The ListenQueue property specifies the desired size of the OS-layer backlog that holds pending connections still waiting to be accepted by TIdTCPServer. That backlog is handled by the OS, and is not affected by the MaxConnections, MaxThreads, or PoolSize properties at all. The backlog size is more advisory   
than authoritive, the OS may choose to ignore it and use its own value if it wants to.

When a client is accepted by TIdTCPServer, if the number of active clients is already at/exceeds the MaxConnections then the new client is disconnected immmediately. Otherwise, a thread is pulled from the pool to service the new client. If no thread is available in the pool, and the number of running threads is already at/exceeds the MaxThreads then EIdSchedulerMaxThreadsExceeded is raised. Otherwise, a new thread is created.