ORION EQUITIES LIMITED

ASX Appendix 4E
Preliminary Final Report
(unaudited)

30 June 2009

www.orionequities.com.au

ORION EQUITIES LIMITED

A.B.N. 77 000 742 843

Level 14, 221 St Georges Terrace, Perth, Western Australia 6000

ASX Code: OEQ **T** | (08) 9214 9797 **F** | (08) 9322 1515 **E** | info@orionequities.com.au

ASX PRELIMINARY FINAL REPORT

This Preliminary Final Report is provided to the Australian Securities Exchange (**ASX**) under ASX Listing Rule 4.3A

Current Reporting Period:	Financial year ended 30 June 2009
Previous Corresponding Period:	Financial year ended 30 June 2008
Balance Date:	30 June 2009
Company:	Orion Equities Limited (**Orion** or **OEQ**)
Consolidated Entity:	Orion and controlled entities:

(1) Silver Sands Developments Pty Ltd ACN 094 097 122, a wholly owned subsidiary;

(2) Dandaragan Estate Pty Ltd ACN 120 616 891 (formerly Koorian Olives Pty Ltd) (**DAN**), a wholly owned subsidiary;

(3) CXM Limited ACN 132 294 645, a wholly owned subsidiary;

(4) Margaret River Wine Corporation Pty Ltd ACN 094 706 500, a wholly owned subsidiary of DAN acquired on 23 June 2009;

(5) Margaret River Olive Oil Company Pty Ltd ACN 094 706 519, a wholly owned subsidiary of DAN acquired on 23 June 2009;

(6) Central Exchange Mining Ltd (ACN 119 438 265), formerly a wholly owned subsidiary (ceased to be a controlled entity on 11 August 2008);

(7) Orion Indo Operations Pty Ltd (ACN 124 702 245), formerly a wholly owned subsidiary (ceased to be a controlled entity on 11 August 2008); and

(8) PT Orion Indo Mining, formerly 100% beneficially owned by Orion Indo Operations Pty Ltd (ceased to be a controlled entity on 11 August 2008).

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Consolidated Entity	**2009 $**	**2008 $**	**% Change**	**Up/ Down**
Total revenues	17,803,761	3,714,620	379%	Up
Total expenses	(33,990,552)	(6,695,444)	408%	Up
Loss before tax	(16,186,791)	(2,980,824)	443%	Up
Income tax benefit	4,078,315	513,853	694%	Up
Loss from continuing operations	(12,108,476)	(2,466,971)	391%	Up
Profit/(Loss) from discontinued operations	111,376	(102,042)	209%	Loss Down
Loss attributable to members of the Company	(11,997,100)	(2,569,013)	367%	Up

ASX PRELIMINARY FINAL REPORT

Consolidated Entity	2009 $	2008 $	% Change	Up/ Down
Basic and diluted loss cents per share	(67.34)	(14.42)	367%	Up
Pre-tax NTA backing per share	1.113	2.016	45%	Down
Post-tax NTA backing per share	1.088	1.786	39%	Down

BRIEF EXPLANATION OF RESULTS

Total revenues of $17,803,761 include:

(1) $16,961,679 net gain from sale of subsidiaries (June 2008: Nil);

(2) $436,018 gains on sale of securities - trading portfolio (June 2008: $2,266,054); and

(3) $311,530 income from olive grove operations (June 2008: $1,039,852).

Total expenses of $33,990,552 include:

(1) $28,457,085 net change in fair value - trading portfolio (June 2008: $1,836,528);

(2) $2,283,013 share of Associate entities' net losses (June 2008: $2,687,143);

(3) $1,200,000 downwards revaluation of property held for development and resale (June 2008: $147,339);

(4) $685,247 personnel costs (including Directors' fees) (June 2008: $597,502), and

(5) $581,009 olive grove and oils operations (which does not include Inventory and depreciation expenses) (June 2008: $1,192,240).

On 11 August 2008, the Company disposed of its 70% interest in the Indonesian Berau Coal Project (via the sale of subsidiary, Orion Indo Operations Pty Ltd) and its 25% interest in the West Australian Paulsens East Iron Ore Project (via the sale of subsidiary, Central Exchange Mining Ltd) to its joint venture partner in these projects, ASX listed Strike Resources Limited (**Strike**).

A total of 9.5 million Strike shares were issued to the Company as consideration for the sale. The Company realised a gain on sale of these subsidiaries of $17.5 million (based on Strike's closing bid price of $1.97 on the date of completion).

On 13 March 2009, listed investment companies Bentley Capital Limited (**BEL**) and Scarborough Equities Limited (**SCB**) (being Associate entities of the Company) merged via a scheme of arrangement. Under the merger, BEL issued 31,350,322 new shares to eligible SCB shareholders and acquired SCB as a wholly-owned subsidiary. The Company received 8,925,845 BEL shares in consideration for its 5,619,645 shareholding in SCB (on the basis of 1.588329 new BEL share for each SCB share held). The Company holds 28.7% of the total issued share capital of BEL (30 June 2008: 28.8%).

On 23 June 2009, the Company acquired the ultra premium Dandaragan Estate Olive Oil Brand, certain related equipment/infrastructure and packaged olive oils inventory, in consideration for $0.25 million. The acquisition was undertaken to complement the Company's existing Olive Grove business.

ASX PRELIMINARY FINAL REPORT

DIVIDENDS

The Directors have not declared a final dividend as the Consolidated Entity incurred an after tax net loss for the financial year and did not have any retained earnings as at 30 June 2009.

ASSOCIATE ENTITIES

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

(1) 28.66% interest in ASX listed Bentley Capital Limited (ACN 008 108 218) (**BEL**) (30 June 2008: 28.80%); and

(2) AquaVerde Holdings Pty Ltd (ACN 128 938 090), 50% owned by wholly owned subsidiary, Silver Sands Developments Pty Ltd.

The following entity ceased to be an Associate entity during the financial year:

(1) Scarborough Equities Limited (ACN 061 287 045) (**SCB**) (30 June 2008: 28.47%) (as a consequence of SCB's merger with BEL on 13 March 2009).

CONTROLLED ENTITIES

The Company ceased control of the following entities during the financial year:

(1) Central Exchange Mining Ltd, formerly a wholly owned subsidiary, was disposed to Strike Resources Limited (**Strike** or **SRK**) on 11 August 2008 in consideration for 1,750,000 Strike shares;

(2) Orion Indo Operations Pty Ltd, formerly a wholly owned subsidiary, was disposed to Strike on 11 August 2008 in consideration for 7,750,000 Strike shares; and

(3) PT Orion Indo Mining, formerly 100% beneficially owned by Orion Indo Operations Pty Ltd.

The Company gained control of the following entities during the financial year:

(1) CXM Limited (ACN 132 294 645) which was incorporated on 18 July 2008 as a wholly owned subsidiary;

(2) Margaret River Wine Corporation Pty Ltd (ACN 094 706 500) a wholly owned subsidiary company of DAN which was acquired from Olea Australis Limited (**Olea**) on 23 June 2009; and

(3) Margaret River Olive Oil Company Pty Ltd (ACN 094 706 519) a wholly owned subsidiary company of DAN which was acquired from Olea on 23 June 2009.

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

Please refer to the attached financial report (comprising the financial statements and notes thereto) for further information on the financial position and performance of the Consolidated Entity and Company for the year ended 30 June 2009 (unaudited).

ASX PRELIMINARY FINAL REPORT

STATUS OF AUDIT

This Preliminary Final Report is based on:

X	Accounts that are in the process of being audited.

ANNUAL GENERAL MEETING

Details of the Company's 2009 Annual General Meeting (which is required to be held by no later than 30 November 2009) is still to be determined by the Board.

For and on behalf of the Directors,

Date: **31 August 2009**

Victor Ho
Executive Director and Company Secretary

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

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated Entity 2009 $	Consolidated Entity 2008 $	Company 2009 $	Company 2008 $
Revenue from continuing operations		371,929	1,192,567	60,391	152,584
Other income - Net gain from sale of subsidiaries		16,961,679	-	16,850,303	-
- Gains on sale of securities		436,018	2,266,054	436,018	2,266,054
- Dividends received from Associate entities		-	255,124	-	255,124
- Other Income		34,135	875	34,135	-
	2 a	17,803,761	3,714,620	17,380,847	2,673,762
Expenses	2 b				
Share of Associate entities' net loss		(2,283,013)	(2,687,143)	(2,283,013)	(2,687,143)
Trading portfolio - net change in fair value		(28,457,085)	(1,836,528)	(28,457,085)	(1,836,528)
Costs in relation to investments		(653)	-	(653)	-
Olive grove operations		(769,509)	(910,660)	-	-
Revaluation of land		(1,200,000)	(147,339)	-	-
Land operations		(36,735)	(53,617)	-	-
Personnel		(685,247)	(597,502)	(642,648)	(600,981)
Communications		(20,309)	(23,468)	(20,309)	(22,822)
Occupancy		(70,861)	(20,749)	(70,861)	(19,987)
Corporate		(133,940)	(14,098)	(21,966)	(18,815)
Financing		(2,209)	(3,943)	(1,784)	(2,247)
Borrowing cost		-	(6)	-	-
Administration expenses					
– legal and other professional fees		(7,980)	(132,253)	(7,980)	(126,036)
– exploration and evaluation expenditure		(18,827)	71,874	(19,224)	71,874
– brokerage fees		(6,364)	(36,524)	(6,364)	(36,524)
– impairment of receivables		-	-	(7,381,232)	-
– other		(297,820)	(303,488)	(117,827)	(78,090)
Loss before income tax		(16,186,791)	(2,980,824)	(21,650,099)	(2,683,537)
Income tax benefit	3	4,078,315	513,853	3,800,889	693,853
Loss from continuing operations		(12,108,476)	(2,466,971)	(17,849,210)	(1,989,684)
Profit/(Loss) from discontinued operations	5	111,376	(102,042)	-	-
Loss after income tax		(11,997,100)	(2,569,013)	(17,849,210)	(1,989,684)
Loss per share from continuing operations attributable to the ordinary equity holders of the company					
Basic loss per share (cents)	9	(68.0)	(13.8)		
Loss per share attributable to the ordinary equity holders of the company					
Basic loss per share (cents)	9	(67.3)	(14.4)		

The accompanying notes form part of these financial statements

BALANCE SHEET
AS AT 30 JUNE 2009

		Consolidated Entity		Company	
		2009	2008	2009	2008
	Note	$	$	$	$
CURRENT ASSETS					
Cash and cash equivalents	10	242,157	517,781	221,052	288,787
Trade and other receivables	11	34,201	239,011	2,953	3,125
Financial assets at fair value through profit or loss	12	7,883,921	17,991,115	7,883,921	17,991,115
Inventories - Olive Oils	13	842,147	160,526	-	-
Other	14	5,294	-	5,294	-
TOTAL CURRENT ASSETS		9,007,720	18,908,433	8,113,220	18,283,027
NON CURRENT ASSETS					
Trade and other receivables	11	32,823	32,823	508,557	8,750,846
Inventory - Land	13	2,450,000	3,650,000	-	-
Investments in controlled entities	15	-	-	-	300
Investments in Associate entities					
- equity accounted	16	6,851,981	9,207,515	6,851,981	9,207,515
Property, plant and equipment	17	2,226,099	2,610,654	17,157	21,685
Olive trees	18	393,080	581,580	-	-
Intangibles	19	623,121	250,000	-	-
Resource projects	20	-	1,413,771	-	516,149
Deferred tax asset	23	1,288,723	-	845,446	-
TOTAL NON CURRENT ASSETS		13,865,827	17,746,343	8,223,141	18,496,495
TOTAL ASSETS		22,873,547	36,654,776	16,336,361	36,779,522
CURRENT LIABILITIES					
Trade and other payables	21	1,068,675	441,872	238,648	218,240
Provision	22	71,767	56,377	71,767	56,377
Current tax liabilities	23	-	58,116	-	512,514
TOTAL CURRENT LIABILITIES		1,140,442	556,365	310,415	787,131
NON CURRENT LIABILITIES					
Deferred tax liability	23	1,721,156	4,037,865	1,455,846	3,484,009
TOTAL NON CURRENT LIABILITIES		1,721,156	4,037,865	1,455,846	3,484,009
TOTAL LIABILITIES		2,861,598	4,594,230	1,766,261	4,271,140
NET ASSETS		20,011,949	32,060,546	14,570,100	32,508,382
EQUITY					
Issued capital	24	19,374,007	19,374,007	19,374,007	19,374,007
Reserves	25	640,361	602,786	-	-
Retained earnings / (Accumulated losses)		(2,419)	12,083,753	(4,803,907)	13,134,375
TOTAL EQUITY		20,011,949	32,060,546	14,570,100	32,508,382

The accompanying notes form part of these financial statements

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

Consolidated Entity	Issued Capital $	Reserves $	Retained Earnings/ Accumulated Losses $	Total Equity $
At 1 July 2007	19,374,007	-	15,276,306	34,650,313
Changes in revaluation of assets	-	602,786	-	602,786
Net Income recognised directly in equity	-	602,786	-	602,786
Loss for the year	-	-	(2,569,013)	(2,569,013)
Total recognised income and expense for the year	-	-	(2,569,013)	(2,569,013)
Dividends paid	-	-	(623,540)	(623,540)
At 30 June 2008	19,374,007	602,786	12,083,753	32,060,546
At 1 July 2008	19,374,007	602,786	12,083,753	32,060,546
Changes in revaluation of assets	-	37,575	-	37,575
Net Income recognised directly in equity	-	37,575	-	37,575
Loss for the year	-	-	(11,997,100)	(11,997,100)
Total recognised income and expense for the year	-	-	(11,997,100)	(11,997,100)
Dividends paid	-	-	(89,072)	(89,072)
At 30 June 2009	19,374,007	640,361	(2,419)	20,011,949

Company	Issued Capital $	Retained Earnings/ Accumulated Losses $	Total Equity $
At 1 July 2007	19,374,007	15,747,599	35,121,606
Loss for the year	-	(1,989,684)	(1,989,684)
Total recognised income and expense for the year	-	(1,989,684)	(1,989,684)
Dividends paid	-	(623,540)	(623,540)
At 30 June 2008	19,374,007	13,134,375	32,508,382
At 1 July 2008	19,374,007	13,134,375	32,508,382
Loss for the year	-	(17,849,210)	(17,849,210)
Total recognised income and expense for the year	-	(17,849,210)	(17,849,210)
Dividends paid	-	(89,072)	(89,072)
At 30 June 2009	19,374,007	(4,803,907)	14,570,100

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated Entity		Company	
		2009	2008	2009	2008
	Note	$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		345,665	1,040,727	34,135	-
Sale proceeds from trading portfolio		1,141,704	5,759,493	1,141,704	5,759,493
Payments for trading portfolio		(264,740)	(3,802,450)	(264,740)	(3,802,450)
Payments to suppliers and employees		(1,861,759)	(1,511,907)	(889,073)	(192,072)
Payments for exploration and evaluation		(19,224)	(1,438,796)	(19,224)	(444,275)
Interest received		23,064	49,703	23,052	49,198
Interest paid		-	(6)	-	-
Income tax refund/(paid)		414,768	(585,755)	414,768	(585,755)
Dividends received		34,024	88,028	34,065	88,028
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**10 a**	(186,498)	(400,963)	474,687	872,167
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		-	(78,729)	-	(889)
Loans repaid by subsidiaries		-	-	17,879	812,079
Loans to subsidiaries		-	-	(471,175)	(2,325,819)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		-	(78,729)	(453,296)	(1,514,629)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments for dividends		(89,126)	(622,725)	(89,126)	(622,725)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(89,126)	(622,725)	(89,126)	(622,725)
NET INCREASE IN CASH ASSETS HELD		(275,624)	(1,102,417)	(67,735)	(1,265,187)
Cash at beginning of the financial year		517,781	1,620,198	288,787	1,553,974
CASH AT THE END OF THE FINANCIAL YEAR	**10**	242,157	517,781	221,052	288,787

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2009

1. SUMMARY OF ACCOUNTING POLICIES

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report includes separate financial statements for Orion Equities Limited as an individual parent entity (the **"Company"**) and the consolidated entity consisting of Orion Equities Limited and its subsidiaries. Orion Equities Limited is a company limited by shares, incorporated in Western Australia, Australia.

Compliance with IFRS

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. Compliance with AIFRS ensures that the consolidated financial statements of Orion Equities Limited comply with International Financial Reporting Standards (**IFRS**).

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

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.

1.1. Principles of Consolidation

A controlled entity is any entity the Company has the power to control the financial and operating policies of so as to obtain benefits from its activities. A list of controlled entities is contained in note 13 to the financial statements. 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Company.

1.2. Investments in Associates

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the post-acquisition profits or losses of associates is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are those entities over which the consolidated entity exercises significant influence, but not control. A list of associates is contained in note 14 to the financial statements. All associated entities have a June financial year-end.

1.3. Mineral Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated (i.e. capitalised) in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Under AASB 6 "Exploration for and Evaluation of Mineral Resources", if facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the Company must perform impairment tests on those assets and measure any impairment in accordance with AASB 136 "Impairment of Assets". Any impairment loss is to be recognised as an expense. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

1.4. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. The consolidated entity's segment reporting is contained in note 24 of the notes to the financial statements.

1.5. Revenue Recognition

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"**). The following specific recognition criteria must also be met before revenue is recognised:

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2009

1.6. Income Tax

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

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

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity 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 equity are also recognised directly in equity.

Tax consolidation legislation

The consolidated entity has implemented the tax consolidation legislation as of 29 June 2004.

The head entity, Orion Equities Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

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

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

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

1.7. Goods and Services Tax (GST)

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

1.8. Employee Benefits

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

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.

1.9. Cash and Cash Equivalents

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

1.10. Receivables

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2009

1.11. Investments and Other Financial Assets

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

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

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

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

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

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

1.12. Fair value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet 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.

1.13. Property held for Resale

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

1.14. Property, Plant and Equipment

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

Freehold Land is not depreciated. (except for property held for resale – refer to Note 1.13). It is shown at fair value, based on periodic valuations by external independent valuers. Any upward revaluation is recognised through equity.

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

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

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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 income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2009

1.15. Impairment of Assets

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

1.16. Payables

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

1.17. Issued Capital

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

1.18. Earnings Per Share

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

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

1.19. Research and Development Costs

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technically feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

1.20. Business Combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair va6e and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

1.21. Inventories

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

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

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

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

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

1.22. Non-current assets (or disposal groups) held for sale and discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

1.23. Biological Assets

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

1.24 Leases

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

1.25 New Standards and Interpretations Released But Not Yet Adopted

The following new Accounting Standards and Interpretations (which have been released but not yet adopted) have no material impact (except where stated below) on the Company's accounts/financial statements or the associated notes therein.

New / revised pronouncement	Explanation of amendments	Effective date
AASB 1 First time *adoption of Australian Accounting Standards* (May 2009) – "AASB 1R"	Structure of the standard has been amended for ease of use.	30 June 2010
AASB 3 Business Combinations (March 2008) – "AASB 3R"	AASB 3R amends how entities account for business combinations and changes in ownership interests in subsidiaries. Many changes have been made to this standard affecting acquisition related costs, step acquisitions, measurement of goodwill and contingent considerations. AASB 3 also replaces the term "Minority Interest" with "Non-controlling Interest". This standard can be early adopted, but only for reporting periods that begin on or after 30 June 2007. AASB 3 is applied prospectively.	Business combinations occurring on or after an annual reporting **beginning on or** after 1 July 2009
AASB 8 Operating Segments (February 2007)	AASB 8 supersedes AASB 114. AASB 8 has a different scope of application to AASB 114; it is applicable only to listed entities and those in the process of listing, and requires that segment information be disclosed using the management approach. This may result in a different set of segments being identified than those previously disclosed under AASB 114.	31 December 2009
AASB 101 Presentation of Financial Statements (September 2007) – "AASB 101R"	AASB 101R contains a number of changes from the previous AASB 101. The main changes are to require that an entity must: • present all non-owner changes in equity ('comprehensive income') either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income • present an additional statement of financial position (balance sheet) as at the beginning of the earliest comparative period when the entity applies an accounting policy retrospectively, makes a retrospective restatement, or reclassifies items in its financial statements • disclose income tax relating to each component of other comprehensive income • disclose reclassification adjustments relating to components of other comprehensive income There are other changes to terminology, however these are not mandatory.	31 December 2009
AASB 123 Borrowing Costs (June 2007) – "AASB 123R"	AASB 123R incorporates amendments removing the option to immediately expense borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.	31 December 2009
AASB 127 Consolidated and Separate Financial Statements (March 2008) – "AASB 127R"	AASB 127R amends how entities account for business combinations and changes in ownership interests in subsidiaries. Many changes were made to this standard affecting acquisitions and disposals which do not result in a change of control, partial disposals where control is lost, attribution of profit or loss to non-controlling interests and loss of significant influence or control in relation to Associates and Joint Ventures. AASB 127 replaces the term "Minority Interest" with the "Non-controlling Interest". AASB 127 is applied retrospectively, with certain exceptions relating to the significant changes made in this revision.	30 June 2010

ASX PRELIMINARY FINAL REPORT

1.25 New Standards and Interpretations Released But Not Yet Adopted (continued)

New / revised pronouncement	Explanation of amendments	Effective date
AASB 1039 Concise Financial Reports (August 2008)	AASB 1039 (August 2008) incorporates amendments to terminology and descriptions of the financial statements to achieve consistency with AASB 101 and the rewording of the disclosure requirements relating to segments to achieve consistency with AASB 8.	31 December 2009
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	AASB 2007-3 consequentially amends a number of standards arising from the issue of AASB 8. These amendments result from the changing the name of the segment reporting standard to AASB 8.	31 December 2009
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	The revision of AASB 123 necessitates consequential amendments to a number of existing Standards. The amendments principally remove references to expensing borrowing costs on qualifying assets, as AASB 123 was revised to require such borrowing costs to be capitalised.	31 December 2009
AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101	AASB 2007-8 consequentially amends a number of AASB's as a result of the reissue of AASB 101. Some of the changes include changing the terms: • 'general purpose financial report' to 'general purpose financial statements' • 'financial report' to 'financial statements' in application paragraphs, where relevant, of Australian Accounting Standards (including Interpretations) to better align with IFRS terminology.	31 December 2009
AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	AASB 2007-10 makes a number of consequential amendments to a number of accounting standards arising from the revision of AASB 101 in September 2007. The changes are largely to terminology for example changing the term 'general purpose financial report' to 'general purpose financial statements' and the term 'financial report' to 'financial statements', where relevant, in Australian Accounting Standards (including Interpretations) to better align with IFRS terminology.	31 December 2009
AASB 2008-1 Amendments to Australian Accounting Standard -Share-based Payments: Vesting Conditions and Cancellations [AASB 2]	AASB 2008-1 was issued after the AASB made changes to AASB 2 Share Based Payments including: • Clarifying that vesting conditions are service conditions and performance conditions only, and that other features of a share-based payment are not vesting conditions. Cancellations, whether by the entity or by other parties, should be accounting for consistently.	31 December 2009
AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]	AASB 2008-2 makes amendments to AASB 132 and AASB 101, permitting certain puttable financial instruments to be classified as equity rather than liabilities, subject to certain criteria being met.	31 December 2009
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107]	AASB 2008-3 was issued after the AASB revised AASB 3 and AASB 127, as consequential amendments were necessary to other Australian Accounting Standards.	30 June 2010
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038].	AASB 2008-5 makes a number of minor, but necessary amendments to different Standards arising from the annual improvements project. The amendments largely clarify accounting treatments where previous practice had varied, with some new or amended requirements introduced. The changes addressed include accounting for advertising and promotional expenditure, investment property under construction and the reclassification to inventories of property, plant and equipment previously held for rental when the assets cease to be rented and are held for sale.	31 December 2009
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1 & AASB 5]	AASB 2008-6 makes further amendments arising from the annual improvements project. These amendments are made to AASB 1 and AASB 5 to include requirements relating to a sale plan involving the loss of control of a subsidiary, and the requirements for all assets and liabilities of such subsidiaries to be classified as held for sale. Disclosure requirements are also clarified.	31 December 2009

1.25 New Standards and Interpretations Released But Not Yet Adopted (continued)

New / revised pronouncement	Explanation of amendments	Effective date
AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136]	AASB 2008-7 makes changes to a number of accounting standards, for the purpose of reducing the burden on parent entities when complying with AASB 127 and measuring the cost of a subsidiary at acquisition in their separate financial statements in certain circumstances. The amendments are to apply only on initial application of Australian Equivalents to International Financial Reporting Standards (AASBs).	31 December 2009
AASB 2008-8 Amendments to Australian Accounting Standards -Eligible Hedged Items [AASB 139]	AASB 2008-8 makes amendments to AASB 139 to clarify the application of some of AASB 139's requirements on designation of a risk or a portion of cash flows for hedge accounting purposes; including: The main issues addressed are: • Designation of one-sided risks • Designation of portions of cash flows of a financial instrument, with reference to inflation components; and • Hedge effectiveness when hedging one-sided risks with a purchased option.	30 Jun 2010
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	AASB 2008-9 makes amendments to AASB 1049 to ensure consistency with AASB 101 Presentation of Financial Statements (September 2007). This alignment is consistent with the broad approach taken in the AASB's Generally Accepted Accounting Principles/Government Finance Statistics (GAAP/GFS) Harmonisation project.	31 December 2009
AASB 2008-11 Amendments to Australian Accounting Standard – Business Combinations Among Not-for-Profit Entities [AASB 3]	AASB 2008-11 mandates that the requirements in AASB 3 (March 2008) are applicable to business combinations among not-for-profit entities (other than restructures of local governments) that are not commonly controlled. It also allows those requirements to be early adopted by not-for-profit entities. Also included are specific recognition, measurement and disclosure requirements relating to local government restructures.	30 June 2010
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110]	AASB 2008-13 makes amendments to AASB 5 and AASB 110 resulting from the issue of Interpretation 17. The amendments relate to the classification, presentation and measurement of non-current assets held for distribution to owners and the disclosure requirements for dividends that are declared after the reporting period but before the financial statements are authorised for issue.	30 June 2010
AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2, AASB 138 and AASB Interpretations 9 & 16]	Makes various amendments to a number of standards and interpretations in line with the IASB annual improvements project	30 June 2010
AASB 2009-05 Further amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 118, 136, 139]	Makes various amendments to a number of standards and interpretations in line with the IASB annual improvements project	31 December 2010
Interpretation 15 *Agreements for Construction of Real Estate*	This Interpretation aims to standardise accounting practice among real estate developers for sales of units, such as apartments or houses, 'off plan', i.e. before construction is complete, with regards to the recognition of revenue.	31 December 2009
Interpretation 16 Hedges of *a Net Investment in a Foreign Operation*	This Interpretation clarifies when in a group situation hedge accounting can be applied in relation to foreign exchange risks associated with foreign operations.	30 September 2009
Interpretation 17 Distributions of Non-cash Assets to Owners	This Interpretation provides guidance on how entities should measure distributions of assets other than cash when it pays dividends to its owners, except for common control transactions.	30 June 2010
Interpretation 18 Transfers *of Assets from Customers*	This Interpretation clarifies the accounting for agreements in which an entity receives an item of PPE from a customer that they must use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.	Asset transfers received on or after 1 July 2009

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

2 LOSS FOR THE YEAR

Loss for the year includes the following items of revenue and expenses below. Included are the revenue and expenses of the discontinued operations of Orion Indo Mining Pty Ltd and Central Exchange Mining Ltd, formerly wholly owned subsidiaries disposed on 11 August 2008 (refer to Note 5).

	Consolidated Entity		Company	
	2009	2008	2009	2008
(a) Revenue from continuing operations	$	$	$	$
Dividends received from securities - trading portfolio	37,339	103,386	37,339	103,386
Income from olive grove operations	311,530	1,039,852	-	-
Interest received - other	23,060	49,329	23,052	49,198
	371,929	1,192,567	60,391	152,584
Other Income				
Net gain from sale of subsidiaries	16,961,679	-	16,850,303	-
Dividends received from Associate entities	-	255,124	-	255,124
Gains on sale of securities - trading portfolio	436,018	2,266,054	436,018	2,266,054
Other income	34,135	875	34,135	-
	17,431,832	2,522,053	17,320,456	2,521,178
Total revenue	17,803,761	3,714,620	17,380,847	2,673,762
(b) Revenue from discontinued operations				
Interest received - other	4	374	-	-
(c) Expenses from continuing operations				
Olive grove operations	549,381	515,194	-	-
- Cost of goods sold	31,628	677,046	-	-
- Revaluation of olive trees	188,500	(281,580)	-	-
Land operations	36,735	53,617	-	-
- Impairment of property held for development and resale	1,200,000	147,339	-	-
Net change in fair value in trading portfolio	28,457,085	1,836,528	28,457,085	1,836,528
Costs in relation to investments	653	-	653	-
Share of Associate entities' losses	2,283,013	2,687,143	2,283,013	2,687,143
Personnel - remuneration and other	646,993	581,009	611,584	584,487
- employee entitlements	38,254	16,493	31,064	16,494
Communications	20,309	23,468	20,309	22,822
Occupancy expenses	70,861	20,749	70,861	19,987
Corporate expenses	133,940	14,098	21,966	18,815
Finance expenses	2,209	3,943	1,784	2,247
Borrowing cost	-	6	-	-
Administration expenses				
- Professional fees	7,980	132,253	7,980	126,036
- Exploration and evaluation expenses	18,827	(71,874)	19,224	(71,874)
- Brokerage fees	6,364	36,524	6,364	36,524
- Realisation cost of share portfolio provision/(written back)	(28,844)	(22,994)	(28,844)	(22,994)
- Impairment of receivables	-	-	7,381,232	-
- Write down investment in subsidiary	-	-	100	-
- Write off fixed assets	124	623	124	623
- Depreciation expenses	156,491	190,474	4,405	6,278
- Other expenses	170,049	135,385	142,042	94,183
	33,990,552	6,695,444	39,030,946	5,357,299
(d) Expenses from discontinued operations				
Finance expenses	205	642	-	-
Other corporate expenses	(111,974)	4,717	-	-
Depreciation	-	158	-	-
Exploration and evaluation expenses	397	96,899	-	-
	(111,372)	102,416	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

3 INCOME TAX EXPENSE

	Consolidated Entity		Company	
	2009	2008	2009	2008
(a) The major component of income tax expenses are:	$	$	$	$
Current income tax				
Current income tax charge	-	58,116	-	512,514
Under/(over) provision in prior years	(472,883)	(140,860)	(927,281)	(154,132)
Deferred income tax	(3,605,432)	(431,109)	(2,873,608)	(1,052,235)
	(4,078,315)	(513,853)	(3,800,889)	(693,853)
(b) The prima facie income tax on loss from is reconciled to the income tax provided in the accounts as follows:				
Loss from continuing operations	(16,186,791)	(2,980,824)	(21,650,099)	(2,683,537)
(Loss)/Profit from discontinued operations	111,376	(102,042)	-	-
Loss for the year	(16,075,415)	(3,082,866)	(21,650,099)	(2,683,537)
Prima facie tax payable on profit/(loss) before income tax at 30% (2008:30%)	**(4,822,625)**	**(924,860)**	**(6,495,030)**	**(805,061)**
Permanent differences				
Other assessable income	122,513	(38,415)	44,872	46,071
Other non-deductible items	316,040	131,165	347,419	75,767
Other deductible items	-	(327,581)	-	(74,079)
Share of Associates' profits	684,904	806,143	684,904	806,143
Writedowns to members of consolidated group	-	-	2,292,329	-
Assumption of subsidiary losses in tax consolidated group	-	-	(118,150)	-
Unrealised gains on securities	-	550,958	-	550,958
Income tax expense attributable to operating loss	(3,699,168)	197,410	(3,243,656)	599,799
Provision for deferred income tax	-	(431,109)	-	(1,051,965)
Overprovision of income tax payable	(379,148)	(126,585)	(557,233)	(88,118)
Franking credits	-	(153,569)	-	(153,569)
Net income tax benefit	(4,078,315)	(513,853)	(3,800,889)	(693,853)
The applicable weighted average effective tax rates are as follows:	25%	17%	18%	26%

(c) The Company and controlled entities of the Company have elected to consolidate for taxation purposes and have entered into a tax sharing and funding agreement in respect of such arrangements.

4 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of key management personnel - directors (consolidated and parent entity)

Farooq Khan	Executive Chairman
William M Johnson	Executive Director
Victor P H Ho	Executive Director and Company Secretary
Yaqoob Khan	Non-Executive Director

	Consolidated Entity		Company	
	2009	2008	2009	2008
Number of employees (including key management personnel)	4	4	4	4

(b) Compensation of key management personnel	Consolidated Entity		Company	
	2009	2008	2009	2008
Directors	$	$	$	$
Short-term employee benefits - cash fees	485,000	485,000	485,000	485,000
Post-employment benefits - superannuation	41,400	41,400	41,400	41,400
Long-term benefits	49,615	-	49,615	-
	576,015	526,400	576,015	526,400

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

4 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(c) Compensation of other key management personnel (consolidated and parent entity)

The Consolidated Entity and Company do not have any key executives (other than executive directors).

(d) Options, rights and equity instruments provided as remuneration

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

(e) Shareholdings of key management personnel (consolidated)

	Balance at the start of the year	Other changes during the year	Balance at the end of the year
2009			
Directors			
Farooq Khan	8,651,356	-	8,651,356
William M Johnson	-	-	-
Victor P H Ho	-	-	-
Yaqoob Khan	8,651,356	-	8,651,356
2008			
Directors			
Farooq Khan	8,651,356	-	8,651,356
William M Johnson	-	-	-
Victor P H Ho	-	-	-
Yaqoob Khan	8,651,356	-	8,651,356

The disclosures of equity holdings above are in accordance with the accounting standards which requires a disclosure of direct and indirect holdings of spouses, relatives, spouses of relatives and entities under the control or significant influence of each of the same. There are instances of some overlap between disclosed holdings of Farooq Khan and Yaqoob Khan.

(f) Option holdings of key management personnel (Consolidated Entity and Company)

The Company does not have any options on issue.

(g) Loans to key management personnel

There were no loans to key management personnel (or their personally related entities) during the financial year.

(h) Other transactions with key management personnel

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

5 DISCONTINUED OPERATIONS

On 11 August 2008, the Company disposed of its mining assets via the sale of its subsidiaries, Orion Indo Mining Pty Ltd and Central Exchange Mining Ltd to Strike Resources Limited (Strike) in consideration for the issue of 9,500,000 ordinary shares in Strike. Financial information relating to the discontinued operations of the subsidiaries from 1 July 2008 to the date of cessation is set out below.

Financial information relating to the discontinued operation, which has been incorporated into the Income Statement, is as follows:	Consolidated Entity 2009 $	Consolidated Entity 2008 $	Company 2009 $	Company 2008 $
Revenue	4	374	-	-
Expenses	111,372	(102,416)	-	-
Profit/(Loss) before income tax	111,376	(102,042)	-	-
Income tax expense	-	-	-	-
Profit/(Loss) after income tax	111,376	(102,042)	-	-
Gain on sale of subsidiary	16,961,679	-	-	-
Income tax expense	-	-	-	-
Gain on sale of subsidiary after tax	16,961,679	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

5 DISCONTINUED OPERATIONS (continued)

	Consolidated Entity		Company	
	2009	2008	2009	2008
The carrying amounts of assets and liabilities of the operation at the date of cessation were:	$	$	$	$
Total assets	1,767,013	464,372	-	-
Total liabilities	(13,692)	(1,249,734)	-	-
Net asset	1,753,321	(785,362)	-	-
The net cash flows of the business, which have been incorporated into the Cash Flows Statement, are as follows:				
Net cash outflow from operating activities	(40,791)	(1,196,170)	-	-
Net cash inflow from investing activities	77,121	1,226,869	-	-
Net increase/(decrease) in cash from businesses	36,330	30,699	-	-
Details of sale of subsidiaries				
Consideration received:				
Shares	18,715,000	-	-	-
	18,715,000	-	-	-
Carrying amount of net assets sold	(1,753,321)	-	-	-
Gain on sale before income tax	16,961,679	-	-	-
Income tax expense	-	-	-	-
Gain on sale after income tax	16,961,679	-	-	-

6 BUSINESS COMBINATION

On 23 June 2009, Orion Equities Limited acquired two companies, Margaret River Wine Corporation Pty Ltd and Margaret River Olive Oil Company Pty Ltd for a total cash consideration of $4.00.

	Company
Purchase consideration:	$
Cash paid	4
Fair value of net identifiable assets acquired	-
	4
Net cash outflow for acquisition of subsidiary	4

7 AUDITOR'S REMUNERATION

Amounts received or due and receivable by:	Consolidated Entity		Company	
Auditors of the Consolidated Entity (BDO Kendalls (WA) Audit and Assurance Pty Ltd)	2009 $	2008 $	2009 $	2008 $
Auditing of the financial report	27,860	24,121	27,860	24,121
Underprovision for prior year	-	2,000	-	2,000
Non-audit services (BDO Kendalls)				
Taxation services	2,310	1,375	2,310	1,375
	30,170	27,496	30,170	27,496

8 DIVIDENDS

Declared and paid during the year Dividends on ordinary shares	**Date paid**				
2.0 cents per share fully franked	21-Sep-07	-	356,288	-	356,288
1.5 cent per share fully franked	29-Mar-08	-	267,252	-	267,252
0.5 cent per share fully franked	26-Sep-08	89,072	-	89,072	-
		89,072	623,540	89,072	623,540

Franking credit balance	**2,315,572**	**1,971,746**
Balance of franking account at year end adjusted for franking credits arising from:		
Payment of provision for income tax	-	60,036
Franking debits arising from payment of proposed dividends	-	(38,174)
	2,315,572	1,993,608

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

9 LOSS PER SHARE

	Consolidated Entity 2009 cents	Consolidated Entity 2008 cents
Basic loss per share		
From continuing operations attributable to the ordinary equity holders of the Company	(68.0)	(13.8)
From discontinued operations	0.6	(0.6)
Total basic loss per share attributable to the ordinary equity holders of the Company	(67.3)	(14.4)

Reconciliations of earnings/(loss) used in calculating earnings per share

	2009	2008
Loss attributable to the ordinary equity holders of the Company used in calculating basic loss per share		
from continuing operations	(12,108,476)	(2,466,971)
from discontinued operations	111,376	(102,042)
	(11,997,100)	(2,569,013)
The weighted average number of ordinary shares used as the denominator in calculating basic loss per share	17,814,389	17,814,389

Diluted loss per share is not materially different from basic loss per share and therefore is not disclosed in the Financial Statements.

10 CASH AND CASH EQUIVALENTS

	Consolidated Entity 2009 $	Consolidated Entity 2008 $	Company 2009 $	Company 2008 $
Cash at bank	242,157	517,781	221,052	288,787
	242,157	517,781	221,052	288,787

(a) Reconciliation of net loss after tax to net cash flows from operations

	Consolidated Entity 2009 $	Consolidated Entity 2008 $	Company 2009 $	Company 2008 $
Loss after income tax	**(11,997,100)**	**(2,569,013)**	**(17,849,210)**	**(1,989,684)**
Depreciation expenses	156,491	190,632	4,405	6,278
Doubtful debts provision	-	-	7,381,232	-
Write down investment in subsidiary	-	-	100	-
Write off fixed assets disposed	124	623	124	623
Revaluation of land and trees	1,388,500	(134,241)	-	-
Net change in fair value in trading portfolio	28,457,085	1,836,528	28,457,085	1,836,528
Gain on sale of subsidiaries	(16,961,679)	-	(16,850,303)	-
Share of Associate entities' profits	2,283,013	2,687,143	2,283,013	2,687,143
Cost of trading portfolio sold	705,686	-	705,686	-
(Increase)/decrease in assets:				
Receivables	(139,633)	(105,460)	(5,125)	2,955
Trading portfolio	(268,055)	1,108,012	(268,055)	1,108,012
Strategic portfolio	-	(255,124)	-	(255,124)
Inventory	(681,621)	510,037	-	-
Exploration expenditure	-	(1,413,770)	-	(516,149)
Increase/(decrease) in liabilities:				
Payables & Accruals	534,239	(1,156,721)	1,857	(728,806)
Provision for income tax	(58,116)	(668,499)	(2,873,608)	(227,643)
Deferred income tax	(3,605,432)	(431,110)	(512,514)	(1,051,966)
Net cash flows from/(used in) operating activities	(186,498)	(400,963)	474,687	872,167

(b) Disclosure of non-cash financing and investing activities

On 11 August 2008, the Company sold its 70% interest in the Berau Coal Project and its 25% interest in the Paulsens East Iron Ore Project, through the sale of its subsidiary companies Orion Indo Mining Pty Ltd and Central Exchange Mining Ltd to its joint venture partner, ASX listed Strike Resources Limited (Strike) in consideration for 9.5 million ordinary Strike shares, valued at $18.7 million based on Strike's closing bid price on 11 August 2008 of $1.97.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

11 TRADE AND OTHER RECEIVABLES

	Consolidated Entity		Company	
	2009	2008	2009	2008
Current	$	$	$	$
Other receivables	4,003	205,802	2,953	3,125
GST receivable	30,198	33,209	-	-
	34,201	239,011	2,953	3,125
Non Current				
Amount receivable from controlled entities (Note **26d**)	-	-	7,856,966	8,718,023
Less impairment on amounts receivable	-	-	(7,381,232)	-
	-	-	475,734	8,718,023
Bonds and guarantees	32,823	32,823	32,823	32,823
	32,823	32,823	508,557	8,750,846

Refer to Note **28** for the Consolidated Entity and Company's exposure to credit risk, foreign exchange risk and interest rate risk.

Impaired receivables and receivables

None of the receivables are impaired or past due.

Provision for doubtful debts have been raised in relation to the outstanding balances amounts owed by subsidiaries Silver Sands Development Pty Ltd and Dandaragan Estate Pty Ltd. These subsidiaries have net tangible liabilities balances which has required the Company to provide for impairment.

	Consolidated Entity	
Movement in provision for impairment of receivables	2009	2008
	$	$
At 1 July	-	-
Provision for impairment recognised during the year	(7,381,232)	-
	(7,381,232)	-

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated Entity		Company	
	2009	2008	2009	2008
Financial assets at fair value comprise:	$	$	$	$
Listed investments at fair value	7,035,608	11,258,713	7,035,608	11,258,713
Unlisted options in listed corporations at cost	10,000	10,000	10,000	10,000
Add: net change in fair value	838,313	6,722,402	838,313	6,722,402
	848,313	6,732,402	848,313	6,732,402
Total financial assets at fair value	7,883,921	17,991,115	7,883,921	17,991,115

Changes in fair value of financial assets at fair value through profit and loss are recorded as Income **(Note 2(a))**.

	Consolidated Entity		Company	
	2009	2008	2009	2008
Net gain/(loss) on financial assets	$	$	$	$
at fair value through profit or loss	(28,021,067)	429,526	(28,021,067)	429,526

Risk Exposure

Information about the Consolidated Entity's exposure to market and price risk is provided in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

13 INVENTORIES

	Consolidated Entity		Company	
	2009	2008	2009	2008
Current - Olive Oils	$	$	$	$
Bulk oils - at cost	701,478	160,526	-	-
Packaged oils - at cost	140,669	-	-	-
	842,147	160,526	-	-
Non Current - Land Development				
Property held for development and resale - at cost	3,797,339	3,797,339	-	-
Revaluation of property	(1,347,339)	(147,339)	-	-
	2,450,000	3,650,000	-	-

Property held for development and resale relates to a beachfront property located in Mandurah, Western Australia. The property has been valued by an independent qualified valuer on 9 January 2009 and the downwards revaluation has been recognised as an expense through profit or loss.

	Consolidated Entity		Company	
14 OTHER CURRENT ASSET	2009	2008	2009	2008
	$	$	$	$
Prepayments	5,294	-	5,294	-

	Consolidated Entity		Company	
15 NON-CURRENT INVESTMENTS	2009	2008	2009	2008
	$	$	$	$
Shares in controlled entities at cost	-	-	100	400
Less: Provision for diminution	-	-	(100)	(100)
	-	-	-	300

	Ownership interest	
Investment in Controlled Entities:	2009	2008
Silver Sands Developments Pty Limited (ACN 094 097 122)	100%	100%
Incorporated in Australia on 10 August 2000 This company is currently engaged in property development activities and holds non- current Inventory.		
Dandaragan Estate Pty Ltd (ACN 120 616 891) (formerly Koorian Olives Pty Ltd)	100%	100%
Incorporated in Australia on 7 July 2006 This company is currently engaged in olive oil production and sales		
Aquaverde Holdings Pty Ltd (ACN 128 938 090)	50%	50%
Incorporated in Australia on 17 December 2007 This company is currently inactive.		
Margaret River Wine Corporation Pty Ltd (ACN 094 706 500)	100%	-
Incorporated in Australia on 9 October 2000 and acquired on 23 June 2009 This company is currently inactive.		
Margaret River Olive Oil Company Pty Ltd (ACN 094 706 519)	100%	-
Incorporated in Australia on 9 October 2000 and acquired on 23 June 2009 This company is currently inactive.		
Central Exchange Mining Ltd (ACN 119 438 265)	-	100%
Incorporated in Australia on 27 April 2006 Name and Status change to Orion Australian Operations Pty Ltd on 29 August 2008 Disposed to Strike Resources Limited (Strike or SRK) on 11 August 2008		
Orion Indo Operations Pty Ltd (ACN 124 702 245)	-	100%
Incorporated in Australia on 30 March 2007 Disposed to Strike on 11 August 2008		
PT Orion Indo Mining	-	100%
Incorporated in Indonesia on 4 April 2007 100% beneficially owned by Orion Indo Operations Pty Ltd		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

16 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of Associate	Principal Activity	Ownership Interest		Carrying Amount	
		2009	2008	2009 $	2008 $
Bentley Capital Limited (**BEL**)	Investments	28.7%	28.8%	6,851,981	3,792,957
Scarborough Equities Limited (**SCB**)	Investments	-	28.5%	-	5,414,558
				6,851,981	9,207,515

On 13 March 2009, listed investment companies BEL and SCB merged via a scheme of arrangement. Under the merger, BEL issued 31,350,322 new shares to eligible SCB shareholders and acquired SCB as a wholly-owned subsidiary. The Company received 8,925,845 BEL shares in consideration for its 5,619,645 holding in SCB (on the basis of 1.588329 new BEL share for each SCB share held). Post-Merger, the Company holds 20,513,783 Bentley shares representing 28.66% of Bentley's expanded share capital (30 June 2008: 11,587,938 shares (28.80%)).

The carrying value of Associate entity, BEL (determined in accordance with the equity method for accounting of Associate entities) is greater than the fair value (which is based on the market price of BEL on the ASX). The Directors are of the opinion that the Company has significant influence over the Associate entity's operations and would have reasonable prospects of realising its investment at at least its carrying value (which is below BEL's NTA backing value).

	2009 $	2008 $
Movement in Investments in Associates		
Shares in listed Associate entities brought forward	9,207,515	11,639,535
Share of losses before income tax expense	(2,141,377)	(3,086,050)
Share of income tax (expense) /benefit	(141,636)	654,030
Impairment expense - SCB	(72,521)	-
Dividends received	-	(255,124)
Acquisition of BEL shares through scheme of arrangement	3,270,050	-
Disposal of SCB shares through scheme of arrangement	(3,270,050)	-
Acquisition of shares	-	255,124
Carrying amount at the end of the financial year	6,851,981	9,207,515
Fair value of listed investments in associates		
BEL	5,333,584	2,954,924
SCB	-	3,399,885
	5,333,584	6,354,809
Net tangible asset value of listed investments in associates		
BEL	7,951,618	4,632,858
SCB	-	5,344,282
	7,951,618	9,977,140
Share of Associates' profits		
Profit/(loss) before income tax	(2,141,377)	(3,086,050)
Share of income tax (expense) /benefit	(141,636)	654,030
Loss after income tax	(2,283,013)	(2,432,020)

Summarised Financial Position of Associates	Group share of:			
	BEL		SCB	
	2009 $	2008 $	2009 $	2008 $
Current assets	7,982,669	4,672,284	-	682,335
Non current assets	4,444	264,237	-	4,771,547
Total assets	7,987,113	4,936,521	-	5,453,882
Current liabilities	(31,697)	(40,651)	-	(81,154)
Non current liabilities	(3,798)	(262,953)	-	(30,498)
Total liabilities	(35,495)	(303,604)	-	(111,652)
Net assets	7,951,618	4,632,917	-	5,342,230
Revenues	1,587,188	130,700	-	1,108,696
Loss after income tax of associates	(211,027)	(1,093,611)	(2,071,986)	(1,593,532)

Bentley Capital Limited - Lease Commitments

BEL has the same lease commitments disclosed in note **29**.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

17 PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings on Freehold Land	Plant & Equipment	Leasehold Improve-ments	Total
2009					
Consolidated Entity	**$**	**$**	**$**	**$**	**$**
Carrying amount at beginning	1,464,000	101,493	1,039,182	5,979	2,610,654
Revaluation (Note 25)	(235,550)	-	-	-	(235,550)
Additions	-	-	8,014	-	8,014
Depreciation expense	-	(7,612)	(148,007)	(872)	(156,491)
Disposal	-	-	(528)		(528)
Carrying amount at balance date	1,228,450	93,881	898,661	5,107	2,226,099
At 1 July 2008					
Cost	861,214	112,432	1,315,165	22,170	2,310,981
Accumulated depreciation and impairment	602,786	(10,939)	(275,983)	(16,191)	299,673
Net carrying amount	1,464,000	101,493	1,039,182	5,979	2,610,654
At 30 June 2009					
Cost	1,464,000	112,432	1,323,780	22,170	2,922,382
Accumulated depreciation and impairment	(235,550)	(18,551)	(425,119)	(17,063)	(696,283)
Net carrying amount	1,228,450	93,881	898,661	5,107	2,226,099
2009					
Company					
Carrying amount at beginning	-	-	15,706	5,979	21,685
Depreciation expense	-	-	(3,533)	(872)	(4,405)
Disposal	-	-	(124)	-	(124)
Carrying amount at balance date	-	-	12,049	5,107	17,156
At 1 July 2008					
Cost	-	-	53,982	22,170	76,152
Accumulated depreciation and impairment	-	-	(38,276)	(16,191)	(54,467)
Net carrying amount	-	-	15,706	5,979	21,685
At 30 June 2009					
Cost	-	-	52,333	22,170	74,503
Accumulated depreciation and impairment	-	-	(40,283)	(17,063)	(57,346)
Net carrying amount	-	-	12,050	5,107	17,157
2008					
Consolidated Entity					
Carrying amount at beginning	861,214	107,242	1,144,937	7,002	2,120,395
Revaluation (Note 25)	602,786	-	-	-	602,786
Additions	-	2,432	76,296	-	78,728
Depreciation expense	-	(8,181)	(181,428)	(1,023)	(190,632)
Disposal	-	-	(623)	-	(623)
Carrying amount at balance date	1,464,000	101,493	1,039,182	5,979	2,610,654
At 1 July 2007					
Cost	861,214	110,000	1,256,540	22,169	2,249,923
Accumulated depreciation and impairment	-	(2,758)	(111,603)	(15,167)	(129,528)
Net carrying amount	861,214	107,242	1,144,937	7,002	2,120,395
At 30 June 2008					
Cost	861,214	112,432	1,315,165	22,170	2,310,981
Accumulated depreciation and impairment	602,786	(10,939)	(275,983)	(16,191)	299,673
Net carrying amount	1,464,000	101,493	1,039,182	5,979	2,610,654

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

17 PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold Land	Buildings on Freehold Land	Plant & Equipment	Leasehold Improve-ments	Total
Company	$	$	$	$	$
Carrying amount at beginning	-	-	20,695	7,002	27,697
Additions	-	-	889	-	889
Depreciation expense	-	-	(5,255)	(1,023)	(6,278)
Disposal	-	-	(623)	-	(623)
Carrying amount at balance date	-	-	15,706	5,979	21,685
At 1 July 2007					
Cost	-	-	69,765	22,169	91,934
Accumulated depreciation and impairment	-	-	(49,070)	(15,167)	(64,237)
Net carrying amount	-	-	20,695	7,002	27,697
At 30 June 2008					
Cost	-	-	53,982	22,170	76,152
Accumulated depreciation and impairment	-	-	(38,276)	(16,191)	(54,467)
Net carrying amount	-	-	15,706	5,979	21,685

Freehold land relates to the Olive Grove property of approximately 143 hectares located in Gingin, Western Australia. An independent qualified valuer has revalued the land downwards by $235,550 from the previous balance date (Note 25).

18 OLIVE TREES

	Consolidated Entity		Company	
	2009	2008	2009	2008
	$	$	$	$
Olive trees - at cost	300,000	300,000	-	-
Revaluation of trees	93,080	281,580	-	-
	393,080	581,580	-	-

Nature of asset

The olive trees are on the olive grove property (approximately 64,500, 10 year old trees planted over 143 hectares). An independent qualified valuer has recently revalued the trees downwards by $188,500 from the previous balance date. The revaluation of trees is expensed to Income Statement (Note 2).

19 INTANGIBLE ASSET

	Consolidated		
	Water Licence	Brand name	Total
Year ended 30 June 2008	$	$	$
Opening net book amount	250,000	-	250,000
Closing net book amount	250,000	-	250,000
At 30 June 2008			
Cost	250,000	-	250,000
Impairment expense	-	-	-
Net book amount	250,000	-	250,000
Year ended 30 June 2009			
Opening net book amount	250,000	-	250,000
Additions - acquisition	-	99,996	99,996
Asset revaluation	273,125	-	273,125
Closing net book amount	523,125	99,996	623,121
At 30 June 2009			
Cost	250,000	99,996	349,996
Asset revaluation (Note 25)	273,125	-	273,125
Net book amount	523,125	99,996	623,121

On 23 June 2009, the Company acquired the ultra premium Dandaragan Estate Olive Oil Brand, certain related equipment/infrastructure and inventory, in consideration for $0.25 million. The acquisition was undertaken to complement the Company's existing Olive Grove business. The Water Licence pertains to the Company's Olive Grove property in Gingin, Western Australia.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

20 RESOURCE PROJECTS

	Consolidated Entity		Company	
	2009	**2008**	**2009**	**2008**
Deferred Exploration Expenditure	**$**	**$**	**$**	**$**
Balance at beginning of the year	1,413,771	-	516,149	-
Disposal of mining tenements through the sale of subsidiaries	(1,413,771)	-	(516,149)	-
Direct expenditure	18,827	1,438,796	19,224	444,275
Direct expenditure expensed	(18,827)	(25,025)	(19,224)	71,874
Balance at end of the year	-	1,413,771	-	516,149

On 11 August 2008, the Company disposed of its 70% interest in the Indonesian Berau Coal Project (via the sale of subsidiary, Orion Indo Operations Pty Ltd) and its 25% interest in the West Australian Paulsens East Iron Ore Project (via the sale of subsidiary, Central Exchange Mining Ltd) to its joint venture partner in these projects, ASX listed Strike Resources Limited (Strike or SRK). A total of 9.5 million Strike shares were issued to Orion as consideration for the sale. The Company realised a gain on sale of these subsidiaries of $16.9 million.

21 TRADE AND OTHER CREDITORS

	Consolidated Entity		Company	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Trade creditors	8,822	223,610	-	(22)
Other creditors and accruals	1,031,540	189,895	210,335	189,895
Dividend payable	28,313	28,367	28,313	28,367
	1,068,675	441,872	238,648	218,240

Details of the Consolidated Entity's exposure to risks arising from current payables are set out in Note **28.**

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

Other creditors and accruals include accruals for annual leave. The entire obligation is presented as current, since the Consolidated Entity does not have an unconditional right to defer settlement. However based on past experience, the Consolidated Entity does not expect all employees to take the full amount of the accrued leave within the next 12 months. The following amounts reflect leave that is not expected to be taken within the next 12 months.

	Consolidated Entity		Company	
	2009	**2008**	**2009**	**2008**
Annual leave obligation expected to be settled after 12 months	**$** 51,135	**$** 35,461	**$** 51,135	**$** 35,461

(b) Risk exposure

Details of the Consolidated Entity's exposure to risks arising from current payables are set out in Note **28.**

22 PROVISIONS

	Consolidated Entity		Company	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Employee benefits - long service leave	71,767	56,377	71,767	56,377

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire obligation is presented as current, since the Consolidated Entity does not have an unconditional right to defer settlement. However based on past experience, the Consolidated Entity does not expect all employees to take the full amount of the accrued 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

23 TAX

	Consolidated Entity 2009 $	Consolidated Entity 2008 $	Company 2009 $	Company 2008 $
Current tax asset				
Income tax	-	-	-	-
Deferred tax asset				
Deferred tax asset comprises:				
Provisions & accruals	124,291	-	85,291	-
Revenue tax losses	760,155	-	760,155	-
Other	404,277	-	-	-
	1,288,723	-	845,446	-
Current tax liability				
Current tax liability/(asset)	-	58,116	-	512,514
Non Current tax liability				
Deferred tax liability comprises:				
Fair Value Gain Adjustments	1,455,846	4,037,865	1,455,846	3,484,009
Other	265,310	-	-	-
	1,721,156	4,037,865	1,455,846	3,484,009
Reconciliations				
Gross movements				
The overall movement in recognised deferred tax assets/(liabilities) is as follows:				
Opening balance	(4,037,865)	(4,468,974)	(3,484,009)	(4,535,974)
Charged to income statement	3,605,432	431,109	2,873,609	1,051,965
Closing balance	(432,433)	(4,037,865)	(610,400)	(3,484,009)
Deferred tax asset				
The overall movement in recognised deferred tax assets for each temporary difference is as follows:				
Provisions				
Opening balance	-	-	-	-
Charged to income statement	124,291	-	85,291	-
Closing balance	124,291	-	85,291	-
Revenue tax losses				
Opening balance	-	-	-	-
Charged to income statement	760,155	-	760,155	-
Closing balance	760,155	-	760,155	-
Other				
Opening balance	-	-	-	-
Charged to income statement	404,277	-	-	-
Closing balance	404,277	-	-	-
Total	1,288,723	-	845,446	-
Deferred tax liability				
The overall movement in recognised deferred tax liabilities for each temporary difference is as follows:				
Fair Value Gain Adjustments				
Opening balance	4,037,865	4,468,974	3,484,009	4,535,974
Charged to income statement	(2,582,019)	(431,109)	(2,028,163)	(1,051,965)
Closing balance	1,455,846	4,037,865	1,455,846	3,484,009
Other				
Opening balance	-	-	-	-
Charged to income statement	265,310	-	-	-
Closing balance	265,310	-	-	-
Total	1,721,156	4,037,865	1,455,846	3,484,009

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

		Consolidated Entity		Company	
		2009	2008	2009	2008
24	**ISSUED CAPITAL**	$	$	$	$
	Fully paid ordinary shares	19,374,007	19,374,007	19,374,007	19,374,007

	Date of movement	Number of shares		
Movement in Ordinary Share Capital				
At 1 July 2007		17,814,389	19,374,007	19,374,007
		-	-	-
At 1 July 2008		17,814,389	19,374,007	19,374,007
		-	-	
At 30 June 2009		17,814,389	19,374,007	

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(a) Capital risk management

The Company's objectives when managing its capital are to safeguard their ability to continue as a going concern, so that they 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 borrowings. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

			Consolidated Entity		Company	
			2009	2008	2009	2008
25	**RESERVES**	**Note**	$	$	$	$
	Property, plant and equipment	**17**	367,236	602,786	-	-
	Intangibles	**19**	273,125	-	-	-
	Asset revaluation reserve		640,361	602,786	-	-
	Movement of asset revaluation reserve					
	Balance 1 July		602,786	-	-	-
	Revaluation		37,575	602,786	-	-
	Balance 30 June		640,361	602,786	-	-

The Asset Revaluation Reserve relates to the revaluation of the Olive Grove land from $1,464,000 to $1,228,450 and the water licence from a cost of $250,000 to $523,125, as assessed by an independent qualified valuer.

26 RELATED PARTY DISCLOSURES

(a) Parent entities

ASX listed Queste Communications Ltd (QUE) is deemed to control the Consolidated Entity as QUE has 48% of the Company's total issued share capital.

(b) Key management personnel

Disclosures relating to key management personnel are set out in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

26 RELATED PARTY DISCLOSURES (continued)

(c) Transactions with related parties

During the financial year, there were transactions between the Company, QUE, SCB and BEL, pursuant to shared office and administration expense arrangements on a cost recovery basis. There were no outstanding amounts as at balance date. The following transactions occurred with related parties:

	Consolidated Entity		Company	
	2009	2008	2009	2008
Dividends revenue	$	$	$	$
Bentley Capital Limited	-	112,760	-	112,760
Scarborough Equities Limited	-	142,364	-	142,364
Dividends paid				
Queste Communications Ltd	42,791	299,534	42,791	299,534

(d) Loans to subsidiaries

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 15 to the financial statements. The amounts owed remain outstanding at balance date. Provision for doubtful debts have been raised in relation to any outstanding balances amounts owed by Silver Sands Development Pty Ltd and Dandaragan Estate Pty Ltd as noted in Note 11. Interest is not charged on such outstanding amounts.

		Company	
	Note	2009	2008
Loans to subsidiaries		$	$
Beginning of the year		8,718,023	7,204,283
Loans advanced		471,175	2,325,819
Loans repayment received		(17,879)	(812,079)
Loans forgiven		(1,314,353)	-
End of year	11	7,856,966	8,718,023
Provision for impairment on amounts receivable		(7,381,232)	-

27 SEGMENT REPORTING

The Consolidated Entity operates in the investments, olive grove operations and resources sectors.

	Segment revenue		Segment result	
BUSINESS SEGMENT	2009	2008	2009	2008
	$	$	$	$
Investments	496,417	2,369,440	(27,974,923)	519,382
Resources	16,961,679	-	16,942,852	(699,835)
Olive grove operations	311,530	1,039,852	(457,979)	(54,129)
Share of associates' profit	-	255,124	(2,283,013)	(2,432,019)
Unallocated	34,135	50,204	(2,302,352)	(416,265)
Total segment revenue	17,803,761	3,714,620		
Loss before income tax			(16,075,415)	(3,082,866)
Income tax expense (Note 3a)			4,078,315	513,853
Loss after income tax			(11,997,100)	(2,569,013)

	Segment Assets		Segment liabilities	
	2009	2008	2009	2008
	$	$	$	$
Investments	17,185,902	30,848,630	1,721,156	4,037,865
Resources	-	1,613,664	-	-
Olive grove operations	4,097,601	3,617,201	830,032	211,133
Unallocated	1,590,044	575,281	310,410	345,232
	22,873,547	36,654,776	2,861,598	4,594,230

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

27 SEGMENT REPORTING (continued)

	2009		2008	
Other	Investments	Olive grove operations	Investments	Olive grove operations
	$	$	$	$
Acquisition of segment assets	264,740	248,679	3,086,507	74,845
Other non-cash expenses				
Net change in fair value in trading portfolio	(28,457,085)	-	(1,836,528)	-
Revaluation of trees	-	(188,500)	-	(281,580)
Depreciation	-	144,474	-	184,196

GEOGRAPHICAL SEGMENT	Segment revenue 2009	Segment results 2009	Segment Assets 2009	Segment Liabilities 2009	Acquisitions of segment assets 2009
	$	$	$	$	$
Australia	17,803,761	(16,056,588)	22,873,547	2,861,598	513,419
Pakistan	-	(18,827)	-	-	-
	17,803,761	(16,075,415)	22,873,547	2,861,598	513,419
	2008	**2008**	**2008**	**2008**	**2008**
	$	$	$	$	$
Australia	3,714,620	(2,380,575)	35,537,284	4,594,230	3,161,352
Indonesia	-	(688,987)	1,117,492	-	-
Pakistan	-	(13,304)	-	-	-
	3,714,620	(3,082,866)	36,654,776	4,594,230	3,161,352

28 FINANCIAL INSTRUMENTS

The Consolidated Entity's financial instruments mainly consist of deposits with banks, accounts receivable and payable, loans to related parties and investments in listed securities and the unlisted FSP Equities Leaders Fund. The principal activity of the Consolidated Entity is the management of these investments - "financial assets held at fair value" (refer to Note 12). The Consolidated Entity's investments are subject to price (which includes interest rate and market 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 and Company 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

	Average Interest Rate		Variable Interest Rate		Non-Interest Bearing		Total	
Consolidated Entity	2009	2008	2009	2008	2009	2008	2009	2008
Financial assets	%	%	$	$	$	$	$	$
Cash and cash equivalents	3.90	5.40	242,157	517,781	-	-	242,157	517,781
Receivables			-	-	34,201	239,011	34,201	239,011
Investments			-	-	7,883,921	17,991,115	7,883,921	17,991,115
			242,157	517,781	7,918,122	18,230,126	8,160,279	18,747,907
Financial liabilities								
Payables			-	-	(1,068,675)	(441,872)	(1,068,675)	(441,872)
Net financial assets			242,157	517,781	6,849,447	17,788,254	7,091,604	18,306,035
Company								
Financial assets								
Cash and cash equivalents	3.90	5.40	221,052	288,787	-	-	221,052	288,787
Receivables			-	-	2,953	3,125	2,953	3,125
Investments			-	-	7,883,921	17,991,115	7,883,921	17,991,115
			221,052	288,787	7,886,874	17,994,240	8,107,926	18,283,027
Financial liabilities								
Payables			-	-	(238,648)	(218,240)	(238,648)	(218,240)
Net financial assets			221,052	288,787	7,648,226	17,776,000	7,869,278	18,064,787

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

28 FINANCIAL INSTRUMENTS (continued)

(a) Interest Rate Risk Exposure

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 consolidated entity has no borrowings. As such the amounts may not reconcile to the balance sheet. The average interest rate for the year for the table below is 3.9% (2008: 5.4%).

	Consolidated Entity		Company	
	2009	2008	2009	2008
	$	$	$	$
Cash at bank	242,157	517,781	221,052	288,787
	242,157	517,781	221,052	288,787

(b) Credit Risk Exposure

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. 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. This financial year there was no necessity to obtain collateral.

The credit quality of the financial assets are neither past due nor impaired. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised below:

	Consolidated Entity		Company	
	2009	2008	2009	2008
	$	$	$	$
Cash and cash equivalents	242,157	517,781	221,052	288,787
Receivables	34,201	239,011	2,953	8,721,148
Investments	7,035,608	11,258,713	7,035,608	11,258,713
	276,358	756,792	224,005	9,009,935

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

All receivables noted above are due within 30 days. None of the above receivables are past due.

(c) Foreign Currency Risk

Last financial year, the Consolidated Entity was exposed to foreign currency risk on cash held by the Company and a controlled foreign entity, foreign resource project investment commitments and exploration and evaluation expenditure on foreign resource projects. The currency risk that gave rise to this risk was primarily Indonesia rupiahs. Since the sale of the controlled foreign entity, the consolidated entity has not entered into any forward exchange contracts as at balance date and is not currently exposed to foreign exchange risk. The Consolidated Entity's exposure to foreign currency risk at reporting date was as follows:

	Consolidated Entity	
	2009	2008
	IDR	IDR
Cash	-	196,148,658
Receivables	-	1,730,320,600
Payables	-	(110,461,923)

(d) Equity Price Risk Exposure

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

Equity securities price risk arises on the financial assets at fair value through profit or loss.

At the investment portfolio level, the consolidated entity is not overly exposed to one company or one particular industry sector of the market.

(e) Liquidity Risk Exposure

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 accounts payable arising in the normal course of business.
The financial liabilities disclosed in the above table have a maturity obligation of within 30 days.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

28 FINANCIAL INSTRUMENTS (continued)

(f) Net Fair Value of Financial Assets and Liabilities

The carrying amount of financial instruments recorded in the financial statements represent their fair value determined in accordance with the accounting policies disclosed in note 1. The aggregate fair value and carrying amount of financial assets at balance date are set out in Note 12 and financial liabilities at balance date are set out in Note 21.

(g) Sensitivity Analysis

The Consolidated Entity has no borrowings, therefore no liability exposure to interest rate risk. The revenue exposure is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

The Consolidated Entity's exposure to the Indonesian rupiah currency is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

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 All Ordinaries Index was utilised as the benchmark for the listed share investments which are available for sale assets or at fair value through profit or loss. The unlisted options in Strike Resources Limited (SRK) is sensitive to the SRK share price.

	Consolidated Entity		Company	
	2009	2008	2009	2008
(i) Equity Price risk - listed investments				
Change in profit	$	$	$	$
Increase by 15%	3,568,206	794,314	3,568,206	794,314
Decrease by 15%	(3,568,206)	(794,314)	(3,568,206)	(794,314)
Change in equity				
Increase by 15%	3,568,206	794,314	3,568,206	794,314
Decrease by 15%	(3,568,206)	(794,314)	(3,568,206)	(794,314)
(ii) Equity Price risk - unlisted investments				
Change in profit				
Increase by 15%	193,762	1,105,744	193,762	1,105,744
Decrease by 15%	(193,762)	(1,105,744)	(193,762)	(1,105,744)
Change in equity				
Increase by 15%	193,762	1,105,744	193,762	1,105,744
Decrease by 15%	(193,762)	(1,105,744)	(193,762)	(1,105,744)

29 COMMITMENTS

	Consolidated Entity	
	2009	2008
(a) Lease Commitments	$	$
Non-cancellable operating lease commitments:		
Not longer than one year	91,772	26,062
Between 12 months and 5 years	219,001	131,109
	310,773	157,170

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

30 CONTINGENT LIABILITIES AND ASSETS

(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) Royalty on Tenements

The Consolidated Entity is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from various Australian tenements - EL 47/1328 and PL 47/1170 (the Paulsens East Project tenements currently held by Strike Resources Limited), EL 24879, 24928 and 24929 and ELA 24927 (the Bigryli South Project tenements in the Northern Territory, currently held by Alara Resources Limited (Alara)), EL 09/1253 (a Mt James Project tenement in Western Australia, currently held by Alara) and EL 46/629 and a right to earn and acquire a 85% interest in ELA 46/585 (excluding all manganese mineral rights) (the Canning Well Project tenements in Western Australia, currently held by Alara).

31 EVENTS AFTER BALANCE SHEET DATE

On 29 July 2009, the Company secured a $500,000 revolving loan facility from controlling entity, Queste Communications Ltd. The loan is unsecured, for a term of 2 years and 10% per annum interest is payable in arrears. As at the date of this report, $350,000 has been drawn down from this facility.

No other matter or circumstance has arisen since the end of the financial period 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 periods.