



A.B.N. 77 000 742 843

2016

ANNUAL REPORT

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Orion's 2016**Corporate Governance Statement**

can be found at the following URL on the Company's website:

<http://orionequities.com.au/corporate-governance>

Visit www.orionequities.com.au for:

- [Market Announcements](#)
- [Financial Reports](#)
- [Corporate Governance](#)
- [NTA Backing History](#)
- [Forms](#)
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CORPORATE DIRECTORY**BOARD**

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

COMPANY SECRETARY

Victor Ho

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Rothsay Auditing
Chartered Accountants
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West Perth, Western Australia 6005
Telephone: (08) 9486 7094
Website: www.rothsayresources.com.au

STOCK EXCHANGE

Australian Securities Exchange
Perth, Western Australia

ASX CODE

OEQ

SHARE REGISTRY

Advanced Share Registry Services
Main Office
110 Stirling Highway
Nedlands, Western Australia 6009
Telephone: (08) 9389 8033
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Email: admin@advancedshare.com.au
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Sydney Office
Suite 8H, 325 Pitt Street
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COMPANY UPDATE

Small Holding (Unmarketable Parcel) Share Sale Facility

On 6 September 2016, the Company initiated a 'Small Holding (Unmarketable Parcel) Share Sale Facility'¹ in respect of small parcel shareholdings (also sometimes referred to as 'unmarketable parcels') valued at \$500 or less.

Based on the Company's then last sale share price on the ASX of \$0.16 (as at the Record Date of 2 September 2016), a small holding under this facility constituted 3,124 or fewer shares. The Company's share register had 134 (out of 309) shareholders holding a small holding and these holders held, in aggregate, 189,968 shares or 1.214% of the Company's total issued share capital (of 15,649,228 shares).

The Company's [Constitution](#)² provides a mechanism by which the Board may, with the agreement of the relevant shareholder, aggregate small holdings and sell them on the shareholders' behalf thereby possibly achieving a higher price for the shares than would have been possible had they been sold as individual small parcels. This initiative allows for the full gross proceeds to be realised by shareholders of such small parcels without any associated brokerage or selling costs (which will be borne by the Company).

This initiative will benefit the Company in terms of savings in maintenance costs in relation to share registry fees and also printing, mail-out and postage costs. Furthermore, for some shareholders, the costs of selling their small holdings may result in a proportionally high transaction cost compared to the gross proceeds of sale.

Those small holding shareholders as at the Record Date (2 September 2016) have until 5:00pm Perth time on Friday, 21 October 2016 (the **Due Date**) to lodge a Share Retention Form to retain their shareholding in the Company.

The Company will aggregate the small holdings of affected shareholders who have not lodged a Share Retention Form by the Due Date and dispose of them as soon as practicable after that date, having regard to the liquidity of the Company's shares on ASX and market conditions.

The aggregated small holdings will be sold on-market with the Company bearing all brokerage and selling costs.

Once completed, affected small holders will receive a formal Sale Notice advising of the sale details along with a proceeds cheque for their respective pro-rata share of the gross proceeds of sale (with payment sent to a shareholder's last recorded address) after all small holdings have been sold. Any tax consequences from the sale will be the respective shareholder's responsibility.

The Company refers to its ASX market announcement entitled "[Small Holding \(Unmarketable Parcel\) Share Sale Facility](#)" dated 6 September 2016 for further details in relation to this capital management initiative.

As at the date of this report, the Company has not yet completed the sale of the aggregated small parcel shareholdings. Once completed, affected small holders will receive a formal Sale Notice advising of the sale details along with a proceeds cheque.

21 October 2016

1 Refer Orion's ASX announcement dated [6 September 2016: Small Holding \(Unmarketable Parcel\) Share Sale Facility](#)

2 Clause 152 of the Company's [Constitution](#)

DIRECTORS' REPORT

The Directors present their report on Orion Equities Limited ABN 77 000 742 843 (**OEQ** or the **Company**) and its controlled entities (**Orion** or the **Consolidated Entity**) for the financial year ended 30 June 2016 (**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 Orion during the financial year were the management of its investments, including investments in listed and unlisted securities, real estate held for development and resale and an olive grove operation.

NET TANGIBLE ASSET BACKING (NTA)

Consolidated Entity	2016 \$	2015 \$
Net tangible assets (before tax)	7,502,462	8,093,102
Pre-Tax NTA Backing per share	0.479	0.510
Less deferred tax assets and tax liabilities		
Net tangible assets (after tax)	7,502,462	8,093,102
Post-Tax NTA Backing per share	0.479	0.510
Based on total issued share capital	15,649,228	15,860,528

FINANCIAL POSITION

Consolidated Entity	2016 \$	2015 \$
Cash	78,788	140,807
Financial assets at fair value through profit and loss	722,445	1,162,119
Investments in listed Associate entity	3,452,593	3,510,526
Property held for development or resale	1,350,000	1,350,000
Receivables	20,391	6,234
Other assets	2,018,780	2,079,277
Deferred tax asset	116,782	179,424
Total Assets	7,759,779	8,428,387
Other payables and liabilities	(140,535)	(155,862)
Deferred tax liability	(116,782)	(179,424)
Net Assets	7,502,462	8,093,101
Issued capital	18,808,028	18,854,714
Reserves	450,344	436,643
Accumulated losses	(11,755,910)	(11,198,255)
Total Equity	7,502,462	8,093,101

DIRECTORS' REPORT

OPERATING RESULTS

Consolidated Entity	2016 \$	2015 \$
Total revenues	198,781	303,057
Total expenses	(742,733)	(1,062,948)
Loss before tax	(543,952)	(759,891)
Income tax benefit	-	89,501
Loss attributable to members of the Company	(543,952)	(670,390)

LOSS PER SHARE

Consolidated Entity	2016	2015
Basic and diluted loss per share (cents)	(3.47)	(4.22)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share	15,694,799	15,898,172

DIVIDENDS

The Directors have not declared a dividend in respect of the financial year ended 30 June 2016.

CAPITAL MANAGEMENT

(a) Securities on Issue

At the Balance Date, the Company had 15,649,228 shares on issue (2015: 15,860,528). All such shares are listed on ASX. The Company does not have other securities on issue.

(b) On-Market Share Buy-Back

During the financial year, the Company bought back 211,300 shares on-market at a total cost of \$46,686 and at an average buy-back cost (including brokerage) of \$0.221 per share, pursuant to an on-market share buy-back, which was first announced on 5 June 2015³ and which closed on 31 May 2016⁴.

3 Refer Orion's ASX announcement dated [5 June 2015: Appendix 3C – Announcement of Buy-Back](#)

4 Refer Orion's ASX announcement dated [31 May 2016: Appendix 3F – Final Share Buy-Back Notice](#)

DIRECTORS' REPORT

REVIEW OF OPERATIONS

(a) Portfolio Details as at 30 June 2016

Asset Weighting

Consolidated Entity	% of Net Assets	
	2016	2015
Australian equities	55%	58%
Agribusiness ⁵	27%	25%
Property held for development and resale	18%	17%
Net tax liabilities (current year and deferred tax assets/liabilities)	-	-
Net cash/other assets and provisions	<1%	<1%
TOTAL	100%	100%

Major Holdings in Securities Portfolio

Equities	Fair Value \$'m	% Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited	2.77	36.91%	BEL	Diversified Financials
Strike Resources Limited	0.40	5.33%	SRK	Materials
CBG Australian Equities Fund (Wholesale) (CBG Fund)	0.27	3.55%	N/A	Diversified
Other ASX listed securities	0.06	0.75%	Various	Various
TOTAL	3.50	46.54%		

(b) [Bentley Capital Limited](#) (ASX: [BEL](#))

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

Orion holds 27.20% (20,513,783 shares) of Bentley's issued ordinary share capital with Queste Communications Ltd (the controlling company of Orion) holding 1.72% (1,300,000 shares) of Bentley's issued ordinary share capital (2015: Orion held 20,513,783 shares (27.42%) and Queste held 1,740,625 shares (2.33%)).

Bentley's asset weighting as at 30 June 2016 was 89% Australian equities (2015: 95.2%), 3.7% intangible assets (2015: 3.9%) and 7.2% net cash/other assets (2015: 0.9%).

Bentley had net assets of \$16.29 million as at 30 June 2016 (2015: \$16.43 million) and incurred an after-tax net profit of \$0.526 million for the financial year (2015: after-tax net loss of \$0.267 million).

Bentley paid two 0.50 cent fully franked dividends that were distributed in September 2015 and March 2016 at a total cost of \$0.749 million (2015 distributions: a 0.95 cent and a 0.50 cent fully franked dividends, totalling \$1.111 million).

Orion received \$0.205 million distributions from Bentley during the financial year (2015: \$0.308 million).

Subsequent to 30 June 2016, Bentley announced its intention to pay a fully-franked dividend of 0.5 cent per share. Orion's entitlement to such dividend is expected to be \$102,569.

5 Agribusiness net assets include olive grove land, olive trees, water licence, buildings, plant and equipment

DIRECTORS' REPORT

Bentley has a long distribution track record, as illustrated below:

Rate per share	Nature	Orion's Entitlement	Payment Date
0.50 cent	Dividend	\$102,569	29 September 2016
0.50 cent	Dividend	\$102,569	18 March 2016
0.50 cent	Dividend	\$102,569	25 September 2015
0.55 cent	Dividend	\$112,826	20 March 2015
0.95 cent	Dividend	\$194,881	26 September 2014
One cent	Dividend	\$205,138	21 March 2014
One cent	Return of capital	\$205,138	12 December 2013
One cent	Return of capital	\$205,138	18 April 2013
One cent	Return of capital	\$205,138	30 November 2012
One cent	Return of capital	\$205,138	19 April 2012
5.0 cents	Return of capital	\$1,025,689	14 October 2011
2.4 cents	Dividend (Special)	\$492,331	26 September 2011
One cent	Dividend	\$205,138	26 September 2011

Note: Bentley has paid a distribution to shareholders every year (save on 4 occasions in its 31 year history) since its admission to ASX in 1986. Refer to Bentley's website for full [distribution history](#).

Shareholders are advised to refer to the 30 June 2016 Full Year Report and monthly NTA disclosures lodged by Bentley for further information about the status and affairs of the company.

Information concerning Bentley may be viewed from its website: www.bel.com.au

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

(c) [Strike Resources Limited \(ASX:SRK\)](#)

Strike Resources Limited (**Strike**) owns the high grade [Apurimac Magnetite Iron Ore Project](#) and [Cusco Magnetite Iron Ore Project](#) in Peru and retains cash reserves of ~\$7 million (as at 30 June 2016). Strike has announced that it has examined a range of new strategies for the company in light of the on-going poor outlook for the iron ore sector – for further information, refer to Strike's [2016 Full Year Report](#).⁶

On 2 September 2015, Bentley successfully closed its off-market 5.5 cent per share cash takeover bid⁷ for Strike with acceptances received totalling 52,553,493 Strike shares (36.16%⁸), making Bentley the largest shareholder.

Orion accepted into the Strike bid in respect of 6,690,802 Strike shares and received the bid consideration of \$367,994 on 14 September 2015.

Orion retains 10,000,000 Strike shares (6.88%) (30 June 2015: 16,690,802 shares (11.48%)). Inclusive of Bentley's relevant interest in Strike (above), Orion has a deemed relevant interest in 62,553,493 Strike shares (43.041%⁹).

Information concerning Strike may be viewed from its website: www.strikeresources.com.au.

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

6 Refer Strike's [2016 Full Year Report](#) released on ASX on 31 August 2016

7 Refer Bentley's ASX Announcement dated 31 July 2015: [Despatch of Bidders Statement to Holders of Strike Resources Limited](#)

8 Refer Bentley's ASX announcement dated [31 August 2015: Notice of Change in Interests of Substantial Holder in Strike](#)

9 Refer Orion's [Change in Substantial Holding Notice](#) dated 4 September 2016

DIRECTORS' REPORT

(d) Other Assets

Orion also owns:

- a 143 hectare commercial olive grove operation (currently on care and maintenance) with approximately 64,500, 17 year old olive tree plantings located in Gingin, Western Australian; and
- a property held for redevelopment or sale but currently rented out located in Mandurah, Western Australia.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

FUTURE DEVELOPMENTS

Orion 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 Orion invests. The investments' performances depend on many economic factors and also industry and company specific issues. In the opinion of the Directors, it is not possible or appropriate to make a prediction on the future course of markets, the performance of Orion's investments or the forecast of the likely results of Orion's activities.

ENVIRONMENTAL REGULATION

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

DIRECTORS' REPORT

BOARD OF DIRECTORS

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

Farooq Khan	Executive Chairman
<i>Appointed</i>	23 October 2006
<i>Qualifications</i>	BJuris, LLB (Western Australia)
<i>Experience</i>	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 sectors. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	2,000 shares – directly ¹⁰
<i>Special Responsibilities</i>	Chairman of the Board and the Investment Committee
<i>Other current directorships in listed entities</i>	<ol style="list-style-type: none"> (1) Executive Chairman and Managing Director of Queste Communications Ltd (ASX:QUE) (since 10 March 1998) (2) Executive Chairman of Bentley Capital Limited (ASX:BEL) (director since 2 December 2003) (3) Chairman (appointed 18 December 2015) of Strike Resources Limited (ASX:SRK) (Director since 1 October 2015)
<i>Former directorships in other listed entities in past 3 years</i>	None

Victor P. H. Ho	Executive Director and Company Secretary
<i>Appointed</i>	Executive Director since 4 July 2003; Company Secretary since 2 August 2000
<i>Qualifications</i>	BCom, LLB (Western Australia), CTA
<i>Experience</i>	Mr Ho has been in Executive roles with a number of ASX listed companies across the investments, resources and technology sectors over the past 15+ years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate, M&A and International joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	Member of Investment Committee
<i>Other positions held in listed entities</i>	<ol style="list-style-type: none"> (1) Executive Director and Company Secretary of Queste Communications Ltd (ASX:QUE) (Director since 3 April 2013; Company Secretary since 30 August 2000) (2) Company Secretary of Bentley Capital Limited (ASX:BEL) (since 5 February 2004) (3) Director and Company Secretary of Strike Resources Limited (ASX:SRK) (Director since 24 January 2014 and Company Secretary since 1 October 2015)
<i>Former positions in other listed entities in past 3 years</i>	Company Secretary of Alara Resources Limited (ASX:AUQ) (4 April 2007 to 31 August 2015)

10 Refer to Orion's ASX announcement dated [20 November 2014: Change in Directors Interest Notice](#)

DIRECTORS' REPORT

Yaqoob Khan	Non-Executive Director
<i>Appointed</i>	5 November 1999
<i>Qualifications</i>	BCom (Western Australia), Master of Science in Industrial Administration (Carnegie Mellon)
<i>Experience</i>	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.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	None
<i>Other current directorships in listed entities</i>	Non-Executive Director of Queste Communications Ltd (ASX:QUE) (since 10 March 1998)
<i>Former directorships in other listed entities in past 3 years</i>	None

At the Company's [2015 AGM](#)¹¹:

- Victor Ho retired as a Director (by rotation) pursuant to the Company's Constitution and was re-elected a Director at that AGM.

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	8	8
Victor Ho	9	9
Yaqoob Khan	9	9

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 Orion's activities, matters typically dealt with by an Audit or Remuneration Committee are dealt with by the full Board.

¹¹ Refer Orion's ASX announcement dated [12 November 2015: Results of 2015 Annual General Meeting](#)

REMUNERATION REPORT

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 Orion.

The information provided under headings (1) to (4) below has been audited for compliance with [section 300A](#) of the *Corporations Act 2001 (Cth)* as required under [section 308\(3C\)](#).

(1) Remuneration Policy

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

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

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

The Board has determined the following fixed cash remuneration for current Key Management Personnel during the year as follows:

Executive Directors

- (1) Mr Farooq Khan (Executive Chairman) - a base salary of \$220,369 per annum inclusive of employer superannuation contributions (9.50% of base salary during the financial year);
- (2) Mr Victor Ho (Executive Director and Company Secretary) - a base salary of \$106,762 per annum inclusive of employer superannuation contributions.

Non – Executive Director

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

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

- (a) Payment for reimbursement of all travelling, hotel and other expenses reasonably incurred by a Director for the purpose of attending meetings of the Board or otherwise in and about the business of the Company; and
- (b) In respect of Non-Executive Directors, payment for the performance of extra services or the making of special exertions for the benefit of the Company (at the request of and with the concurrence of the Board).

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

Long Term Benefits: Key Management Personnel have no right to termination payments save for payment of accrued unused annual and long service leave (where applicable) (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.

REMUNERATION REPORT

Post-Employment Benefits: The Company does not presently provide retirement benefits to Key Management Personnel. The Company notes that shareholder approval is required where a Company proposes to make a "termination payment" (for example, a payment in lieu of notice, a payment for a post-employment restraint and payments made as a result of the automatic or accelerated vesting of share based payments) in excess of one year's "base salary" (defined as the average base salary over the previous 3 years) to a director or any person who holds a managerial or executive office.

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

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

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

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

	2016	2015	2014	2013	2012
Loss before income tax (\$)	(543,953)	(670,390)	(790,168)	(3,055,135)	(4,953,167)
Basic loss per share (cents)	(3.47)	(4.22)	(4.67)	(17.47)	(27.94)
Dividends paid (\$)	-	-	-	-	-
VWAP share price on ASX for financial year (\$)	0.198	0.165	0.255	0.207	0.212
Closing bid share price as at 30 June 2016(\$)	0.160	0.213	0.260	0.190	0.210

REMUNERATION REPORT

(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:

2016		Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	Total
Key Management Personnel	Performance related	Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares and Options	
	%	\$	\$	\$	\$	\$	\$
Executive Directors:							
Farooq Khan	-	206,618	-	19,629	-	-	226,247
Victor Ho	-	78,562	-	7,481	-	-	86,043
Non-Executive Director:							
Yaqoob Khan	-	25,000	-	-	-	-	25,000

2015		Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	Total
Key Management Personnel	Performance related	Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares and Options	
	%	\$	\$	\$	\$	\$	\$
Executive Directors:							
Farooq Khan	-	238,101	-	22,802	1,923	-	262,826
Victor Ho	-	68,750	-	13,375	-	-	82,125
Non-Executive Director:							
Yaqoob Khan	-	29,000*	-	-	-	-	29,000

* Includes fees received 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.

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 2016 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) Engagement of Remuneration Consultants

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

REMUNERATION REPORT

(5) Shares held by Key Management Personnel

The number of ordinary shares in the Company during the 2016 reporting period held by Key Management Personnel, including their related parties are set below:

Key Management Personnel	Balance at 30 June 2015	Additions	Received as part of remuneration	Disposals	Balance at 30 June 2016
Executive Directors:					
Farooq Khan	2,000	-	-	-	2,000
Victor Ho	-	-	-	-	-
Non-Executive Director:					
Yaqoob Khan	-	-	-	-	-

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

(6) Voting and Comments on Remuneration Report at 2015 AGM

At the Company's most recent (2015) AGM, a resolution to adopt the prior year (2015) Remuneration Report was put to the vote and passed unanimously on a show of hands with the proxies received also indicating majority (91.4%) support in favour of adopting the Remuneration Report.¹² No comments were made on the Remuneration Report that was considered at the AGM.

This concludes the audited Remuneration Report.

¹² Refer Orion's ASX announcement dated [12 November 2015: Results of 2015 Annual General Meeting](#)

DIRECTORS' REPORT

DIRECTORS' AND OFFICERS' INSURANCE

The Company insures Directors and Officers against liability they may incur in respect of any wrongful acts or omissions made by them in such capacity (to the extent permitted by the *Corporations Act 2001 (Cth)*) (**D&O Policy**). Details of the amount of the premium paid in respect of the insurance policies are not disclosed 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.

LEGAL PROCEEDINGS ON BEHALF OF CONSOLIDATED ENTITY

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

AUDITORS

The Company has changed its Auditors from [BDO](#) to [Rothsay Auditing](#) (a firm of Chartered Accountants with offices in [Perth](#) and [Sydney](#)), with effect on 12 February 2016.¹³ The transition of Auditors occurred as part of a review of the Company's corporate administration costs – Rothsay was selected after considering proposals received from BDO and a number of other audit firms. Rothsay will hold office as Auditor until the next annual general meeting of the Company, at which time shareholder approval will be sought for their re-appointment and continuation as Auditor.

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

Auditor	Audit & Review Fees \$	Non-Audit Services \$	Total \$
Rothsay Auditing	22,000	-	22,000
BDO Audit (WA) Pty Ltd	-	3,451	3,451

¹³ Refer Orion's ASX announcement dated [12 February 2016: Change of Auditors](#).

DIRECTORS' REPORT

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 (Cth)*. 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.

Rothsay Auditing continues in office in accordance with [section 327](#) of the *Corporations Act 2001 (Cth)*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under [section 307C](#) of the *Corporations Act 2001 (Cth)* forms part of this Directors Report and is set out on page 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 the Review of Operations) or the financial statements or notes thereto (in particular Note 27), 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
Company Secretary

31 August 2016

ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone 9486 7094 www.rothsayresources.com.au

The Directors
Orion Equities Limited
Level 2 23 Ventnor Ave
West Perth WA 6005

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2016 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.



Graham Swan FCA (Lead auditor)

Rothsay Auditing

Dated 31 August 2016



Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue	2	50,477	62,968
Other			
Net gain on financial assets at fair value through profit or loss		-	136,759
Share of net profit of Associate entity		147,205	-
Reversal of impairment - olive grove land		-	101,296
Other income		1,099	2,034
TOTAL REVENUE AND INCOME		198,781	303,057
EXPENSES	3		
Net loss on financial assets at fair value through profit or loss		(37,868)	-
Share of net loss of Associate entity		-	(73,783)
Olive grove operation expenses		(60,763)	(71,808)
Impairment loss on property held for development or resale		-	(140,000)
Land operation expenses		(15,156)	(7,217)
Personnel expenses		(484,190)	(559,781)
Occupancy expenses		(27,845)	(53,471)
Corporate expenses		(26,022)	(27,628)
Communication expenses		(4,690)	(6,480)
Finance expenses		(2,762)	(2,484)
Administration expenses		(83,438)	(120,296)
LOSS BEFORE INCOME TAX		(543,953)	(759,891)
Income tax expense	5	-	89,501
LOSS FOR THE YEAR		(543,953)	(670,390)
OTHER COMPREHENSIVE INCOME			
Revaluation of assets, net of tax		-	208,837
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(543,953)	(461,553)
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted loss per share (cents)	6	(3.47)	(4.22)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	7	78,788	140,807
Financial assets at fair value through profit or loss	8	722,445	1,162,119
Receivables	11	20,391	6,234
Other current assets		4,785	4,828
TOTAL CURRENT ASSETS		826,409	1,313,988
NON CURRENT ASSETS			
Receivables		-	18,333
Investment in Associate entity	22	3,452,593	3,510,526
Property held for development or resale	12	1,350,000	1,350,000
Property, plant and equipment	13	1,948,495	1,990,616
Olive trees	14	65,500	65,500
Deferred tax asset	5	116,782	179,424
TOTAL NON CURRENT ASSETS		6,933,370	7,114,399
TOTAL ASSETS		7,759,779	8,428,387
CURRENT LIABILITIES			
Payables	15	93,026	119,290
Provisions	16	47,509	36,572
TOTAL CURRENT LIABILITIES		140,535	155,862
NON CURRENT LIABILITIES			
Deferred tax liability	5	116,782	179,424
TOTAL NON CURRENT LIABILITIES		116,782	179,424
TOTAL LIABILITIES		257,317	335,286
NET ASSETS		7,502,462	8,093,101
EQUITY			
Issued capital	17	18,808,028	18,854,714
Reserves	18	450,344	436,643
Accumulated losses		(11,755,910)	(11,198,256)
TOTAL EQUITY		7,502,462	8,093,101

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

	Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2014		18,865,209	227,806	(10,527,866)	8,565,149
Loss for the year		-	-	(670,390)	(670,390)
Other comprehensive income		-	208,837	-	208,837
Total comprehensive loss for the year		-	208,837	(670,390)	(461,553)
Transactions with owners in their capacity as owners:					
Share buy-back	17	(10,495)	-	-	(10,495)
BALANCE AT 30 JUNE 2015		18,854,714	436,643	(11,198,256)	8,093,101
BALANCE AT 1 JULY 2015		18,854,714	436,643	(11,198,256)	8,093,101
Loss for the year		-	-	(543,953)	(543,953)
Profit reserve transfer		-	13,701	(13,701)	-
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	13,701	(557,654)	(543,953)
Share buy-back	17	(46,686)	-	-	(46,686)
BALANCE AT 30 JUNE 2016		18,808,028	450,344	(11,755,910)	7,502,462

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		44,200	44,200
Dividends received		208,269	319,933
Interest received		3,145	6,542
Other income received		1,099	2,034
Payments to suppliers and employees		(672,718)	(819,865)
Interest paid		(27)	(71)
Sale of financial assets at fair value through profit or loss		504,111	254,541
Purchase of financial assets at fair value through profit or loss		(102,305)	(361,539)
NET CASH (USED IN)/PROVIDED BY CONTINUING OPERATIONS		(14,226)	(554,225)
Net Cash Used in Discontinued Operations		-	9,369
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	7	(14,226)	(544,856)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of olive oil operations		-	101,994
Purchase of plant and equipment	13	(1,107)	(7,526)
NET CASH PROVIDED BY INVESTING ACTIVITIES		(1,107)	94,468
CASH FLOWS FROM INVESTING ACTIVITIES			
Share buy-back	17	(46,686)	(10,495)
NET CASH USED IN INVESTING ACTIVITIES		(46,686)	(10,495)
NET INCREASE/(DECREASE) IN CASH HELD		(62,019)	(460,883)
Cash and Cash Equivalents at Beginning of Financial Year		140,807	601,690
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	7	78,788	140,807

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

1. ABOUT THIS REPORT

1.1 Background

This financial report covers the consolidated financial statement of the consolidated entity consisting of Orion Equities Limited (the **Company**), its subsidiaries and investments in associates (the **Consolidated Entity** or **Orion**). The financial report is presented in the Australian currency.

Orion Equities Limited is a company limited by shares, incorporated in New South Wales, Australia and whose shares are publicly traded on the Australian Securities Exchange (**ASX**).

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

Information is considered material and relevant if, for example:

- (a) the amount in question is significant because of its size or nature;
- (b) it is important for understanding the results of the Consolidated Entity;
- (c) it helps to explain the impact of significant changes in the Consolidated Entity's business – for example, acquisitions; or
- (d) it relates to an aspect of the Consolidated Entity's operations that is important to its future performance.

The notes are organised into the following sections:

- (a) **Key Performance:** Provides a breakdown of the key individual line items in the statement of comprehensive income that the Directors consider most relevant to understanding performance and shareholder returns for the year:

Notes

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

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

Notes

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

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

Notes

11	Receivables
12	Property held for resale
13	Property, plant and equipment
14	Olive trees
15	Payables
16	Provisions

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

Notes

17	Issued capital
18	Reserves
19	Capital risk management

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

Notes

20	Parent entity information
21	Investment in controlled entities
22	Investment in associate entity
23	Related party transactions

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

Notes

24	Auditors' remuneration
25	Commitments
26	Contingencies
27	Events occurring after the reporting period

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

1.2. Basis of preparation

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

Compliance with IFRS

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

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.

1.3. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiaries of Orion Equities Limited as at 30 June 2016 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.

All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

1.4. Comparative Figures

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

1.5. Goods and Services Tax (GST)

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

1.6. Impairment of Assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

1.7. Summary of Accounting Standards Issued but 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	Financial Instruments	<p>Classification and measurement</p> <p>AASB 9 amends the classification and measurement of financial assets:</p> <ul style="list-style-type: none"> Financial assets will either be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). Financial assets are measured at amortised cost or FVTOCI if certain restrictive conditions are met. All other financial assets are measured at FVTPL. All investments in equity instruments will be measured at fair value. For those investments in equity instruments that are not held for trading, there is an irrevocable election to present gains and losses in OCI. Dividends will be recognised in profit or loss <p>The following requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9:</p> <ul style="list-style-type: none"> Classification and measurement of financial liabilities, and Derecognition requirements for financial assets and liabilities. <p>However, 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.</p> <p>Impairment</p> <p>The new impairment model in AASB 9 is now based on an 'expected loss' model rather than an 'incurred loss' model.</p> <p>A complex three stage model applies to debt instruments at amortised cost or at fair value through other comprehensive income for recognising impairment losses.</p> <p>A simplified impairment model applies to trade receivables and lease receivables with maturities that are less than 12 months.</p> <p>For trade receivables and lease receivables with maturity longer than 12 months, entities have a choice of applying the complex three stage model or the simplified model.</p>	Annual reporting periods beginning on or after January 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

1.5 Summary of Accounting Standards Issued but not yet Effective (continued)

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date
AASB 2014-9	Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements	Currently, investments in subsidiaries, associates and joint ventures are accounted for in separate financial statements at cost or at fair value under AASB 139/AASB 9. These amendments provide an additional option to account for these investments using the equity method as described in AASB 128 Investments in Associates and Joint Ventures.	Annual periods beginning on or after 1 January 2016
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: <ul style="list-style-type: none"> • A full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not) • A partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. 	Annual periods beginning on or after 1 January 2018
IFRS 15	Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Annual reporting periods beginning on or after 1 January 2018
AASB 16	Leases	The key features of AASB 16 are as follows: Lessee accounting <ul style="list-style-type: none"> • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. AASB 16 also contains disclosure requirements for lessees.	Annual reporting periods beginning on or after 1 January 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

2. REVENUE

	2016	2015
	\$	\$
The consolidated loss before income tax includes the following items of revenue:		
Revenue		
Rental revenue	44,200	44,200
Dividend revenue	3,132	12,226
Interest revenue	3,145	6,542
	<u>50,477</u>	<u>62,968</u>
Other		
Net gain on financial assets at fair value through profit or loss	-	136,759
Share of net profit of Associate entity	147,205	-
Reversal of impairment - olive grove land	-	101,296
Other income	1,099	2,034
	<u><u>198,781</u></u>	<u><u>303,057</u></u>

Accounting policy

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

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

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

(b) Interest revenue

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

(c) Dividend revenue

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

(d) Other revenues

Other revenues are recognised on a receipts basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

3. EXPENSES

	2016	2015
	\$	\$
The consolidated loss before income tax includes the following items of expenses:		
Net loss on financial assets at fair value through profit or loss	37,868	-
Share of net loss of Associate entity	-	73,783
Olive grove operations		
Depreciation of olive grove assets	41,071	51,602
Other expenses	19,692	20,206
Land operations		
Impairment loss on property held for development or resale	-	140,000
Other expenses	15,156	7,217
Salaries, fees and employee benefits	484,190	559,781
Occupancy expenses	27,845	53,471
Finance expenses	2,762	2,484
Communications	4,690	6,480
Corporate expenses		
ASX fees	15,894	18,059
Share registry	7,281	7,372
Other corporate expenses	2,847	2,197
Administration expenses		
Professional fees	14,643	15,115
Legal fees	17,744	22,763
Depreciation	2,157	2,653
Other administration expenses	48,894	79,765
	742,734	1,062,948

4. SEGMENT INFORMATION

	Investments	Olive grove	Corporate	Total
	\$	\$	\$	\$
2016				
Segment revenues				
Revenue	50,477	-	-	50,477
Other	147,205	-	1,099	148,304
Total segment revenues	197,682	-	1,099	198,781
Personnel expenses	-	-	484,190	484,190
Finance expenses	-	(86)	2,942	2,856
Administration expenses	-	8,075	77,277	85,352
Depreciation expense	-	41,071	2,157	43,228
Other expenses	50,484	11,703	64,921	127,108
Total segment profit/(loss)	147,198	(60,763)	(630,388)	(543,953)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

4. SEGMENT INFORMATION (continued)

	Investments	Olive grove	Corporate	Total
	\$	\$	\$	\$
2016				
Segment assets				
Cash and cash equivalents	-	-	78,788	78,788
Financial assets	722,445	-	-	722,445
Property held for development or resale	1,350,000	-	-	1,350,000
Investment in Associate	3,452,593	-	-	3,452,593
Property, plant and equipment	-	1,941,359	7,136	1,948,495
Other assets	-	66,765	140,693	207,458
Total segment assets	5,525,038	2,008,124	226,617	7,759,779
2015				
Segment revenues				
Revenue	62,968	-	-	62,968
Other	136,759	101,296	2,034	240,089
Total segment revenues	199,727	101,296	2,034	303,057
Personnel expenses	-	2,811	559,781	562,592
Finance expenses	-	313	2,675	2,988
Administration expenses	-	3,508	91,025	94,533
Depreciation expense	-	51,602	3,445	55,047
Other expenses	225,875	13,574	108,339	347,788
Total segment profit/(loss)	(26,148)	29,488	(763,231)	(759,891)
Segment assets				
Cash and cash equivalents	-	5,532	135,275	140,807
Financial assets	1,162,119	-	-	1,162,119
Property held for development or resale	1,350,000	-	-	1,350,000
Investment in Associate	3,510,526	-	-	3,510,526
Property, plant and equipment	-	1,982,430	8,186	1,990,616
Other assets	-	67,786	206,533	274,319
Total segment assets	6,022,645	2,055,748	349,994	8,428,387

Accounting policy

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

4. SEGMENT INFORMATION (continued)

Description of segments

- (a) Investments comprise of equity investments of companies listed on the Australian Securities Exchange (**ASX**) and liquid financial assets;
- (b) Olive grove is in relation to the olive grove farm in Gingin;
- (c) Corporate items are mainly comprised of corporate assets, office expenses and income tax assets and liabilities.

Liabilities

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

5. INCOME TAX

	2016	2015
	\$	\$
The components of tax expense/(benefit) comprise:		
Current tax	-	-
Deferred tax	-	(89,501)
	<u>-</u>	<u>(89,501)</u>
(a) The prima facie tax on operating loss before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on operating loss before income tax at 28.5% (2015: 30%)	(155,026)	(211,661)
Adjust tax effect of:		
Other assessable income	84,959	132,310
Non-deductible expenses	7,112	7,196
Share of net (profit)/loss of Associate entity	(41,953)	22,135
Current year tax losses not brought to account	104,908	(39,481)
	<u>-</u>	<u>(89,501)</u>
Income tax attributable to entity	<u>-</u>	<u>(89,501)</u>
(b) Deferred tax assets		
Employee benefits and accruals	22,220	22,916
Fair value losses	94,562	156,508
	<u>116,782</u>	<u>179,424</u>
Deferred tax liabilities		
Fair value gains	116,782	179,424
Other	-	-
	<u>116,782</u>	<u>179,424</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

5. INCOME TAX (continued)

	Employee benefits	Fair value losses	Total
	\$	\$	\$
(i) Movements - deferred tax assets			
At 1 July 2014	22,838	75,762	98,600
Credited/(charged) to income statement	78	80,746	80,824
At 30 June 2015	22,916	156,508	179,424
At 1 July 2015	22,916	156,508	179,424
Credited/(charged) to income statement	(696)	(61,946)	(62,642)
At 30 June 2016	22,220	94,562	116,782
	Fair value gains	Other	Total
	\$	\$	\$
(ii) Movements - Deferred tax liabilities			
At 1 July 2014	97,631	969	98,600
Credited/(charged) to income statement	89,501	-	89,501
Charged to equity	(7,708)	(969)	(8,677)
At 30 June 2015	179,424	-	179,424
At 1 July 2015	179,424	-	179,424
Credited/(charged) to income statement	(62,642)	-	(62,642)
At 30 June 2016	116,782	-	116,782
		2016	2015
(iii) Deferred tax recognised directly in other comprehensive income		\$	\$
Revaluations of land and intangible assets		-	(89,501)
Unrecognised deferred tax balances			
Unrecognised deferred tax asset - revenue losses		2,742,068	2,574,842
Unrecognised deferred tax asset - capital losses		28,388	28,388
		2,770,456	2,603,230

Critical accounting judgement and estimate

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

Tax Consolidation

The head entity, Orion Equities Limited and its controlled entities have formed a tax consolidated group with effect from 29 June 2004. The members of the tax consolidation 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

5. INCOME TAX (continued)

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.

Accounting policy

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

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

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

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

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

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

6. LOSS PER SHARE	2016	2015
Basic and diluted loss per share (cents)	(3.47)	(4.22)
The following represents the loss and weighted average number of shares used in the loss per share calculations:		
Net loss after income tax (\$)	(543,953)	(670,390)
	Number of Shares	
Weighted average number of ordinary shares	15,694,799	15,898,172

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

6. LOSS PER SHARE (continued)

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

Accounting policy

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

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

7. CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash at bank	<u>78,788</u>	<u>140,807</u>

Accounting policy

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

	2016	2015
	\$	\$
Reconciliation of operating loss after income tax to net cash used in operating activities		
Loss after income tax	(543,953)	(670,390)
Add non-cash items:		
Depreciation	43,228	54,255
Write off of fixed assets	-	208
Net loss/(gain) on financial assets at fair value through profit or loss	37,868	(126,393)
Loss on land held for development or resale	-	140,000
Loss on revaluation of land	-	(101,296)
Share of net (profit)/loss of Associate entity	(147,205)	73,783
Changes in Assets and Liabilities:		
Financial assets at fair value through profit or loss	401,805	(117,364)
Receivables	4,176	10,380
Other current assets	43	63
Investment in Associate entity	205,138	307,707
Payables	(26,264)	(24,278)
Provisions	10,938	(2,030)
Deferred tax	-	(89,501)
	<u>(14,226)</u>	<u>(544,856)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	\$	\$
Listed securities at fair value	456,195	901,038
Unlisted managed fund at fair value	266,250	261,081
	722,445	1,162,119

Accounting policy

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, financial assets at fair value through profit and loss acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139 (Recognition and Measurement of Financial Instruments) will recognise its realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

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

9. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist of deposits with banks, accounts receivable and payable, investments in listed securities, and other unlisted securities. The principal activity of the Consolidated Entity is the management of its investments (Financial Assets at Fair Value through Profit and Loss) (refer Note 8). The Consolidated Entity's investments are subject to market (which includes interest rate and price risk), credit and liquidity risks.

The Board of Directors 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.

The Consolidated Entity holds the following financial assets and liabilities:

		2016	2015
	Note	\$	\$
Cash and cash equivalents	7	78,788	140,807
Financial assets at fair value through profit or loss	8	722,445	1,162,119
Receivables	11	20,391	6,234
		821,624	1,309,160
Payables	15	(93,026)	(119,290)
Net financial assets		728,598	1,189,870

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk

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

(i) Price risk

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

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

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

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

ASX All Ordinaries Accumulation Index	Impact on post-tax profit		Impact on other components of equity	
	2016	2015	2016	2015
	\$	\$	\$	\$
Increase 15%	10,905	107,963	10,905	107,963
Decrease 15%	(10,905)	(107,963)	(10,905)	(107,963)

(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 weighted average interest rate for the year for the table below is 1.35% (2015: 1.85%). The revenue exposure is immaterial in terms of the possible impact on profit or loss or total equity.

	2016	2015
	\$	\$
Cash at bank	78,788	140,807

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

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

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

	2016	2015
	\$	\$
Cash and Cash Equivalents		
AA-	40,121	138,331
A-	37,773	2,476
	77,894	140,807
Receivables (due within 30 days)		
No external credit rating available	20,391	6,234

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.

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2016				
Financial assets at fair value through profit or loss:				
Listed securities at fair value	456,195	-	-	456,195
Unlisted managed fund at fair value	-	266,250	-	266,250
Land at Independent Valuation	-	-	1,741,664	1,741,664
Olive Trees	-	-	65,500	65,500
Total	456,195	266,250	1,807,164	2,529,609
2015				
Financial assets at fair value through profit or loss:				
Listed securities at fair value	901,038	-	-	901,038
Unlisted managed fund at fair value	-	261,081	-	261,081
Land at independent valuation	-	-	1,741,664	1,741,664
Olive Trees	-	-	65,500	65,500
Total	901,038	261,081	1,807,164	2,969,283

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

Accounting policy

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Valuation techniques

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

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

The fair value of the unlisted managed fund invested is valued at the audited unit price published by the investment manager and as such this financial instrument is included in Level 2.

At Level 3, the land was valued by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) as at 30 June 2015. These assets have been valued based on similar assets, location and market conditions or Direct Comparison or Comparative Sales Approach. The land value per hectare based on rural land sold in the general location provided a rate which included ground water licence. A 4% change would increase or decrease the land's fair value by approximately \$69,500. There has been no unusual circumstances that may affect the value of the trees.

At Level 3 the olive trees' value was assessed as at 30 June 2016 by the Directors. The fair value of the trees is at the Directors' valuation having regard to, amongst other matters, replacement cost and the trees commercial production qualities. The significant unobservable input is the replacement cost of 17 year old fruiting trees. There are no age limits to the commercial viability of an olive grove. A 1% change in the (replacement) cost would result in an increase or decrease by \$3,500. There has been no unusual circumstances that may affect the value of the property.

(b) Level 3 assets

	Land \$	Olive trees \$	Total \$
At 1 July 2014	1,342,030	65,500	1,407,530
Addition/(Disposal)	399,634	-	399,634
At 30 June 2015	1,741,664	65,500	1,807,164
Addition/(Disposal)	-	-	-
At 30 June 2016	1,741,664	65,500	1,807,164

(c) Fair values of other financial assets and liabilities

	2016 \$	2015 \$
Cash and cash equivalents	78,788	140,807
Receivables	20,391	6,234
	99,179	147,041
Payables	(93,026)	(119,290)
	6,153	27,751

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

11. RECEIVABLES	2016	2015
	\$	\$
Receivables	-	2,088
GST receivable	2,363	1,668
Other receivables	4,278	2,478
Deposits	13,750	-
	20,391	6,234

Accounting policy

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.

Risk Exposure

The Consolidated Entity's exposure to credit and interest rate risks is discussed in Note 9.

Impaired Trade Receivables

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

12. PROPERTY HELD FOR RESALE	2016	2015
	\$	\$
Property held for resale	3,797,339	3,797,339
Impairment of property	(2,447,339)	(2,447,339)
	1,350,000	1,350,000

Critical accounting judgement and estimate

Property held for development or resale was last valued by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) as at 30 June 2015. The Directors have maintained this carrying value as at 30 June 2016 and are of the view that the property is not impaired.

Accounting policy

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

13. PROPERTY, PLANT AND EQUIPMENT

	Cost	Revaluation	Accumulated Depreciation	Total
	\$	\$	\$	\$
2016				
Freehold land	1,117,889	623,775	-	1,741,664
Buildings	124,867	-	(60,988)	63,879
Plant and equipment	1,314,630	-	(1,171,678)	142,952
	2,557,386	623,775	(1,232,666)	1,948,495
2015				
Freehold land	1,117,889	623,775	-	1,741,664
Buildings	124,867	-	(55,808)	69,059
Plant and equipment	1,313,522	-	(1,133,629)	179,893
	2,556,278	623,775	(1,189,437)	1,990,616

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land	Buildings	Plant and equipment	Leasehold improvement	Total
Movements in Carrying Amounts	\$	\$	\$	\$	\$
As at 1 July 2014	1,342,030	67,666	227,996	227	1,637,919
Revaluation/Additions	399,634	6,992	534	-	407,160
Disposals/Write offs	-	-	-	(208)	(208)
Depreciation expense	-	(5,599)	(48,637)	(19)	(54,255)
As at 30 June 2015	1,741,664	69,059	179,893	-	1,990,616
As at 1 July 2015	1,741,664	69,059	179,893	-	1,990,616
Revaluation/Additions	-	-	1,107	-	1,107
Disposals/Write offs	-	-	-	-	-
Depreciation expense	-	(5,180)	(38,048)	-	(43,228)
As at 30 June 2016	1,741,664	63,879	142,952	-	1,948,495

Critical accounting judgement and estimate

Land was valued by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) as at 30 June 2015. The Directors have maintained this carrying value as at 30 June 2016 and are of the view that the Land is not impaired.

In assessing the recoverable amount of the groups farm property, plant and equipment, management monitors the worldwide olive oil prices annually in determining if the Gingin olives should be harvested. As such the property, plant and equipment is carried at its written down value and continues to be depreciated as it is in a condition to be used to generate economic benefits to the group at such time as required and the assets are maintained in fair condition and therefore their recoverable amount has been assessed to be in excess of their carrying values at reporting date.

Accounting policy

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.

Freehold land is not depreciated. Increases in the carrying amounts arising on revaluation of land 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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining the recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Accounting policy

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 Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

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.

Class of Fixed Asset	Rate	Method
Buildings	7.50%	Diminishing Value
Plant and Equipment	5-75%	Diminishing Value

14. OLIVE TREES

	2016	2015
	\$	\$
Olive Trees - at cost	300,000	300,000
Revaluation	(234,500)	(234,500)
	65,500	65,500

Critical accounting judgement and estimate

There are approximately 64,500 17 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 commercial production qualities.

Accounting policy

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 is measured at its fair value less estimated point-of-sale costs at the point of harvest.

15. PAYABLES

	2016	2015
	\$	\$
Trade payables	28,275	23,409
Other payables and accrued expenses	64,751	67,579
Dividend payable	-	28,302
	93,026	119,290

Accounting policy

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

Risk exposure

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

16. PROVISIONS

	2016	2015
	\$	\$
Employee benefits - annual leave	4,059	8,687
Employee benefits - long service leave	43,450	27,885
	47,509	36,572

Accounting policy

Short-term obligations

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

Other long-term employee benefit obligations

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

(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:

	2016	2015
	\$	\$
Leave obligations expected to be settled after 12 months	43,450	27,885

17. ISSUED CAPITAL

	2016	2015
	\$	\$
15,649,228 Fully paid ordinary shares (2015: 15,860,528)	18,808,028	18,854,714

Accounting policy

Ordinary shares are classified as equity. Fully paid ordinary shares carry one vote per share and the right to dividends.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

17. ISSUED CAPITAL (continued)

Movement in Ordinary shares	Date of Issue	Number of Shares	Total \$
At 1 July 2014		15,905,528	18,865,209
Share buy-back	Jun-Oct 14	(10,000)	(2,730)
Share buy-back	Jun-15	(35,000)	(7,765)
At 30 June 2015		15,860,528	18,854,714
At 1 July 2015		15,860,528	18,854,714
Share buy-back	Jun-Sep 15	(211,300)	(46,686)
At 30 June 2016		15,649,228	18,808,028

Share Buy-Back

Pursuant to an on-market share buy-back announced on 5 June 2015, the Company bought back 211,300 shares at a total cost of \$46,686 and at an average buy-back cost (including brokerage) of \$0.221 per share during the financial year.

18. RESERVES

	2016 \$	2015 \$
Asset Revaluation Reserve		
Revaluations of freehold land	623,775	623,775
Deferred tax on revaluations	(187,132)	(187,132)
	436,643	436,643
Profit reserve	13,701	-
	450,344	436,643

Asset Revaluation Reserve

The Asset Revaluation Reserve relates to the revaluation of the Olive Grove Land (Note 13), as assessed by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) as at 30 June 2015.

There has been no movement this financial year.

Profits reserve

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

19. CAPITAL RISK MANAGEMENT

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

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

The Consolidated Entity has no external borrowings. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

20. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Orion Equities Limited, as at 30 June 2016.

	2016	2015
	\$	\$
Statement of profit or loss and other comprehensive income		
Loss for the year	(383,450)	(477,272)
Other comprehensive income	-	-
Total comprehensive loss for the year	(383,450)	(477,272)
Statement of financial position		
Assets		
Cash and cash equivalents	75,326	133,153
Financial assets at fair value through profit or loss	718,095	1,157,369
Investment in controlled entities (at cost)	300	300
Investment in associate entity (market value)	2,769,361	2,666,792
Loans to controlled entities	9,281,076	
Provision for impairment	(5,526,275)	
Net loans to controlled entities	3,754,801	3,798,465
Other asset	30,189	34,286
Total assets	7,348,072	7,790,365
Liabilities		
Current liabilities	116,672	100,945
Non current liabilities	610,401	638,286
Total liabilities	727,073	739,231
Net assets	6,620,999	7,051,134
Issued capital	18,808,028	18,854,714
Accumulated losses	(12,187,029)	(11,803,580)
Equity	6,620,999	7,051,134

Loans to controlled entities are in relation to amounts owed by subsidiary companies, Silver Sands Developments Pty Ltd, Koorian Olives 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.

21. INVESTMENT IN CONTROLLED ENTITIES

Subsidiaries	Incorporated	Ownership Interest	
		2016	2015
		%	%
Silver Sands Developments Pty Ltd	Australia	100	100
Koorian Olives 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

21. INVESTMENT IN CONTROLLED ENTITIES (continued)

Accounting policy

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. 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.

Changes in Ownership Interests

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

22. INVESTMENT IN ASSOCIATE ENTITY

	Ownership Interest		2016	2015
	2016	2015	\$	\$
Bentley Capital Limited (ASX:BEL)	27.20%	27.42%	3,452,593	3,510,526

Accounting policy

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. On initial recognition investment in associates are recognised at cost, for investments which were classified as fair value through profit or loss, any gains or losses previously recognised are reversed through profit or loss. Under this method, the Consolidated Entity's share of the post-acquisition profits or losses of associates are recognised in the consolidated Statement of Profit or Loss and Other 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.

Dividends receivable from associates are recognised in the Company's Statement of Profit or Loss and Other Comprehensive Income, while in the 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

22. INVESTMENT IN ASSOCIATE ENTITY (continued)

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.

	2016	2015
	\$	\$
Movements in carrying amounts		
Opening balance	3,510,526	3,892,016
Share of net profit/(loss) after tax	147,205	(73,783)
Dividend received	(205,138)	(307,707)
Closing balance	3,452,593	3,510,526
	2,769,361	2,666,792
Fair value of listed investment in Associate		
	4,430,471	4,504,830
Summarised statement of profit or loss and other comprehensive income		
Revenue	3,258,497	2,398,085
Expenses	(2,732,417)	(2,665,385)
Profit/(Loss) before income tax	526,080	(267,300)
Income tax expense	-	-
Profit/(Loss) after income tax	526,080	(267,300)
Other comprehensive income	-	-
Total comprehensive income	526,080	(267,300)
Summarised statement of financial position		
Current assets	13,159,280	6,565,383
Non-current assets	3,430,001	10,524,117
Total assets	16,589,281	17,089,500
Current liabilities	291,725	304,394
Non-current liabilities	9,835	358,969
Total liabilities	301,560	663,363
Net assets	16,287,721	16,426,137
Lease commitments		
Not longer than one year	32,083	56,035
Longer than one year but not longer than five years	-	32,083
	32,083	88,118

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

23. RELATED PARTY TRANSACTIONS

(a) Ultimate Parent Company

ASX listed entity Queste Communications Ltd (ASX:QUE) is deemed to have control of the Consolidated Entity as it holds 59.86% (9,367,653 shares) (2015: 59.06% and 9,367,653 shares) of the Company's total issued share capital.

(b) Transactions with Related Parties

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

	2016	2015
	\$	\$
Bentley Capital Limited		
Dividend Received	205,138	307,707

(c) Transactions with 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 2016. The total remuneration paid to KMP of the Consolidated Entity during the year is as follows:

	2016	2015
	\$	\$
Directors		
Short-term employment benefits	310,180	372,028
Post employment benefits	27,110	1,923
	337,290	373,951

During the year, the Consolidated Entity received \$44,200 rental income from a KMP/close family member of a KMP (the KMP being Director, Farooq Khan), pursuant to a standard form residential tenancy agreement in respect of the Property Held for Resale (2015: \$44,200). The rental is in respect of a fixed term of 12 months (to 31 May) with the monthly rental being \$3,683.

24. AUDITORS' REMUNERATION

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

	2016	2015
	\$	\$
Rothsay Auditing		
Audit and Review of Financial Statements	22,000	-
BDO Audit (WA) Pty Ltd		
Audit and Review of Financial Statements	550	34,883
Taxation Services	2,901	5,858
	25,451	40,741

The Company changed its Auditors from BDO Audit (WA) Pty Ltd to Rothsay Auditing with effect on 12 February 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

25. COMMITMENTS

	2016	2015
	\$	\$
Not longer than one year	32,083	56,035
Longer than one year but not longer than five years	-	32,083
	32,083	88,118

On or about 19 May 2015, the Consolidated Entity renewed its non-cancellable operating lease agreement for shared office accommodation. The lease was for a further 18 month term expiring on or about 30 January 2017. The lease commitment is the Consolidated Entity's share of the lease costs and includes all outgoings (inclusive of GST).

Accounting policy

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.

26. CONTINGENCIES

(a) Directors' Deeds

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

(b) Tenement Royalties

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 the Paulsens East (Iron Ore) Project tenement (currently a Retention Licence RL 47/7) in Western Australia currently held by Strike Resources Limited (ASX:SRK).

27. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) Associate entity, Bentley Capital Limited (ASX:BEL), has announced its intention to pay a fully-franked dividend of 0.50 cent per share in September 2016. The Company's entitlement to such dividend would be \$102,569.

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, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes as set out on pages 17 to 46 are in accordance with the *Corporations Act 2001 (Cth)* and:
 - (a) comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting; and
 - (b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2016 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 Directors have been given the declarations required by [section 295A](#) of the *Corporations Act 2001 (Cth)* by the Executive Chairman (the person who, in the opinion of the Directors, performs the Chief Executive Officer function) and Company Secretary (the person who, in the opinion of the Directors, performs the Chief Financial Officer function); and
- (4) The Company has included in the notes to the Financial Statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

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



Farooq Khan
Chairman



Victor Ho
Company Secretary

31 August 2016



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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ORION EQUITIES LIMITED

Report on the financial report

We have audited the accompanying financial report of Orion Equities Limited (“the Company”) which comprises the balance sheet as at 30 June 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors’ declaration of the consolidated entity comprising the company and the entities it controlled at the year’s end or from time to time during the year.

Directors’ Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors’ report.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of 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 our 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, we consider internal controls relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal controls. 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.



Chartered Accountants



Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.

Audit opinion

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

- a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2016. 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.

Audit opinion

In our opinion the remuneration report of Orion Equities Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

Rothsay Auditing

Graham Swan FCA
Partner

Dated 31 August 2016



Chartered Accountants

ADDITIONAL ASX INFORMATION

as at 20 October 2016

INVESTMENT PORTFOLIO

As at 30 June 2016

Equities	Fair Value \$'m	% Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited ¹	2.77	36.91%	BEL	Diversified Financials
Strike Resources Limited	0.40	5.33%	SRK	Materials
CBG Australian Equities Fund (Wholesale) (CBG Fund)	0.27	3.55%	Unlisted	Diversified
Miscellaneous listed securities	0.06	0.75%	Various	Various
TOTAL	3.50	46.54%		

As at 30 September 2016

Equities	Fair Value \$'m	% Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited ¹	2.67	37.90%	BEL	Diversified Financials
Strike Resources Limited	0.46	6.54%	SRK	Materials
CBG Fund	0.28	3.98%	Unlisted	Diversified
Miscellaneous listed securities	0.01	0.17%	Various	Various
TOTAL	3.42	48.59%		

Note:

- (1) The Company's investment in BEL, an Associated Entity (i.e. in which the Company has a greater than 20% interest), is accounted for under the equity method in the consolidated financial statements. Under the equity method, the carrying amount of such investment is cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial year to balance date as provided to the Company by such Associated Entity (refer Note 22 (Investment in Associate Entity) at pages 43 and 44 of the 2016 Annual Report).

TRANSACTIONS AND BROKERAGE

During the financial year ended 30 June 2016, the Company entered into ~43 (2015: ~96) transactions with stock brokers for the purchase and sale of securities, incurring brokerage fees totalling ~\$2,274 (2015: ~\$5,072). The Company reinvested an annual income distribution from the CBG Fund (2015: one investment into the fund). No entry or exit fees are applicable to the CBG Fund.

CORPORATE GOVERNANCE STATEMENT

The Company has adopted the [Corporate Governance Principles and Recommendations](#) (3rd Edition, March 2014) issued by the [ASX Corporate Governance Council](#) in respect of the financial year ended 30 June 2016.

Pursuant to [ASX Listing Rule 4.10.3](#), the Company's 2016 Corporate Governance Statement (dated on or about 21 October 2016) and ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations) can be found at the following URL on the Company's Internet website: <http://orionequities.com.au/corporate-governance>

ADDITIONAL ASX INFORMATION

as at 20 October 2016

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	52	20,937	0.134%
1,001	-	5,000	127	357,202	2.283%
5,001	-	10,000	45	340,721	2.177%
10,001	-	100,000	71	2,207,020	14.103%
100,001	-	and over	15	12,723,348	81.303%
TOTAL			310	15,649,228	100.00%

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	3,124	134	189,968	1.214%
3,125	-	over	176	15,459,260	98.786%
TOTAL			310	15,649,228	100.00%

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 3,124 shares or less, being a value of \$500 or less in total, based upon the Company's last sale price on ASX as at 20 October 2016 of \$0.16 per share.

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none), at meetings of shareholders of the Company:

- Each shareholder entitled to vote may vote in person or by proxy or by power of attorney or, in the case of a shareholder which is a corporation, by representative;
- Every person who is present in the capacity of shareholder or the representative of a corporate shareholder shall, on a show of hands, have one vote; and
- Every shareholder who is present in person, by proxy, by power of attorney or by corporate representative shall, on a poll, have one vote in respect of every fully paid share held by him.

ADDITIONAL ASX INFORMATION

as at 20 October 2016

TOP 20 ORDINARY, FULLY PAID SHAREHOLDERS

RANK	SHAREHOLDER	TOTAL SHARES	% ISSUED CAPITAL
1*	QUESTE COMMUNICATIONS LTD	9,367,653	59.86%
2*	CLEOD PTY LTD	506,000	
	CELLANTE SECURITIES PTY LIMITED	417,038	
	Sub-total	923,038	5.90%
3	DR STEVEN G RODWELL	525,129	3.36%
4	MR SEAN DENNEHY	278,936	1.78%
5	REDSUMMER PTY LTD	225,000	1.44%
6	MR STEPHEN JAMES LAMBERT & MRS RUTH LYNETTE LAMBERT & MR SIMON LEE LAMBERT	200,000	1.28%
7	MS HOON CHOO TAN	197,538	1.26%
8	MRS PENELOPE MARGARET SIEMON	181,355	1.16%
9	MR BRUCE SIEMON	172,351	1.10%
10	MR JOHN STEPHEN CALVERT	171,732	1.10%
11	VIKAND CONSULTING PTY LTD	144,798	0.93%
12	MRS TAMI ELSIE VARNEY	121,092	0.77%
13	MR ANTHONY NEALE KILLER & MS SANDRA MARIE KILLER	120,000	0.77%
14	MR JOHN CHENG-HSIANG YANG & MRS PEGA PING PING MOK	103,726	0.66%
15	MRS CAROLINE ANN PICKERING	100,000	0.64%
16	MS MORAG HELEN BARRETT	94,013	0.60%
17	MR DAMIAN GERARD BOWDLER & MRD MARGARET CLARE BOWDLER	85,900	0.55%
18	MR KEVIN LEDGER & MRS ROBIN LEDGER	85,000	0.54%
19	GIBSON KILLER PTY LTD	80,000	0.51%
20	MR LUKE FREDERICK ATKINS	74,696	0.48%
	TOTAL	13,251,957	84.69%

* Substantial shareholders of the Company



ASX Code: OEQ

ORION EQUITIES LIMITED

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