

APPENDIX 4E

PRELIMINARY FINAL REPORT GIVEN TO THE ASX UNDER LISTING RULE

4.3A

QUESTUS LIMITED
AND ITS CONTROLLED ENTITIES
ABN – 26 100 460 035
ACN – 100 460 035

Reporting Period

For the year ended 30 June 2011. Previous corresponding year ended 30 June 2010.

Results for Announcement to Market

	30 June 2011 \$'000	30 June 2010 \$'000	% Change
Revenue	2,487	2,663	(6.6%)
(Loss) / Profit after tax attributable to members	(896)	14	(6,500)%
Net (loss) / profit for the period attributable to members	(896)	14	(6,500)%

Financial Reports

The consolidated statement of comprehensive income shows a loss after tax attributable to members of \$896,283 (2010: profit of \$13,826).

Net Tangible Assets per Security

Net Tangible Assets per Share	2011	2010
Net Tangible Asset Backing	7.3c	9.9c

Earnings per Share

Earnings per share (cents per share)	2011	2010
- basic for (loss) / profit for the year	(2.27c)	0.04c
- diluted for (loss) / profit for the year	(2.27c)	0.04c

The earnings per share are based on a weighted average number of shares on issue of 39,536,229 (2010; 36,464,324), diluted number of ordinary shares 39,536,229 (2010: 37,272,324).

Dividends

No dividends have been declared or paid during the year ended 30 June 2011. The Directors do not recommend the payments of a dividend in respect of the year ended 30 June 2011.

Review of Operations

The results of the company for the year ended 30 June 2011 reflects a loss after income tax of \$896,283. This is comprised of two components – firstly an operational loss from activities within the year of \$596,283 and secondly a write-down in asset values of \$300,000.

The write-down of assets relates to an investment made by the Company in DNA NRAS Limited, an administrative platform designed to provide an institutional strength delivery platform for the roll-out of the National Rental Affordability Scheme (NRAS) across Australia. The protracted delivery of NRAS has not seen an institutional involvement in the sector, and although Questus is supportive of an institutional model in NRAS moving forward, the recoverability of the asset is by no means certain.

The operational losses of the company over the past 12 months are due to the Company continuing to establish and develop its position in delivering the Governments' NRAS across Australia. Substantial capital and operational expenses have been incurred in obtaining NRAS allocations and creating the QRIF and its initial rollout, and income streams from these activities will be received and reflected in the accounts of the Company in the ensuing financial years.

In addition, Questus has during the year created a North West NRAS delivery model, which will be very effective in remote mining regions with a particular focus on the North West of WA.

Questus, with the support of the WA Department of Housing, the regional shires of the North West of WA, and landholders in the region, has applied under the NRAS to deliver 1,840 NRAS properties in the North West. This has been a substantial commitment by Questus and will provide for a sustained roll-out of affordable housing across the North West over the next 5 years.

Questus involvement in NRAS continues to escalate:

- Questus has now completed and delivered 376 properties in Queensland and Western Australia to derive upfront revenue of \$1.88m plus the ongoing fees associated with the QRIF for each NRAS property.
- Questus currently has been issued with 1,135 entitlements in Queensland, 227 entitlements in NSW for delivery by 2012 through to 2014. These current entitlements will derive revenue to Questus of over \$7.0m over the next two years.
- Questus has additional applications submitted with the Federal Government (excluding North West) for over 2,000 properties. Assuming a proportion of these are successful in being allocated NRAS entitlements, this will provide additional strong revenue streams to the company over the next 4 years.

- The North West opportunity is substantial and as previously identified, has incurred considerable cost, but again, if successful, will provide significant revenue streams for the company over the ensuing 5 years.

In summary the activities of the company over the financial year, have provided for a period of stabilisation, and an ability to continue to refocus the direction of the company, in preparation for the large-scale delivery of NRAS across Australia for the next 5 years.

Subsequent Events

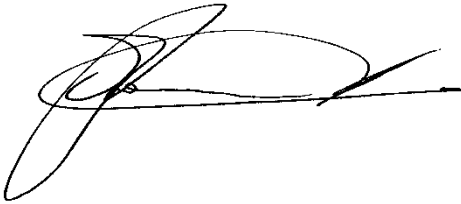
There are no subsequent events.

Compliance Statement

This report is based on accounts which are in the process of being audited.

Signed in accordance with a resolution of directors.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'David Somerville', written over a horizontal line.

David Somerville
Chairman

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	CONSOLIDATED	
	2011	2010
	\$	\$
Revenue	2,487,468	2,663,108
Employee benefits expenses	(1,013,018)	(823,339)
Depreciation and amortisation	(17,054)	(17,426)
Impairment of assets	(391,300)	(41,918)
Other expenses	(1,735,716)	(1,519,035)
(Loss) / profit before tax and finance costs	(669,620)	261,390
Finance costs	(314,568)	(213,276)
(Loss) / profit before income tax	(984,188)	48,114
Income tax benefit / (expense)	87,905	(34,288)
Net (loss) / profit after income tax	(896,283)	13,826
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	(896,283)	13,826

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	CONSOLIDATED	
	2011	2010
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	1,072,421	1,062,828
Trade and other receivables	857,200	1,995,001
Other assets	51,040	22,938
Total Current Assets	1,980,661	3,080,767
Non-Current Assets		
Financial assets	789,996	831,296
Trade and other receivables	3,075,762	1,833,972
Deferred tax asset	2,127,313	2,055,656
Plant and equipment	11,937	10,277
Intangible assets	2,528,846	2,540,709
Total Non-Current Assets	8,533,854	7,271,910
TOTAL ASSETS	10,514,515	10,352,677
LIABILITIES		
Current Liabilities		
Trade and other payables	1,395,852	1,158,456
Interest-bearing liabilities	1,452,525	846,994
Provisions	53,190	46,369
Total Current Liabilities	2,901,567	2,051,819
Non-Current Liabilities		
Deferred tax liabilities	402,598	418,845
Total Non-Current Liabilities	402,598	418,845
TOTAL LIABILITIES	3,304,165	2,470,664
NET ASSETS	7,210,350	7,882,013
EQUITY		
Issued capital	18,606,370	18,464,370
Reserves	107,130	24,510
Accumulated losses	(11,503,150)	(10,606,867)
TOTAL EQUITY	7,210,350	7,882,013

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	CONSOLIDATED ENTITY	
	2011	2010
	\$	\$
Cash flows from operating activities		
Receipts from customers	1,903,142	3,274,637
Payments to suppliers and employees	(2,749,645)	(2,244,193)
Interest received	231,413	176,483
Interest and borrowing costs paid	(109,446)	(90,153)
Net cash flows (used in) / from operating activities	(724,536)	1,116,774
Cash flows from investing activities		
Net investment in lease/loans receivables	(26,941)	60,347
Payments for investments	(50,000)	(737,999)
Dividends and distributions received	2,533	2,866
Purchase of property, plant and equipment	(6,852)	(1,824)
Net cash flows used in investing activities	(81,260)	(676,610)
Cash flows from financing activities		
Repayment of investor/depositor loans	-	(25,533)
Proceeds from the issue of shares	-	136,126
Net proceeds from funding arrangements	815,389	118,069
Net cash flows from financing activities	815,389	228,662
Net increase in cash and cash equivalents	9,593	668,826
Cash and cash equivalents at beginning of period	1,062,828	394,002
Cash and cash equivalents at end of period	1,072,421	1,062,828

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Issued capital	Accumulated losses	Share Option Reserves	Total Equity
	\$	\$	\$	\$
CONSOLIDATED				
At 1 July 2009	18,328,243	(10,620,693)	163,397	7,870,947
Total comprehensive income for the year	-	13,826	-	13,826
Issue of share capital	136,127	-	-	136,127
Share based payments	-	-	(138,887)	(138,887)
At 30 June 2010	18,464,370	(10,606,867)	24,510	7,882,013
At 1 July 2010	18,464,370	(10,606,867)	24,510	7,882,013
Total comprehensive loss for the year	-	(896,283)	-	(896,283)
Issue of share capital	142,000	-	-	142,000
Share Based Payments	-	-	82,620	82,620
At 30 June 2011	18,606,370	(11,503,150)	107,130	7,210,350

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report of Questus Limited ('the Company') for the year ended 30 June 2011 comprises the Company and its subsidiaries (collectively referred to as 'the Consolidated Entity or 'Group').

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

Basis of preparation

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

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

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

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$896,283 and had net cash outflows from operating activities of \$724,536 for the year ended 30 June 2011. As at that date, the consolidated entity had net current liabilities of \$920,906.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The ability to issue additional shares under the *Corporation Act 2001*;
- The consolidated entity has the ability to scale down its operations in order to save costs, in the event insufficient cash is available to meet future expenditure commitments; and
- The confirmed allocation of NRAS entitlements in Queensland, New South Wales and Western Australia providing a definite future revenue stream in future reporting periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)

Income Tax

The company has recognised a net deferred tax asset of \$1,726,716. The company's deferred tax asset, in part, is a result of the company establishing and developing its position in the delivery of the government's National Rental Affordability Scheme. The company is now in the delivery phase of this activity and anticipates the utilisation of the deferred tax asset within the next three years.