash Short Term Employment Benefits: The Key Management Personnel of the Company are paid a fixed amount per annum plus applicable employer superannuation contributions. The Non-Executive Directors of the Company are paid a maximum aggregate base remuneration fixed by the Company at a shareholders meeting, to be divided as the Board determines appropriate.

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

(a) Mr Farooq Khan (Executive Chairman) - a base salary of $250,000 per annum plus employer superannuation contributions (currently 9%);

(b) Mr William Johnson (Executive Director) - a base salary of $45,000 per annum plus employer superannuation contributions (currently 9%);

(c) Mr Victor Ho (Executive Director and Company Secretary) - a base salary of $75,000 per annum plus employer superannuation contributions (currently 9%); and

(d) Mr Yaqoob Khan (Non-Executive Director) - a base fee of $25,000 per annum.

DIRECTORS' REPORT

Key Management Personnel can also opt to "salary sacrifice" their cash fees/salary and have them paid wholly or partly as further employer superannuation contributions or benefits exempt from fringe benefits tax.

Special Exertions and Reimbursements: Pursuant to the Company's Constitution, each Director is entitled to receive:

(a) Payment for the performance of extra services or the making of special exertions at the request of the Board and for the purposes of the Company.

(b) Payment for reimbursement of all reasonable expenses (including travelling and accommodation expenses) incurred by a Director for the purpose of attending meetings of the Company or the Board, on the business of the Company, or in carrying out duties as a Director.

Long Term Benefits: Key Management Personnel have no right to termination payments save for payment of accrued annual leave and long service leave (other than Non-Executive Directors).

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

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

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

Service Agreements: The Company does not presently have formal service agreements or employment contracts with any Key Management Personnel.

Financial Performance of Company: There is no relationship between the Company's current remuneration policy and the Company's performance.

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

(2) Details of Remuneration of Key Management Personnel

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

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

DIRECTORS' REPORT

PREVIOUS YEAR: 2011		Short-term Benefits		Post Employment Benefits	Other Long-term Benefits	Equity Based	
Key Management Personnel	Performance related	Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares and Options	Total
	%	$	$	$	$	$	$
Executive Directors:							
Farooq Khan	-	230,769	-	20,769	-	-	251,538
William Johnson	-	77,885	-	7,010	-	-	84,895
Victor Ho	-	77,885	-	7,010	-	-	84,895
Non-Executive Director:							
Yaqoob Khan	-	25,000	-	-	-	-	25,000

Victor Ho is also Company Secretary of the Company.

(3) Other Benefits Provided to Key Management Personnel

No Key Management Personnel has during or since the end of the 30 June 2011 financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed above, by reason of a contract made by the Company or a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

(4) Voting and Comments on Remuneration Report at 2011 AGM

At the Company's most recent (2011) AGM, a resolution to adopt the prior year (2011) Remuneration Report was put to the vote and 80% of "yes" votes were cast by shareholders for adoption of the Remuneration Report. No comments were made on the Remuneration Report that was considered at the AGM.

This concludes the audited remuneration report.

DIRECTORS' AND OFFICERS' INSURANCE

The Company has not included details of the nature of the liabilities covered or the amount of premiums paid in respect of a Directors and Officers liability and legal expenses' insurance contract, as such disclosure is prohibited under the terms of the contract.

DIRECTORS' DEEDS

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

(a) The Company's obligation to indemnify a Director for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the Corporations Act); and

(b) Subject to the terms of the deed and the Corporations Act, the Company may advance monies to the Director to meet any costs or expenses of the Director incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any legal proceedings brought against the Director.

DIRECTORS' REPORT

LEGAL PROCEEDINGS ON BEHALF OF CONSOLIDATED ENTITY

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

AUDITOR

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

Audit & Review Fees $	Non-Audit Services $	Total $
43,506	2,255	45,761

The Board is satisfied that the provision of non audit services by the auditor during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The Board is satisfied that the nature of the non-audit services disclosed above did not compromise the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327B of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* forms part of this Directors Report and is set out on page 16. This relates to the Audit Report, where the Auditors state that they have issued an independence declaration.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report (in particular, in Review of Operations) or the financial statements or notes thereto (in particular Subsequent Events Note 26), that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

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

Farooq Khan
Chairman

Victor Ho
Director

31 August 2012

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Fax: +8 6382 4601
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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

31 August 2012

The Board of Directors
Orion Equities Limited
Level 14, The Forrest Centre
221 St Georges Terrace
PERTH WA 6000

Dear Sirs,

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

As lead auditor of Orion Equities Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

Brad McVeigh
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2012

	Note	2012 $	2011 $
Revenue	3	849,382	461,101
Other			
Share of Net Profit of Associate		-	167,032
TOTAL REVENUE		**849,382**	**628,133**
EXPENSES	3		
Net Loss on Financial Assets at Fair Value through Profit or Loss		(2,648,619)	(1,516,956)
Share of Net Loss of Associate		(576,195)	-
Gain/(Loss) on Land held for Development or Resale		(160,000)	300,000
Cost of Goods Sold in relation to Olive Oil Operations		(1,182,799)	(582,608)
Personnel Expenses		(636,104)	(617,837)
Communication Expenses		(9,973)	(15,736)
Occupancy Expenses		(93,634)	(75,626)
Finance Expenses		(23,071)	(21,837)
Corporate Expenses		(30,392)	(33,936)
Administration Expenses		(441,762)	(739,605)
LOSS BEFORE INCOME TAX		**(4,953,167)**	**(2,676,008)**
Income Tax Expense	4	(24,864)	(82,211)
LOSS FOR THE YEAR		**(4,978,031)**	**(2,758,219)**
OTHER COMPREHENSIVE INCOME			
Revaluation of Assets, Net of Tax		(58,018)	(191,825)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(5,036,049)**	**(2,950,044)**
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and Diluted Loss per Share (cents)	7	(27.94)	(15.50)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2012

	Note	2012	2011
		$	$
CURRENT ASSETS			
Cash and Cash Equivalents	8	365,031	289,140
Financial Assets at Fair Value through Profit or Loss	9	3,821,383	6,470,003
Trade and Other Receivables	10	260,092	73,731
Inventories	11	277,595	999,430
Other Current Assets	12	3,434	5,057
TOTAL CURRENT ASSETS		**4,727,535**	**7,837,361**
NON CURRENT ASSETS			
Trade and Other Receivables	10	32,823	32,823
Land held for Development or Resale	11	1,640,000	1,800,000
Investment in Associate Entity	13	4,584,254	7,088,745
Property, Plant and Equipment	14	1,617,101	1,724,397
Olive Trees	15	65,500	65,500
Intangible Assets	16	727,746	782,058
Deferred Tax Asset	19	352,085	1,165,887
TOTAL NON CURRENT ASSETS		**9,019,509**	**12,659,410**
TOTAL ASSETS		**13,747,044**	**20,496,771**
CURRENT LIABILITIES			
Trade and Other Payables	17	183,630	1,100,349
Provisions	18	101,080	84,237
TOTAL CURRENT LIABILITIES		**284,710**	**1,184,586**
NON CURRENT LIABILITIES			
Deferred Tax Liability	19	352,085	1,165,887
TOTAL NON CURRENT LIABILITIES		**352,085**	**1,165,887**
TOTAL LIABILITIES		**636,795**	**2,350,473**
NET ASSETS		**13,110,249**	**18,146,298**
EQUITY			
Issued Capital	20	19,374,007	19,374,007
Reserves	21	361,505	419,523
Accumulated Losses		(6,625,263)	(1,647,232)
TOTAL EQUITY		**13,110,249**	**18,146,298**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2012

	Issued Capital	Reserves	Accumulated Losses	Total
	$	$	$	$
BALANCE AT 1 JULY 2010	**19,374,007**	**611,348**	**1,110,987**	**21,096,342**
Loss for the Year	-	-	(2,758,219)	(2,758,219)
Other Comprehensive Income	-	(191,825)	-	(191,825)
Total Comprehensive Loss for the Year	**-**	**(191,825)**	**(2,758,219)**	**(2,950,044)**
BALANCE AT 30 JUNE 2011	**19,374,007**	**419,523**	**(1,647,232)**	**18,146,298**
BALANCE AT 1 JULY 2011	**19,374,007**	**419,523**	**(1,647,232)**	**18,146,298**
Loss for the Year	-	-	(4,978,031)	(4,978,031)
Other Comprehensive Income	-	(58,018)	-	(58,018)
Total Comprehensive Loss for the Year	**-**	**(58,018)**	**(4,978,031)**	**(5,036,049)**
BALANCE AT 30 JUNE 2012	**19,374,007**	**361,505**	**(6,625,263)**	**13,110,249**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2012

	Note	2012	2011
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		633,432	450,037
Dividends Received		697,469	412,126
Interest Received		29,423	9,224
Payments to Suppliers and Employees		(1,975,088)	(1,999,554)
Interest Paid		(20,260)	(190)
Sale/Redemption of Financial Assets at Fair Value		-	1,321,780
Purchase of Financial Assets at Fair Value		-	(789,667)
NET CASH USED IN OPERATING ACTIVITIES	**8**	**(635,024)**	**(596,244)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Return of Capital Received	**13**	1,230,827	-
Purchase of Plant and Equipment	**14**	(3,200)	(12,147)
Loan from Controlling Entity		150,000	750,000
Repayment of Loan to Controlling Entity		(666,712)	(250,000)
NET CASH PROVIDED BY INVESTING ACTIVITIES		**710,915**	**487,853**
NET INCREASE/(DECREASE) IN CASH HELD		**75,891**	**(108,391)**
Cash and Cash Equivalents at Beginning of Financial Year		289,140	397,531
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**8**	**365,031**	**289,140**

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

1. SUMMARY OF ACCOUNTING POLICIES

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report includes the financial statements for the Consolidated Entity consisting of Orion Equities Limited and its subsidiaries. Orion Equities Limited is a company limited by shares, incorporated in Western Australia, Australia and whose shares are publicly traded on the Australian Securities Exchange (**ASX**).

1.1. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001.*

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

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

1.2. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiaries of Orion Equities Limited as at 30 June 2012 and the results of its subsidiaries for the year then ended. Orion Equities Limited and its subsidiaries are referred to in this financial report as the Consolidated Entity.

Subsidiaries are all entities over which the Consolidated Entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another entity. Information on the controlled entities is contained in Note 2(b) to the financial statements.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

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

1.3. Investments in Associates

Associates are all entities over which the Consolidated Entity has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates in the consolidated financial statements are accounted for using the equity method of accounting, after initially being recognised at cost. Under this method, the Consolidated Entity's share of the post-acquisition profits or losses of associates are recognised in the consolidated Statement of Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. (Refer to Note 13).

Dividends receivable from associates are recognised in the Company's statement of comprehensive income, while in the consolidated statement of financial position they reduce the carrying amount of the investment. When the Consolidated Entity's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Consolidated Entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Consolidated Entity and its associates are eliminated to the extent of the Consolidated Entity's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity. All associated entities have a June financial year-end.

1.4. Segment Reporting

The Consolidated Entity has applied AASB 8: Operating Segments which requires that segment information be presented on the same basis as that used for internal reporting purposes.

In this financial year, the operating segments have been determined by the Board, to be investments comprising of investments in shares, land and Associate entity and the olive grove. The Consolidated Entity's segment reporting is contained in Note 22 of the notes to the financial statements.

1.5. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax (**"GST"**) except where the amount of GST incurred is not recoverable from the Australian Tax Office. The following specific recognition criteria must also be met before revenue is recognised:

***Sale of Goods and Disposal of Assets* -** Revenue from the sale of goods and disposal of other assets is recognised when the Consolidated Entity has passed control of the goods or other assets to the buyer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

Contributions of Assets **-** Revenue arising from the contribution of assets is recognised when the Consolidated Entity gains control of the asset or the right to receive the contribution.

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

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

Other Revenues **-** Other revenues are recognised on a receipts basis.

1.6. Income Tax

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

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

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

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

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

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

Tax consolidation legislation

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

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

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

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

1.7. Goods and Services Tax (GST)

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

1.8. Employee Benefits

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

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

1.9. Cash and Cash Equivalents

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

1.10. Receivables

Trade and other receivables are recorded at amounts due less any provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when considered non-recoverable.

1.11. Investments and Other Financial Assets and Liabilities

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss - A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise.

Available for sale financial assets - Available for sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any other categories. Realised and unrealised gains and losses arising from changes in the fair value of these assets are recognised in equity in the period in which they arise.

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

Financial liabilities - Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

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

At each reporting date, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

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

1.12. Fair value Estimation

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

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

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

The Consolidated Entity's investment portfolio (comprising listed and unlisted securities) is accounted for as "financial assets at fair value through profit and loss" and is carried at fair value based on the quoted last bid prices at reporting date (refer to Note 9).

1.13. Property held for Resale

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

1.14. Property, Plant and Equipment

All plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

Freehold Land is not depreciated. Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. It is shown at fair value, based on periodic valuations by external independent valuers.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amount.

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

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

Class of Fixed Asset	Depreciation Rate	Depreciation Method
Plant and Equipment	15-33.3%	Diminishing Value
Furniture and Equipment	15-20%	Diminishing Value
Leasehold Improvements	15%	Diminishing Value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

1.15. Impairment of Assets

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

1.16. Payables

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

1.17. Provisions

Provisions for legal claims, service warranties and make good obligations has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

1.18. Issued Capital

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

1.19. Earnings Per Share

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

1.20. Inventories

(i) **Raw materials and stores, work in progress and finished goods**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. They include the transfer from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) **Land held for resale/capitalisation of borrowing costs**

Land held for resale is stated at the lower of cost or net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

1.21. Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

1.22. Biological Assets

Biological assets are initially, and subsequent to initial recognition, measured at their fair value less any estimated point-of-sale costs. Gains or losses arising on initial or subsequent recognition are accounted for via the profit or loss for the period in which the gain or loss arises. Agricultural produce harvested from the biological assets shall be measured at its fair value less estimated point-of-sale costs at the point of harvest.

1.23. Intangible Assets

The intangible assets acquired in a business combination are initially measured at its purchase price as its fair value at the acquisition date. The revaluation method states that after the initial recognition, an intangible asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. For the purpose of revaluations under AASB 138: *Intangible Assets*, fair value shall be determined by reference to an active market. Revaluations shall be made with such regularity that at the end of the reporting period the carrying amount of the asset does not differ materially from its fair value.

1.24. Comparative Figures

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

1.25. Critical accounting judgements and estimates

The preparation of the Consolidated Financial Statements requires Directors to make judgements and estimates and form assumptions that affect how certain assets, liabilities, revenue, expenses and equity are reported. At each reporting period, the Directors evaluate their judgements and estimates based on historical experience and on other various factors they believe to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities (that are not readily apparent from other sources, such as independent valuations). Actual results may differ from these estimates under different assumptions and conditions.

Non-current assets estimated at fair value

The Consolidated Entity carries its freehold land and intangible assets (water licence) at fair value with changes in the fair values recognised in equity. It also carries inventory (land held for development and resale) and olive trees at fair value with changes in the fair value recognised in the Statement of Comprehensive Income. Independent valuations are obtained for these non-current assets at least annually.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

1.26. Summary Of Accounting Standards Issued Not Yet Effective

The following new Accounting Standards and Interpretations (which have been released but not yet adopted) have no material impact on the Consolidated Entity's financial statements or the associated notes therein.

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	Periods beginning on or after 1 January 2015
AASB 10 (issued August 2011)	Consolidated Financial Statements	Introduces a single 'control model' for all entities, including special purpose entities (SPEs), whereby all of the following conditions must be present: • Power over investee (whether or not power used in practice); • Exposure, or rights, to variable returns from investee; and • Ability to use power over investee to affect the Entity's returns from investee. Introduces the concept of 'defacto' control for entities with less than 50% ownership interest in an entity, but which have a large shareholding compared to other shareholders. This could result in more instances of control and more entities being consolidated.	Annual reporting periods commencing on or after 1 January 2013
AASB 12 (issued August 2011)	Disclosure of Interests in Other Entities	Combines existing disclosures from AASB 127 *Consolidated and Separate Financial Statements*, AASB 128 *Investments in Associates* and AASB 131 *Interests in Joint Ventures*. Introduces new disclosure requirements for interests in associates and joint arrangements, as well as new requirements for unconsolidated structured entities.	Annual reporting periods commencing on or after 1 January 2013
AASB 13 (issued September 2011)	Fair Value Measurement	AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements. Additional disclosures required for items measured at fair value in the statement of financial position, as well as items merely disclosed at fair value in the notes to the financial statements. Extensive additional disclosure requirements for items measured at fair value that are 'level 3' valuations in the fair value hierarchy that are not financial instruments.	Annual reporting periods commencing on or after 1 January 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

1.26 Summary of Accounting Standards Issued Not Yet Effective (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:
AASB 119 (reissued September 2011)	Employee Benefits	Employee benefits expected to be settled (as opposed to due to settled under current standard) wholly within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used wholly within 12 months of end of reporting period will in future be discounted when calculating leave liability.	Annual periods commencing on or after 1 January 2013
AASB 2010-8 (issued December 2010)	Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (AASB 112)	For investment property measured using the fair value model, deferred tax assets and liabilities will be calculated on the basis of a rebuttable presumption that the carrying amount of the investment property will be recovered through sale.	Periods commencing on or after 1 January 2012
AASB 2011-4 (issued July 2011)	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	Amendments to remove individual key management personnel (KMP) disclosure requirements from AASB 124 to eliminate duplicated information required under the *Corporation Act 2001*	Annual periods commencing on or after 1 July 2013
AASB 2011-9 (issued September 2011)	Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	Amendments to align the presentation of items of other comprehensive income (OCI) with US GAAP. Various name changes of statements in AASB 101 as follows: • 1 statement of comprehensive income - to be referred to as 'statement of profit or loss and other comprehensive income'; • 2 statements - to be referred to as 'statement of profit or loss' and 'statement of comprehensive income'; and • OCI items must be grouped together into two sections: those that could subsequently be reclassified into profit or loss and those that cannot.	Annual periods commencing on or after 1 July 2012
AASB 2012-5 (issued June 2012)	Annual Improvements to Australian Accounting Standards 2009-2011 Cycle	Non-urgent but necessary changes to IFRSs (IAS1, IAS 16 & IAS 32).	Periods commencing on or after 1 January 2013
IFRS (issued December 2011)	Mandatory Effective Date of IFRS 9 and Transition Disclosures	Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	Annual reporting periods commencing on or after 1 January 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

2. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Orion Equities Limited, as at 30 June 2012. The information presented below has been prepared using accounting policies outlined in Note 1.

	2012	2011
	$	$
Current Assets	4,160,869	6,753,352
Non Current Assets	8,268,590	10,201,479
TOTAL ASSETS	**12,429,459**	**16,954,831**
Current Liabilities	142,956	785,042
Non Current Liabilities	694,439	610,401
TOTAL LIABILITIES	**837,395**	**1,395,443**
NET ASSETS	**11,592,064**	**15,559,388**
Issued Capital	19,374,007	19,374,007
Accumulated Losses	(7,781,943)	(3,814,619)
EQUITY	**11,592,064**	**15,559,388**
Loss for the Year	(3,967,324)	(2,384,637)
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(3,967,324)**	**(2,384,637)**

(a) Current Assets

	2012	2011
Cash and Cash Equivalents		
Cash at Bank	337,807	278,750
	337,807	**278,750**
Financial Assets at Fair Value through Profit and Loss		
Listed Investments at Fair Value	3,775,813	6,470,003
Unlisted Investments at Fair Value	45,570	-
	3,821,383	**6,470,003**

(b) Non Current Assets

(i) Loans to Subsidiaries

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

2. PARENT ENTITY INFORMATION (continued)

(b) Non Current Assets (continued)

(i) Loans to Subsidiaries (continued)

	2012	2011
	$	$
Opening Balance	9,071,263	8,337,263
Loans Advanced	693,483	802,000
Loans Repaid	(255,000)	(68,000)
Closing Balance	**9,509,746**	**9,071,263**
Provision for Impairment		
Opening Balance	(3,431,260)	(3,107,519)
Additional Impairment	(934,182)	(323,741)
Closing Balance	**(4,365,442)**	**(3,431,260)**

(ii) Investments in Wholly Owned Subsidiaries

	2012	2011
Shares in Controlled Entities - at cost	**100**	**100**

Details of percentage of Ordinary Shares held in Controlled Entities:		**Ownership Interest**	
		2012	**2011**
Investment in Controlled Entities	**Incorporated**	**%**	**%**
Silver Sands Developments Pty Ltd	Australia	100	100
Dandaragan Estate Pty Ltd	Australia	100	100
CXM Pty Ltd	Australia	100	100
Margaret River Wine Corporation Pty Ltd	Australia	100	100
Margaret River Olive Oil Company Pty Ltd	Australia	100	100

(c) Ultimate Parent Company

ASX listed entity Queste Communications Ltd (QUE) is deemed to have control of the Consolidated Entity as it holds 50.88% (2011: 50.88%) of the Company's total issued share capital.

(d) Transactions with Related Parties

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

	2012	2011
Bentley Capital Limited	**$**	**$**
Dividends Received	697,469	410,276
Return of Capital Received	1,230,827	-

(e) Lease Commitments	**Note**		
Not longer than one year	**24**	78,630	82,633
Later than one year but not later than five years	**24**	-	170,384
		78,630	**253,017**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

3. LOSS FOR THE YEAR

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

		2012	2011
(a)	**Revenue**	**$**	**$**
	Income from Sale of Olive Oil	767,427	450,027
	Rental Income	52,531	-
	Dividend Income	-	1,850
	Interest Income	29,424	9,224
		849,382	461,101
	Other		
	Share of Net Profit of Associate	-	167,032
		849,382	**628,133**
(b)	**Expenses**		
	Net Loss on Financial Assets at Fair Value through Profit or Loss	2,648,619	1,516,956
	Share of Net Loss of Associate	576,195	-
	Olive Oil Operations		
	Cost of Goods Sold	1,182,799	582,608
	Impairment and Depreciation of Olive Oil Assets	78,361	201,041
	Other Expenses	91,916	18,416
	Land Operations		
	(Gain)/Loss on Revaluation of Land	160,000	(300,000)
	Other Expenses	154,608	367,300
	Salaries, Fees and Employee Benefits	610,270	617,837
	Occupancy Expenses	94,636	75,626
	Finance Expenses	21,441	21,837
	Corporate Expenses		
	ASX Fees	19,441	22,690
	Share Registry	5,929	4,511
	Other Corporate Expenses	4,569	6,735
	Administration Expenses		
	Communications	9,448	15,736
	Professional Fees	6,559	55,465
	Brokerage Fees	-	7,270
	Realisation Cost of Investment Portfolio Written Back	(14,974)	(12,043)
	Write-Off of Fixed Assets	-	1,182
	Depreciation	3,566	2,906
	Other Administration Expenses	149,166	98,068
		5,802,549	**3,304,141**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

4. INCOME TAX EXPENSE

(a) The components of Tax Expense comprise:	**Note**	**2012**	**2011**
		$	**$**
Current Tax		-	-
Deferred Tax	**19**	24,864	82,211
		24,864	**82,211**

(b) The prima facie tax on Operating Profit before Income Tax is reconciled to the income tax as follows:		
Prima facie tax payable on Operating Profit before Income Tax at 30% (2011: 30%)	(1,485,950)	(802,802)
Adjust tax effect of:		
Other Assessable Income	294,296	176,070
Non-Deductible Expenses	864,180	558
Current Year Tax Losses not brought to account	179,479	129,937
Derecognition of previously recognised Tax Losses	-	680,789
Share of Net Profit/(Loss) of Associate	172,859	(50,110)
Derecognition of Prior Year Capital Losses	-	264,269
Utilisation of Prior Year Capital Losses	-	(316,500)
Income tax attributable to entity	**24,864**	**82,211**

(c) Deferred Tax recognised directly in Other Comprehensive Income		
Revaluations of Land and Intangible Assets	**24,864**	**82,211**

(d) Unrecognised Deferred Tax balances		
Unrecognised Deferred Tax Asset - Revenue Losses	1,762,174	987,352
Unrecognised Deferred Tax Asset - Capital Losses	246,719	246,719
	2,008,893	**1,234,071**

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

(e) Tax Consolidation

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

5. INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Consolidated Entity's KMP for the year ended 30 June 2012.

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

	2012	2011
Directors	**$**	**$**
Short-Term Employment Benefits	403,431	446,328
Other Long-Term Employment Benefits	25,000	-
	428,431	**446,328**

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

KMP Shareholdings	**Balance at Start of Year**	**Balance at Appointment /Cessation**	**Net Change**	**Balance at End of Year**
30 June 2012				
Directors				
Farooq Khan	2,000		-	2,000
William Johnson	-		-	-
Victor Ho	-		-	-
Yaqoob Khan	-		-	-
30 June 2011				
Directors				
Farooq Khan	2,000		-	2,000
William Johnson	-		-	-
Victor Ho	-		-	-
Yaqoob Khan	-		-	-

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

Other KMP Transactions

There were no other transactions with KMP (or their personally related entities) during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

6. AUDITORS' REMUNERATION

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

	2012	2011
BDO Audit (WA) Pty Ltd	**$**	**$**
Audit and Review of Financial Statements	43,506	36,809
Taxation Services	2,255	3,850
	45,761	**40,659**

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

7. LOSS PER SHARE

	2012	2011
	cents	**cents**
Basic and Diluted Loss per Share	(27.94)	(15.50)

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

	2012	2011
	$	**$**
Loss after Income Tax	(4,978,031)	(2,758,219)
	Number of Shares	**Number of Shares**
Weighted Average Number of Ordinary Shares	17,814,389	17,814,389

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

8. CASH AND CASH EQUIVALENTS

(a) Reconciliation of Cash

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

	2012	2011
	$	$
Cash at Bank and in hand	**365,031**	**289,140**

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

	2012	2011
Loss after Income Tax	**(4,978,031)**	**(2,758,219)**
Add Non-Cash Items:		
Depreciation	81,926	203,947
Net Loss on Financial Assets at Fair Value through Profit or Loss	2,648,619	1,516,956
Gain/(Loss) on Land held for Development or Resale	160,000	(300,000)
Share of Net Profit/(Loss) of Associate	576,195	(167,032)
Write-Off of Fixed Assets	-	1,182
Changes in Assets and Liabilities		
Financial Assets at Fair Value through Profit or Loss	-	532,113
Trade and Other Receivables	(186,361)	25,634
Inventories	721,835	(380,030)
Other Current Assets	1,623	(5,057)
Investments accounted for using the Equity Method	697,469	410,276
Trade and Other Payables	(400,006)	238,931
Provisions	16,843	2,843
Deferred Tax	24,864	82,212
	(635,024)	**(596,244)**

(c) Risk Exposure

The Consolidated Entity's exposure to interest rate risk is discussed in Note 23. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2012	2011
	$	$
Current		
Listed Investments at Fair Value	3,775,813	6,470,003
Unlisted Investments at Fair Value	45,570	-
	3,821,383	**6,470,003**

(a) Risk Exposure

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

10. TRADE AND OTHER RECEIVABLES

	2012	2011
	$	$
Current		
Trade Receivables	243,656	34,786
GST Receivable	15,529	35,483
Other Receivables	907	3,462
	260,092	**73,731**
Non Current		
Bonds and Guarantees	**32,823**	**32,823**

(a) Risk Exposure

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

(b) Impaired Trade Receivables

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

11. INVENTORIES

	2012	2011
	$	$
Current		
Bulk Oil - at cost	206,320	890,093
Packaged Oil - at cost	71,275	109,337
	277,595	**999,430**
Non Current		
Property held for Development or Resale	3,797,339	3,797,339
Revaluation of Property	(2,157,339)	(1,997,339)
	1,640,000	**1,800,000**

Property held for development or resale was valued by an independent qualified valuer (an Associate Member of the Australian Property Institute) on 30 June 2012. The revaluation has been recognised in the Statement of Comprehensive Income.

12. OTHER CURRENT ASSETS

	2012	2011
	$	$
Prepayments	**3,434**	**5,057**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

13. INVESTMENT IN ASSOCIATE ENTITY

	Ownership Interest		Carrying amount	
	2012	2011	2012	2011
	%	%	$	$
Bentley Capital Limited	27.9668	28.26 %	4,584,254	7,088,745

	2012	2011
Movement in Investment		
Opening Balance	7,088,745	7,331,989
Share of Net Profit/(Loss) after tax	(576,195)	167,032
Dividend Received	(697,469)	(410,276)
Returns of Capital Received	(1,230,827)	-
Closing Balance	**4,584,254**	**7,088,745**
Fair Value of Listed Investment in Associate	**3,077,067**	**4,513,032**
Net Asset Value of Investment	**5,613,462**	**8,139,662**

	Assets	Liabilities	Revenues	Net Profit/(Loss)
Summarised Position of Associate	$	$	$	$
2012				
Bentley Capital Limited	5,713,126	99,664	160,353	(576,195)
2011				
Bentley Capital Limited	8,161,031	21,369	528,875	167,032

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

14. PROPERTY, PLANT AND EQUIPMENT

	2012	2011
	$	$
Land		
At Cost	861,214	861,214
Revaluation	138,687	167,256
	999,901	**1,028,470**
Buildings		
At Cost	117,875	117,875
Accumulated Depreciation	(38,792)	(32,380)
	79,083	**85,495**
Plant and Equipment		
At Cost	1,396,885	1,332,254
Accumulated Depreciation	(861,958)	(725,553)
	534,927	**606,701**
Leasehold Improvements		
At Cost	22,129	22,129
Accumulated Depreciation	(18,939)	(18,398)
	3,190	**3,731**
	1,617,101	**1,724,397**

Movements in Carrying Amounts

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

	Freehold Land	Buildings	Plant and Equipment	Leasehold Improve-ments	Total
	$	$	$	$	$
AT 1 JULY 2010	**1,199,881**	**86,840**	**797,705**	**4,364**	**2,088,790**
Revaluation	(171,411)	-	-	-	(171,411)
Additions	-	5,443	6,704	-	12,147
Disposals	-	-	(1,182)	-	(1,182)
Depreciation expense	-	(6,788)	(196,526)	(633)	(203,947)
AT 30 JUNE 2011	**1,028,470**	**85,495**	**606,701**	**3,731**	**1,724,397**
AT 1 JULY 2011	**1,028,470**	**85,495**	**606,701**	**3,731**	**1,724,397**
Revaluation	(28,569)	-	-	-	(28,569)
Additions	-	-	3,200	-	3,200
Disposals	-	-	-	-	-
Depreciation expense	-	(6,412)	(74,974)	(541)	(81,927)
AT 30 JUNE 2012	**999,901**	**79,083**	**534,927**	**3,190**	**1,617,101**

Land was valued by an independent qualified valuer (an Associate Member of the Australian Property Institute) on 30 June 2012. The movement in the land value has been recognised in the Asset Revaluation Reserve (Note 21).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

15. OLIVE TREES

	2012	2011
	$	$
Olive Trees - at cost	300,000	300,000
Revaluation	(234,500)	(234,500)
	65,500	**65,500**

There are approximately 64,500 13 year old olive trees on the 143 hectare Olive Grove located in Gingin, Western Australia. The fair value of the trees is at the Directors' valuation having regard to, amongst other matters, replacement cost and the trees being in commercial production.

16. INTANGIBLE ASSETS

	2012	2011
	$	$
Water Licence		
At Cost	250,000	250,000
Revaluation	377,750	432,062
	627,750	**682,062**
Brand Name		
At Cost	99,996	99,996
	727,746	**782,058**

	Water Licence	Brand Name	Total
	$	$	$
AT 1 JULY 2010	**784,687**	**99,996**	**884,683**
Revaluation	(102,625)	-	(102,625)
AT 30 JUNE 2011	**682,062**	**99,996**	**782,058**
AT 1 JULY 2011	**682,062**	**99,996**	**782,058**
Revaluation	(54,312)	-	(54,312)
AT 30 JUNE 2012	**627,750**	**99,996**	**727,746**

The Water Licence pertains to the Olive Grove property in Gingin, Western Australia. As at 30 June 2012, an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) revalued the water licence downwards by $54,312 from the previous reporting date. The Brand Name pertains to the ultra premium Dandaragan Estate Olive Oil brand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

17. TRADE AND OTHER PAYABLES	2012	2011
	$	$
Current		
Trade Payables	19,999	257,461
Other Payables and Accrued Expenses	108,379	297,874
Prepaid Rental Income	26,950	-
Dividend Payable	28,302	28,302
Loan from Controlling Entity, Queste Communications Ltd	-	516,712
	183,630	**1,100,349**

(a) Risk Exposure

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

18. PROVISIONS	2012	2011
	$	$
Current		
Employee Benefits - Annual Leave	17,042	-
Employee Benefits - Long Service Leave	84,038	84,237
	101,080	**84,237**

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

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

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

	2012	2011
	$	$
Leave obligations expected to be settled after 12 months	84,038	84,237

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

19. DEFERRED TAX

Deferred Tax Assets - Non Current		
Employee Benefits and Accruals	48,606	99,568
Tax Losses	-	321,292
Other	303,479	745,027
	352,085	**1,165,887**
Deferred Tax Liabilities - Non Current		
Fair Value Gains	267,504	1,057,471
Other	84,581	108,416
	352,085	**1,165,887**

(a) Movements - Deferred Tax Assets

	Employee Benefits	Tax Losses	Other	Total
	$	$	$	$
AT 1 JULY 2010	**97,078**	**1,008,506**	**985,107**	**2,090,691**
Credited/(charged) to Profit and Loss	2,490	(687,214)	(240,080)	(924,804)
AT 30 JUNE 2011	**99,568**	**321,292**	**745,027**	**1,165,887**
AT 1 JULY 2011	**99,568**	**321,292**	**745,027**	**1,165,887**
Credited/(charged) to Profit and Loss	(50,962)	(321,292)	(441,548)	(813,802)
AT 30 JUNE 2012	**48,606**	**-**	**303,479**	**352,085**

(b) Movements - Deferred Tax Liabilities

	Fair Value Gains	Other	Total
	$	$	$
AT 1 JULY 2010	**1,899,035**	**191,656**	**2,090,691**
Credited/(charged) to Profit and Loss	(841,564)	(1,029)	(842,593)
Charged to Equity	-	(82,211)	(82,211)
AT 30 JUNE 2011	**1,057,471**	**108,416**	**1,165,887**
AT 1 JULY 2011	**1,057,471**	**108,416**	**1,165,887**
Credited/(charged) to Profit and Loss	(789,967)	1,029	(788,938)
Charged to Equity	-	(24,864)	(24,864)
AT 30 JUNE 2012	**267,504**	**84,581**	**352,085**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

20. ISSUED CAPITAL	2012 Number	2011 Number	2012 $	2011 $
Fully paid ordinary shares	17,814,389	17,814,389	19,374,007	19,374,007

(a) Ordinary Shares

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

(b) Capital Risk Management

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

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

21. RESERVES	2012 $	2011 $
Asset Revaluation Reserve		
Revaluations of Freehold Land	138,687	167,256
Revaluations of Intangible Assets	377,750	432,062
Less: Deferred Tax on Revaluations	(154,932)	(179,795)
	361,505	**419,523**

The movement in the Asset Revaluation Reserve relates to the revaluation of the Olive Grove land from $1,028,470 to $999,901 and the Water Licence from $682,062 to $627,750, as assessed by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

22. SEGMENT INFORMATION

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

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

	Investments	Olive Oil	Unallocated	Total
	$	$	$	$
2012				
Segment Revenues	52,531	767,427	29,423	849,381
Segment Loss before tax	(3,476,135)	(585,648)	(891,384)	(4,953,167)
Segment Assets	10,644,839	2,934,315	167,890	13,747,044
Segment Liabilities	86,366	185,698	364,731	636,795
2011				
Segment Revenues	168,882	450,027	9,224	628,133
Segment Loss before tax	(1,411,304)	(400,646)	(864,058)	(2,676,008)
Segment Assets	15,957,949	3,628,772	910,050	20,496,771
Segment Liabilities	(54,915)	(577,909)	(1,717,649)	(2,350,473)

23. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist of deposits with banks, accounts receivable and payable, investments in listed securities, and other unlisted securities. The principal activity of the Consolidated Entity is the management of these investments - "financial assets at fair value" (refer to Note 9). The Consolidated Entity's investments are subject to market (which includes interest rate and price risk), credit and liquidity risks.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

23. FINANCIAL RISK MANAGEMENT (continued)

The Consolidated Entity holds the following financial instruments:

		2012	2011
Financial Assets	**Note**	**$**	**$**
Cash and Cash Equivalents	**8**	365,031	289,140
Financial Assets at Fair Value through Profit or Loss	**9**	3,821,383	6,470,003
Trade and Other Receivables	**10**	260,092	73,731
		4,446,506	**6,832,874**
Financial Liabilities			
Trade and Other Payables	**17**	(183,630)	(1,100,349)
		(183,630)	**(1,100,349)**
NET FINANCIAL ASSETS		**4,262,876**	**5,732,525**

(a) Market Risk

(i) *Price Risk*

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

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

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

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

	Impact on Post-Tax Profit		Components of Equity	
	2012	**2011**	**2012**	**2011**
	$	**$**	**$**	**$**
ASX All Ordinaries Accumulation Index				
Increase 15%	1,483,900	445,767	1,483,900	445,767
Decrease 15%	(1,483,900)	(445,767)	(1,483,900)	(445,767)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

23. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) *Interest Rate Risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing instruments. The average interest rate for the year for the table below is 4.66% (2011: 4.60%). The revenue exposure is immaterial in terms of the possible impact on profit or loss or total equity.

	2012	2011
	$	$
Cash at Bank and in hand	**351,681**	**289,140**

The Consolidated Entity has a $650,000 unsecured loan facility with an interest rate of 10% per annum. The Consolidated Entity may have a liability exposure to interest rate risk with a maximum interest rate expense of $65,000 per annum. There is no outstanding balance under this facility as at balance date.

	2012	2011
	$	$
Loan from Queste Communications Ltd	**-**	**(516,712)**

(b) Credit Risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

23. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit Risk (continued)

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

	2012	2011
Cash and Cash Equivalents	**$**	**$**
AA	-	288,277
AA-	349,953	-
A-	1,728	-
BBB+	-	863
	351,681	**289,140**
Trade Receivables (due within 30 days)		
No external credit rating available	**260,092**	**73,731**

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

(c) Liquidity Risk

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

(d) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

As at 1 July 2009, the Consolidated Entity has adopted the amendment to AASB 7 *Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

23. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair Value Measurements (continued)

The following tables present the Consolidated Entity's financial assets and liabilities measured and recognised at fair value at 30 June 2012.

	Level 1	Level 2	Level 3	Total
2012	**$**	**$**	**$**	**$**
Financial Assets at Fair Value through Profit or Loss:				
Listed Investments at Fair Value	3,775,813	-	-	3,775,813
Unlisted Investments at Fair Value	-	-	45,570	45,570
2011				
Financial Assets at Fair Value through Profit or Loss:				
Listed Investments at Fair Value	6,470,003	-	-	6,470,003
Unlisted Investments at Fair Value	-	-	-	-

The fair value of investments in unlisted shares are considered a level 3 investment as their fair value is unable to be derived from market data.

24. COMMITMENTS

	2012	2011
	$	$
Not longer than one year	78,630	104,929
Later than one year but not later than five years	-	110,176
	78,630	**215,105**

The non-cancellable operating lease commitment is the Consolidated Entity's share of the office premises at Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia, and includes all outgoings (exclusive of GST). The lease is for a 7 year term expiring 30 June 2013 and contains a rent review increase each year alternating between 5% and the greater of market rate or CPI + 1%.

25. CONTINGENCIES

(a) Directors' Deeds

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2012

25. CONTINGENCIES (continued)

(b) Tenement Royalties

The Consolidated Entity is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from various Australian tenements - EL47/1328 and PL47/1170 (the Paulsens East Project tenements currently held by Strike Resources Limited (Strike)), EL 24879, 24928 and 24929 and ELA 24927) the Bigryli South Project tenements in the Northern Territory, current held by Alara Resources Limited (Alara)) and a right to earn and acquire an 85% interest in ELA 46/585 (excluding all manganese mineral rights) (the Canning Well Project tenements in Western Australia, currently held by Alara).

26. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) On 31 August 2012, Bentley Capital Limited, announced its intention to seek shareholder approval to undertake a one cent per share return of capital (Return of Capital). The Return of Capital is to be effected by Bentley seeking shareholder approval for a reduction in the share capital of the company by returning one cent per share to shareholders - this equates to an aggregate reduction of share capital by approximately $0.733 million based upon the company's 73,350,541 shares currently on issue. No shares will be cancelled as a result of the Return of Capital. Accordingly, the number of shares held by each shareholder will not change as a consequence of the Return of Capital. The Return of Capital is subject to Bentley shareholder approval which will be sought at the upcoming 2012 annual general meeting in November 2012. If Bentley shareholders approve this Return of Capital, the Company's entitlement under the Return of Capital is expected to be $205,138.

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

DIRECTORS' DECLARATION

The Directors of the Company declare that:

(1) The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes as set out on pages 17 to 47 are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting; and

   (b) give a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2012 and of their performance for the year ended on that date;

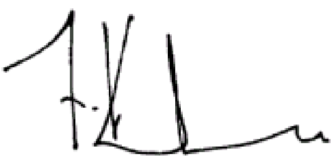
(2) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(3) The Remuneration Report disclosures set out (within the Directors' Report) on pages 12 to 14 (as the audited Remuneration Report) comply with section 300A of the *Corporate Act 2001*;

(4) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* by the Executive Chairman (the person who, in the opinion of the Directors, performs the chief executive function) and Company Secretary (the person who, in the opinion of the Directors, performs the chief financial officer function); and

(5) The Company has included in the notes to the Financial Statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

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



Farooq Khan
Chairman

Victor Ho
Director

31 August 2012

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

Report on the Financial Report

We have audited the accompanying financial report of Orion Equities Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Independence

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

Opinion

In our opinion:
(a) the financial report of Orion Equities Limited is in accordance with the *Corporations Act 2001*, including:
 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Orion Equities Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

BM Vey

Brad McVeigh
Director

Perth, Western Australia
Dated this 31st day of August 2012

SECURITIES INFORMATION
as at 30 June 2012

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread of Holdings	Number of Holders	Number of Shares	% of Total Issue Capital
1 – 1000	271	138,535	0.778%
1,001- 5000	212	501,930	2.818%
5,001- 10,000	60	466,999	2.621%
10,001 – 100,000	93	3,033,672	17.029%
100,001 and over	21	13,673,253	76.754%
Total	**657**	**17,814,389**	**100.00%**

TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

RANK	SHAREHOLDER		TOTAL SHARES	% ISSUED CAPITAL
1*	QUESTE COMMUNICATIONS LTD		9,063,153	50.875
2*	CELLANTE SECURITIES PTY LIMITED	712,038		
	CLEOD PTY LTD - CELLANTE SUPER FUND A/C	211,000		
		Sub-total	923,038	5.181
3	JP MORGAN NOMINEES LIMITED	866,000		
	JP MORGAN NOMINEES LIMITED <CASH INCOME A/C>	24,225		
		Sub-total	890,225	4.997
4	MR SIMON ROBERT EVANS & MRS KATHRYN MARGARET EVANS <KAMIYACHO SUPER FUND A/C>		397,320	2.230
5	REDSUMMER PTY LTD		225,000	1.263
6	MRS PENELOPE MARGARET SIEMON		201,355	1.130
7	MR RODNEY MALCOLM JONES & MRS CAROL ROBIN JONES		200,000	1.123
8	MS HOON CHOO TAN		197,538	1.109
9	MR SEAN DENNEHY		177,500	0.996
10	MR BRUCE SIEMON		173,351	0.973
11	MRS TAMI ELSIE VARNEY		150,000	0.842
12	VIKAND CONSULTING PTY LTD		144,798	0.813
13	MR SEAN ANTHONY DENNEHY		137,500	0.772
14	MR JOHN STEPHEN CALVERT		129,997	0.730
15	MR DONALD GORDON MACKENZIE & MRS GWENNETH EDNA MACKENZIE		126,189	0.708
16	MR STEPHEN JAMES LAMBERT & MRS RUTH LYNETTE LAMBERT & MR SIMON LEE LAMBERT		125,000	0.702
17	MR ANTHONY NEALE KILLER & MS SANDRA MARIE KILLER		120,000	0.674
18	LAPIN TRADING PTY LTD		106,300	0.597
19	ZELWER SUPERANNUATION PTY LTD		105,488	0.592
20	MR JOHN CHENG-HSIANG YANG & MS PEGA PING PING MOK		103,726	0.582
	TOTAL		**13,697,478**	**76.889%**

* Substantial shareholders of the Company