

## 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 2010. Previous corresponding year ended 30 June 2009.

#### Results for Announcement to Market

	<b>30 June 2010 \$'000</b>	<b>30 June 2009 \$'000</b>	<b>% Change</b>
Revenue	2,663	3,603	(26%)
Profit after tax attributable to members	14	438	(97)%
Net profit for the period attributable to members	14	438	(97)%

#### Financial Reports

The consolidated income statement shows a profit after tax attributable to members of \$13,826 (2009: profit of \$437,789).

#### Net tangible assets per security

<b>Net Tangible Assets per share</b>	<b>2010</b>	<b>2009</b>
Net Tangible Asset backing	14.3c	14.8c

#### Earnings per Share

<b>Earnings per share (cents per share)</b>	<b>2010</b>	<b>2009</b>
- basic for profit for the year	0.04c	1.2c
- diluted for profit for the year	0.04c	1.0c

The earnings per share are based on a weighted average number of shares on issue of 36,464,324 (2009; 35,909,883), diluted number of ordinary shares 37,272,324 (2009; 38,380,568).

**Dividends**

No dividends have been declared or paid during the year ended 30 June 2010. The Directors do not recommend the payments of a dividend in respect of the year ended 30 June 2010.

**Review of Operations**

The Board of Questus Limited is pleased to report a profit before tax of \$48,114 (after tax \$13,826).

In a difficult year, embroiled in the aftermath of the Global Financial Crisis, the property based funds management sector has continued to struggle in Australia and internationally.

Questus Limited, through its subsidiary, Questus Funds Management Limited (QFML) has continued to manage its key property investment funds:

- Questus Land Development Fund
- Questus Waterfront Property Trust
- Questus Residential Investment Fund

The Questus Land Development Fund (QLDF) as announced to the ASX on 10 August 2010, has subsequent to Balance Date, entered into a Memorandum of Understanding for the Responsible Entity duties to be undertaken by a nominee of Addwealth Pty Ltd (Addwealth). Addwealth is a major participant in the QLDF who have offered their support and financial guarantees to the QLDF to enable a refinancing of the facilities for the underlying projects held within the QLDF. QFML will continue to provide management services to underlying projects within the QLDF.

The Questus Waterfront Property Trust maintains its interest in the Port Rockingham Marina, which continues to progress towards development of this exciting project – encompassing over 400 boat pens and commercial facilities in Rockingham.

The Questus Residential Investment Fund (QRIF) was established specifically to participate in the Federal Government's initiative into affordable housing – the National Rental Affordability Scheme. For the year ending 30 June 2010, the QRIF facilitated over 250 rental dwellings to be sold and constructed. Applications have also been lodged with the Federal Government for the provision of over a further 3,000 properties across Australia.

The Board of Questus is optimistic that its participation in the NRAS through its current product the QRIF, coupled with the proposed wholesale investment trust the Australian Residential Housing Trust, will be a significant contributor to the company over the coming years.

## **Subsequent Events**

As advised to the ASX by announcement on 10 August 2010, Questus Funds Management Limited (QFML) as Responsible Entity for the Questus Land Development Fund (QLDF), has entered into a Memorandum of Understanding with Addwealth Pty Ltd (Addwealth) to allow the Fund to achieve a refinancing of facilities for the underlying projects within the QLDF. Addwealth will provide a nominee Responsible Entity to undertake the responsible entity duties of the QLDF. QFML will continue to provide management services to underlying projects within the QLDF.

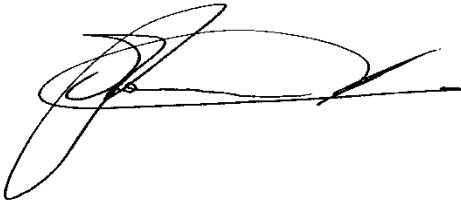
The Board of Questus believes that the appointment of a new Responsible Entity is in the best interests of Unitholders of the Fund. This will allow for recapitalization of the Fund and the way forward for the refinancing of the facilities for the underlying projects.

## **Compliance Statement**

This report is based on financial statements 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 2010

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	CONSOLIDATED ENTITY	
	2010 \$	2009 \$
<b>Revenue</b>	2,663,108	3,602,957
Employee benefits expenses	(823,339)	(855,090)
Depreciation and amortisation	(17,441)	(15,984)
Impairment of assets	(41,918)	(16,170)
Other expenses	(1,519,020)	(2,905,951)
<b>Profit /(loss) before tax and finance costs</b>	261,390	(190,238)
Finance costs	(213,276)	(144,730)
<b>Profit / (Loss) before income tax</b>	48,114	(334,968)
Income tax (expense)/ benefit	(34,288)	772,757
<b>Net profit after income tax</b>	13,826	437,789
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	13,826	437,789

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	CONSOLIDATED ENTITY	
	2010	2009
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,062,828	394,002
Trade and other receivables	1,995,001	2,445,604
Other assets	22,938	109,716
<b>Total Current Assets</b>	<b>3,080,767</b>	<b>2,949,322</b>
<b>Non-Current Assets</b>		
Financial assets	831,296	435,215
Trade and other receivables	1,833,972	1,877,653
Other assets	-	21,719
Deferred tax asset	2,055,656	2,733,950
Plant and equipment	10,277	14,017
Intangible assets	2,540,709	2,552,571
<b>Total Non-Current Assets</b>	<b>7,271,910</b>	<b>7,635,125</b>
<b>TOTAL ASSETS</b>	<b>10,352,677</b>	<b>10,584,447</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	1,158,456	1,014,742
Interest-bearing liabilities	846,994	126,775
Provisions	46,369	36,604
Income tax payable	-	682,519
<b>Total Current Liabilities</b>	<b>2,051,819</b>	<b>1,860,640</b>
<b>Non-Current Liabilities</b>		
Interest-bearing liabilities	-	472,527
Deferred tax liabilities	418,845	380,333
<b>Total Non-Current Liabilities</b>	<b>418,845</b>	<b>852,860</b>
<b>TOTAL LIABILITIES</b>	<b>2,470,664</b>	<b>2,713,500</b>
<b>NET ASSETS</b>	<b>7,882,013</b>	<b>7,870,947</b>
<b>EQUITY</b>		
Issued capital	18,464,370	18,328,243
Reserves	24,510	163,397
Accumulated losses	(10,606,867)	(10,620,693)
<b>TOTAL EQUITY</b>	<b>7,882,013</b>	<b>7,870,947</b>

The accompanying notes form part of these financial statements.

## **STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010**

		<b>CONSOLIDATED ENTITY</b>	
	<b>Notes</b>	<b>2010</b>	<b>2009</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		3,274,637	2,543,126
Payments to suppliers and employees		(2,244,193)	(3,227,319)
Interest received		176,483	265,984
Interest and borrowing costs paid		(90,153)	(144,304)
<b>Net cash flows from/ (used in) operating activities</b>		<b>1,116,774</b>	<b>(562,513)</b>
<b>Cash flows from investing activities</b>			
Net investment in lease/loans receivables		60,347	(10,006)
Payments for investments		(737,999)	(215,002)
Dividends and distributions received		2,866	17,529
Purchase of property, plant and equipment		(1,824)	(11,832)
<b>Net cash flows (used in) /from investing activities</b>		<b>(676,610)</b>	<b>(199,299)</b>
<b>Cash flows from financing activities</b>			
Repayment of investor/depositor loans		(25,533)	(204,473)
Proceeds from the issue of shares		136,126	-
Net proceeds from funding arrangements		118,069	(34,707)
<b>Net cash flows from/ (used in) financing activities</b>		<b>228,662</b>	<b>(239,180)</b>
Net increase / (decrease) in cash and cash equivalents		668,826	(1,000,992)
Cash and cash equivalents at beginning of period		394,002	1,394,994
<b>Cash and cash equivalents at end of period</b>		<b>1,062,828</b>	<b>394,002</b>

The accompanying notes form part of these financial statements.

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

	Issued capital	Reserves	Accumulated losses	Total Equity
	\$	\$	\$	\$
<b>CONSOLIDATED</b>				
<b>At 1 July 2008</b>	18,328,243	-	(11,058,482)	7,269,761
Profit for the year	-	-	437,789	437,789
Share Based Payments	-	163,397	-	163,397
<b>At 30 June 2009</b>	18,328,243	163,397	(10,620,693)	7,870,947

	Issued capital	Reserves	Accumulated losses	Total
	\$	\$	\$	\$
<b>At 1 July 2009</b>	18,328,243	163,397	(10,620,693)	7,870,947
Profit for the year	-	-	13,826	13,826
Issue of share capital	136,127	-	-	136,127
Share Based Payments	-	(138,887)	-	(138,887)
<b>At 30 June 2010</b>	18,464,370	24,510	(10,606,867)	7,882,013

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report of Questus Limited ('the Company') for the year ended 30 June 2010 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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### 2. Segment reporting

#### *Description of segments*

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors has considered the business from both a geographic and business segment perspective and has identified one reportable segment. The identifiable reportable segment is the provision of financial services for the domestic Australian market.

The Consolidated Entity is domiciled in Australia and all operating activities are located in Australia. All revenue from external customers is from customers located in Australia. Segment revenues are allocated based to the country in which the customer is located.

Revenues of approximately \$1,056,000 (2009 - \$854,000) are derived from a single external customer.

All the non-current assets are located in Australia.

### 3. Entities over which control has been gained or lost during the period

During the current period, the Company gained control of the following entities:

Name of Entity	Date control gained	Consolidated statement of comprehensive income / (loss) from since the date in the current period on which control was acquired \$'s	Statement of comprehensive income / (loss) of the controlled entity while controlled for the whole of the previous corresponding period (1 July 2008 – 30 June 2009)
Port Rockingham Marina Pty Ltd (Newly Created Company)	10/12/2009	(85,677)	-

During the current period, the Company lost control of the following entity:

Name of Entity	Davack Pty Ltd
Date control lost	08 September 2009
Company sold while still a shelf company	