



Annexure 3A

BSX Listing Rules

Half yearly/Yearly Disclosure

References Version 1, Operative 23/8/2000
Chapter 3, BSX Listing Rules

CAPILANO HONEY LIMITED

Name of entity

009 686 435

Half yearly (tick)

30 JUNE 2006

ABN, ACN or ARBN

Annual (tick)

~~Half year~~ /financial year ended
(‘Current period’)

Summary

Sales revenue or operating revenue	down	3.7%	to					\$A,000 76,766
Profit (loss) before abnormal items and after tax	up	N/a	to					1,390
Abnormal items before tax				gain (loss) of				-
Profit (loss) after tax but before outside equity interests	up	N/a	to					1,390
Extraordinary items after tax attributable to members				Gain (loss) of				-
Profit (loss) for the period attributable to members	up	N/a	to					1,390
Dividends (distributions)		Franking rate applicable						100%
Current period		Final						5¢
		Interim						-
Previous corresponding period		Final						-
		Interim						-
Record date for determining entitlements to the dividend, (in the case of a trust distribution)								29 September 2006

Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX:

N/A

Annexure 3A
Half Yearly/Yearly Disclosure

Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	76,766	79,727
Expenses from ordinary activities	(72,855)	(80,908)
Borrowing costs	(1,935)	(1,996)
Share of net profit (loss) of associates and joint venture entities	-	(171)
Profit (loss) from ordinary activities before tax	1,976	(3,348)
Income tax (expense) benefit on ordinary activities	(586)	1,070
Profit (loss) from ordinary activities after tax	1,390	2,278
Outside equity interests	-	-
Profit (loss) from ordinary activities after tax attributable to members	1,390	(2,278)
Profit (loss) from extraordinary activities after tax attributable to members	-	-
Profit (loss) for the period attributable to members	1,390	(2,278)
Retained profits (accumulated losses) at the beginning of the financial period	17,030	15,072
Net transfers to and from reserves	-	4,238
Net effect of changes in accounting policies	-	-
Dividends paid or payable	(257)	(2)
Retained profits (accumulated losses) at end of financial period	18,163	17,030

Profit restated to exclude amortisation of goodwill

	Current period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	1,390	(2,278)
Less (plus) outside equity interests	-	-
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	1,390	(2,278)

Annexure 3A
Half Yearly/Yearly Disclosure

Revenue and expenses from operating activities

Details of revenue and expenses	Current period \$A'000	Previous corresponding period \$A'000
REVENUE		
Sales Revenue	75,854	79,395
Net Foreign Exchange Gain	576	89
Interest Received	212	209
Other	<u>124</u>	<u>34</u>
	76,766	79,727
EXPENSES		
Raw material and consumables	43,335	52,994
Change in inventories of finished goods and work in progress	(2,097)	1,335
Employee benefits	9,303	8,674
Depreciation of property, plant & equipment	2,070	1,814
Amortisation of intangibles	129	167
Transportation costs	1,936	1,754
Factory costs	1,866	1,972
Marketing & Promotion	8,805	8,652
Other	<u>7,508</u>	<u>3,546</u>
	72,855	80,908

Intangible and extraordinary items

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill	-	-	-
Amortisation of other intangibles	129	39	90
Total amortisation of intangibles	129	39	90
Extraordinary items (details)	-	-	-
Total extraordinary items	-	-	-

Annexure 3A
Half Yearly/Yearly Disclosure

Comparison of half year profits
(Annual statement only)

	Current year - \$A'000	Previous year - \$A'000
Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year	225	(1,020)
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	1,165	(1,258)

Consolidated balance sheet

Current assets	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Cash	183	1,037	1,126
Receivable	13,322	9,868	9,870
Investments	-	-	-
Inventories	20,651	24,599	21,071
Other (provide details if material)	732	1,203	1,292
Total current assets	34,888	36,707	33,359
Non-current assets			
Receivables	4,271	2,159	3,297
Investments	-	-	-
Inventories	-	-	-
Other property, plant and equipment (net)	21,369	22,005	21,672
Intangibles (net)	653	769	705
Other – Deferred Tax Assets	2,969	3,533	3,419
Total non-current assets	29,262	28,466	29,093
Total assets	64,150	65,173	62,452
Current liabilities			
Accounts payable	8,169	8,960	7,158
Borrowings	3,563	4,069	3,709
Provisions	257	-	472
Other	-	-	-
Total current liabilities	11,989	13,029	11,339

Annexure 3A
Half Yearly/Yearly Disclosure

Non-current liabilities			
Accounts payable	-	-	-
Borrowings	25,346	26,499	25,158
Provisions	651	581	666
Other (provide details if material)	-	-	-
Total non-current liabilities	25,997	27,080	25,824
Total liabilities	37,986	40,109	37,163
Net assets	26,164	25,064	25,289
Equity			
Capital	5,306	5,284	5,284
Reserves	2,695	2,750	2,750
Retained profits (accumulated losses)	18,163	17,030	17,255
Equity attributable to members of the parent entity	-	-	-
Outside equity interests in controlled entities	-	-	-
Total equity	26,164	25,064	25,289
Preference capital and related premium included	-	-	-

Consolidated statement of cash flows

Cash flows related to operating activities	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	73,216	81,148
Payments to suppliers and employees	(69,148)	(78,854)
Dividends received	-	-
Interest and other items of similar nature received	212	209
Interest and other costs of finance paid	(1,623)	(1,696)
Income taxes paid	-	-
Other (provide details if material)	1,675	1,503
Net operating cash flows	4,332	2,310

Annexure 3A
Half Yearly/Yearly Disclosure

Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(1,436)	(2,275)
Proceeds from sale of property, plant and equipment	19	14
Payment for purchases of equity investments	-	-
Proceeds from sale of equity investments	-	-
Loans to other entities	(2,279)	(34)
Loans repaid by other entities	158	151
Other – purchase of intangible assets	(13)	-
Net investing cash flows	(3,551)	(2,144)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	22	-
Proceeds from borrowings	-	353
Repayment of borrowings	(1,658)	(2,567)
Dividends paid	-	(258)
Other (provide details if material)	-	-
Net financing cash flows	(1,636)	(2,472)
Net increase (decrease) in cash held	(854)	(2,306)
Cash at beginning of period (see <i>Reconciliation of cash</i>)	1,037	3,343
Exchange rate adjustments	-	-
Cash at end of period (see <i>Reconciliation of cash</i>)	183	1,037

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

N/A

Annexure 3A
Half Yearly/Yearly Disclosure

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	183	1,037
Deposits at call	-	-
Bank overdraft	-	-
Other (provide details)	-	-
Total cash at end of period	183	1,037

Ratios

Profit before tax/sales

Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue

Current period

Previous
corresponding period

2.6%	(4.2%)
------	--------

Profit after tax/equity interests

Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period

5.3%

(9.1%)

5.3%	(9.1%)
------	--------

Earnings per security (EPS)

Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share

(a) Basic EPS

(b) Diluted EPS (if materially different from (a))

Current period

Previous
corresponding period

27.1 ¢	(44.4) ¢
27.1 ¢	(44.4) ¢

NTA backing

Net tangible asset backing per ordinary security

Current period

Previous
corresponding period

\$4.39	\$4.05
--------	--------

Annexure 3A
Half Yearly/Yearly Disclosure

Details of specific receipts/outlays, revenues/expenses

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	212	208
Interest revenue included but not yet received (if material)	-	-
Interest costs excluded from borrowing costs capitalised in asset values	-	-
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)		
Depreciation (excluding amortisation of intangibles)	2,070	1,813
Other – Employee Entitlements	106	129
Other – Research & Development	40	186

Control gained over entities having material effect

Name of entity	-
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired	-
Date from which such profit has been calculated	-
Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period	-

Loss of control of entities having material effect

Name of entity	-
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control	-
Date from which the profit (loss) has been calculated	-
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period	-
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	-

Annexure 3A
Half Yearly/Yearly Disclosure

Dividends

Date the dividend is payable

31 OCTOBER 2006

Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)

29 SEPTEMBER 2006

Amount per security

		<i>Franking rate applicable</i>	%	%	%
<i>(annual report only)</i>					
Final dividend:	Current year	5 ¢	100%	-	-
	Previous year	- ¢	N/A	¢	N/A
<hr/>					
<i>(Half yearly and annual statements)</i>					
Interim dividend:	Current year	-	-	-	-
	Previous year	- ¢	N/A	¢	N/A

Total annual dividend (distribution) per security

(Annual statement only)

	Current year	Previous year
Ordinary securities	5 ¢	-
Preference securities	-	-

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	-	\$256
Preference securities	-	-
Total	-	-

Annexure 3A
Half Yearly/Yearly Disclosure

Half yearly report – interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	-	-
Preference securities	-	-
Total	-	-

The dividend or distribution plans shown below are in operation.

-

The last date(s) for receipt of election notices to the dividend or distribution plans	-
--	---

Any other disclosures in relation to dividends (distributions)

-

Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Entities share of:	Current period A\$'000	Previous corresponding period A\$'000
Profit (loss) from ordinary activities before tax.	-	(260)
Income tax	-	89
Profit (loss) from ordinary activities after tax	-	(171)
Extraordinary items net of tax	-	-
Net profit (loss)	-	(171)
Outside equity interests	-	-
Net profit (loss) attributable to members	-	(171)

Annexure 3A
Half Yearly/Yearly Disclosure

Material interests in entities which are not controlled entities

The entity has an interest (that is material to it) in the following entities.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit (loss) from ordinary activities and extraordinary items after tax	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
Equity accounted associates and joint venture entities				
Capilano Labonte Inc	50%	50%	-	(171)
Total			-	(171)
Other material interests				
	-	-	-	-
Total			-	-

Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of securities	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
Preference securities <i>(description)</i>				
Changes during current period				
Ordinary securities	5,135,408	5,135,407	103	103
Changes during current period	6,617	6,617	340	340
Convertible debt securities <i>(description and conversion factor)</i>				
Changes during current period				

Annexure 3A
Half Yearly/Yearly Disclosure

			Exercise price	Expiry date
Options (<i>description and conversion factor</i>)				
Changes during current period				
Exercised during current period				
Expired during current period				
Debentures				
Unsecured Notes				

Discontinuing Operations

Consolidated profit and loss account

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Sales revenue or operation revenue						
Other revenue						
Expenses from ordinary activities						
Profit (loss) before tax						
Less tax						
Profit (loss) from ordinary activities after tax						

Annexure 3A
Half Yearly/Yearly Disclosure

Consolidated statement of cash flows

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Net operating cash flows						
Net investing cash flows						
Net financing cash flows						

Other disclosures

	Current period A\$'000	Previous corresponding period A\$'000
Carrying amount of items to be disposed of:		
- total assets		
- total liabilities		
Profit (loss) on disposal of assets or settlement of liabilities		
Related tax		
Net profit (loss) on discontinuance		

Description of disposals

Comments by directors

Basis of accounts preparation

If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

A turnaround from the prior year has been achieved as the lower costs of honey on hand was aligned to the fall in world honey prices.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

N/A

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Franking Credits available - \$2,385,744. It is expected that any dividend declared next year will be fully franked.

Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

The introduction of AelFRS has forced the restatement of 2005 comparatives under the new standards. For a full reconciliation refer to note 2 of the Statutory Accounts.

Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

N/A

Additional disclosure for trusts

Number of units held by the management company or responsible entity to their related parties.

N/A

A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- Initial service charges
- Management fees
- Other fees

Annexure 3A
Half Yearly/Yearly Disclosure


Annual meeting
(Annual statement only)

The annual meeting will be held as follows:

Place	QUEENSLAND LIONS SOCCER CLUB PINE ROAD RICHLANDS Q 4077
Date	24 NOVEMBER 2006
Time	2.00PM
Approximate date the annual report will be available	7 SEPTEMBER 2006

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are followed as compared with the most recent annual accounts.
- 4 This statement does give a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:
(Tick one)
 - The financial statements have been audited.
 - The financial statements have been subject to review by a registered auditor (or overseas equivalent).
 - The financial statements are in the process of being audited or subject to review.
 - The financial statements have *not* yet been audited or reviewed.
- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*).
- 7 The entity has a formally constituted audit committee.

Sign here:  Date: 16 August 2006
(~~Director~~ Company secretary)

Print name: ERROL J BAILEY

Notes

True and fair view If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

Income tax If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

Additional information An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.