



# 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

ABN, ACN or ARBN

Half yearly (tick)

Annual (tick)

<input type="checkbox"/>
<input checked="" type="checkbox"/>

30 June 2007

Half year/financial year ended ('Current period')

### Summary

				\$A,000
Sales revenue or operating revenue	up/down	4.8%	to	73,087
Profit (loss) before abnormal items and after tax	up/down	34.5%	to	1,875
Abnormal items before tax		Gain (loss) of		-
Profit (loss) after tax but before outside equity interests	up/down	34.5%	to	1,875
Extraordinary items after tax attributable to members		Gain (loss) of		-
Profit (loss) for the period attributable to members	up/down	34.5%	to	1,875

Dividends (distributions)	Franking rate applicable	100%
Current period	Final	- ¢
	Interim	- ¢
Previous corresponding period	Final	5 ¢
	Interim	- ¢
Record date for determining entitlements to the dividend, (in the case of a trust distribution)		Not applicable
Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX:		Not applicable

**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	73,087	76,766
Expenses from ordinary activities	(69,189)	(72,855)
Borrowing costs	(1,972)	(1,935)
Share of net profit (loss) of associates and joint venture entities	-	-
<b>Profit from ordinary activities before tax</b>	<b>1,926</b>	<b>1,976</b>
Income tax on ordinary activities	(51)	(586)
<b>Profit from ordinary activities after tax</b>	<b>1,875</b>	<b>1,390</b>
Outside equity interests	-	-
<b>Profit from ordinary activities after tax attributable to members</b>	<b>1,875</b>	<b>1,390</b>
Profit from extraordinary activities after tax attributable to members	-	-
<b>Profit for the period attributable to members</b>	<b>1,875</b>	<b>1,390</b>
Retained profits at the beginning of the financial period	18,163	17,030
Net transfers to and from reserves	(56)	-
Net effect of changes in accounting policies	-	-
Dividends paid or payable	-	(257)
<b>Retained profits at end of financial period</b>	<b>19,982</b>	<b>18,163</b>

**Profit restated to exclude amortisation of goodwill**

	Current period \$A'000	Previous corresponding period \$A'000
Profit from ordinary activities after tax before outside equity interests and amortisation of goodwill	1,875	1,390
Less (plus) outside equity interests	-	-
<b>Profit from ordinary activities after tax (before amortisation of goodwill) attributable to members</b>	<b>1,875</b>	<b>1,390</b>

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Revenue and expenses from operating activities**

	Current period \$A'000	Previous corresponding period \$A'000
<b>Revenue</b>		
Sales Revenue	68,990	75,854
Net Foreign Exchange Gain	-	576
Interest Received	271	212
Gain on disposal of controlled entity	3,816	-
Other	10	124
	<b>73,087</b>	<b>76,766</b>
<b>Expenses</b>		
Raw Materials and Consumables	39,629	43,335
Change in inventories of finished goods and work in progress	1,888	(2,097)
Employee Benefits	10,152	9,303
Depreciation of property, plant and equipment	2,167	2,070
Amortisation of intangibles	135	129
Transportation costs	2,597	1,936
Marketing and promotion	6,873	8,805
Factory costs	1,849	1,866
Foreign Exchange losses	469	-
Other	3,430	7,508
	<b>69,189</b>	<b>72,855</b>

**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	135	41	94
<b>Total amortisation of intangibles</b>	<b>135</b>	<b>41</b>	<b>94</b>
Extraordinary items (details)	-	-	-
<b>Total extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Comparison of half year profits**  
*(Annual statement only)*

	Current year - \$A'000	Previous year - \$A'000
Consolidated (loss) profit from ordinary activities after tax attributable to members reported for the 1st half year	(814)	225
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	2,689	1,165

**Consolidated balance sheet**

<b>Current assets</b>	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Cash	296	183	1,184
Receivables	16,953	13,322	11,223
Investments	-	-	-
Inventories	23,376	20,651	17,634
Other (provide details if material)	956	732	1,404
<b>Total current assets</b>	<b>41,581</b>	<b>34,888</b>	<b>31,445</b>
<b>Non-current assets</b>			
Receivables	3,195	4,271	3,745
Investments	-	-	-
Inventories	-	-	-
Other property, plant and equipment (net)	20,543	21,369	20,792
Intangibles (net)	497	653	589
Deferred Tax Asset	1,583	2,969	3,299
<b>Total non-current assets</b>	<b>25,818</b>	<b>29,262</b>	<b>28,425</b>
<b>Total assets</b>	<b>67,399</b>	<b>64,150</b>	<b>59,870</b>
<b>Current liabilities</b>			
Accounts payable	9,209	8,169	7,257
Borrowings	2,395	3,563	2,635
Provisions	-	257	461
Other (provide details if material)	-	-	-
<b>Total current liabilities</b>	<b>11,604</b>	<b>11,989</b>	<b>10,353</b>

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Consolidated balance sheet (continued)**

<b>Non-current liabilities</b>			
Accounts payable	-	-	-
Borrowings	27,091	25,346	23,438
Provisions	605	651	669
Other (provide details if material)	-	-	-
<b>Total non-current liabilities</b>	<b>27,696</b>	<b>25,997</b>	<b>24,107</b>
<b>Total liabilities</b>	<b>39,300</b>	<b>37,986</b>	<b>34,460</b>
<b>Net assets</b>	<b>28,099</b>	<b>26,164</b>	<b>25,410</b>
<b>Equity</b>			
Capital	5,367	5,306	5,366
Reserves	2,750	2,695	2,695
Retained profits (accumulated losses)	19,982	18,163	17,349
Equity attributable to members of the parent entity	-	-	-
Outside equity interests in controlled entities	-	-	-
<b>Total equity</b>	<b>28,099</b>	<b>26,164</b>	<b>25,410</b>
Preference capital and related premium included	-	-	-

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	70,478	73,216
Payments to suppliers and employees	(70,422)	(69,148)
Dividends received	-	-
Interest and other items of similar nature received	271	212
Interest and other costs of finance paid	(1,636)	(1,623)
Income taxes paid	-	-
GST received	1,458	1,675
<b>Net operating cash flows</b>	<b>149</b>	<b>4,332</b>

**Consolidated statement of cash flows (continued)**

**Cash flows related to investing activities**

Payments for purchases of property, plant and equipment	(1,458)	(1,436)
Proceeds from sale of property, plant and equipment	2	19
Payment for purchases of equity investments	-	-
Proceeds from sale of equity investments	-	-
Loans to other entities	902	(2,279)
Loans repaid by other entities	166	158
Other (provide details if material)	(27)	(13)
<b>Net investing cash flows</b>	<b>(415)</b>	<b>(3,551)</b>

**Cash flows related to financing activities**

Proceeds from issues of securities (shares, options, etc.)	60	22
Proceeds from borrowings	577	-
Repayment of borrowings	-	(1,658)
Dividends paid	(258)	-
Other (provide details if material)	-	-
<b>Net financing cash flows</b>	<b>379</b>	<b>(1,636)</b>
<b>Net increase (decrease) in cash held</b>	<b>113</b>	<b>(854)</b>

Cash at beginning of period (see Reconciliation of cash)	183	1,037
Exchange-rate adjustments	-	-
<b>Cash at end of period</b> (see Reconciliation of cash)	<b>296</b>	<b>183</b>

**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.*

--	--	--

**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	296	183
Deposits at call	-	-
Bank overdraft	-	-
Other (provide details)	-	-
<b>Total cash at end of period</b>	<b>296</b>	<b>183</b>

**Ratios**

**Profit before tax/sales**

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

	Current period	Previous corresponding period
	2.8%	2.6%

**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

	6.7%	5.3%
--	------	------

**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
	36.4 ¢	27.1 ¢
	36.4 ¢	27.1 ¢

**NTA backing**

Net tangible asset backing per ordinary security

	Current period	Previous corresponding period
	\$5.05	\$4.39

**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	271	212
Interest revenue included but not yet received (if material)	-	-
Interest costs excluded from borrowing costs capitalised in asset values	-	-
Gain on disposal of controlled entity	3,816	-
Depreciation (excluding amortisation of intangibles)	2,167	2,070

**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	Medihoney Pty Ltd
Consolidated loss from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control	(\$257)
Date from which the loss has been calculated	1 July 2006
Consolidated loss from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period	(\$1,169)
Contribution to consolidated profit from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$3,816



**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Reports for industry and geographical segments**

a) <b>Primary reporting – geographical segments</b>	30 June 2007			
	Australia \$000	Europe \$000	Intersegment \$000	Consolidated \$000
Sales revenue	68,250	1,019	(279)	68,990
Other revenue	279	-	-	279
<b>Total segment revenue</b>	<b>68,529</b>	<b>1,019</b>	<b>(279)</b>	<b>69,269</b>
<b>Segment result</b>	<b>3,164</b>	<b>(1,236)</b>	<b>(2)</b>	<b>1,926</b>
Unallocated revenue less unallocated expenses	-	-	-	-
Profit before income tax	-	-	-	1,926
Income tax expense	-	-	-	(51)
Profit after income tax	-	-	-	1,875
Segment assets	67,399	-	-	67,399
Segment liabilities	39,300	-	-	39,300
Acquisitions of non current segment assets	1,468	-	-	1,468
Depreciation and amortisation expense	2,295	8	-	2,302
Other non cash income	3,727	-	-	3,727
Other non cash expenses	455	14	-	469

<b>Primary reporting – geographical segments</b>	30 June 2006			
	Australia \$000	Europe \$000	Intersegment \$000	Consolidated \$000
Sales revenue	75,532	438	(116)	75,854
Other revenue	320	-	-	320
<b>Total segment revenue</b>	<b>75,852</b>	<b>438</b>	<b>(116)</b>	<b>76,174</b>
<b>Segment result</b>	<b>3,049</b>	<b>(1,026)</b>	<b>(47)</b>	<b>1,976</b>
Unallocated revenue less unallocated expenses	-	-	-	-
Profit before income tax	-	-	-	1,976
Income tax expense	-	-	-	(586)
Profit after income tax	-	-	-	1,399
Segment assets	63,176	974	-	64,150
Segment liabilities	37,804	2,341	(2,159)	37,986
Acquisitions of non current segment assets	1,448	1	-	1,449
Depreciation and amortisation expense	2,193	6	-	2,196
Other non cash income	606	-	(14)	592
Other non cash expenses	-	-	-	-

**Secondary reporting – business segments**

The consolidated entity operates predominantly in the one industry, being the processing and sale of honey.

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Dividends**

Date the dividend is payable

-
---

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

-
---

**Amount per security**

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

**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	\$-	\$257
Preference securities	\$-	\$-
<b>Total</b>	\$-	\$257

**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	\$ -	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>

The dividend or distribution plans shown below are in operation.

-

-

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.*

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

**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
<b>Equity accounted associates and joint venture entities</b>				
Capilano Labonte Inc	50%	50%	-	-
<b>Total</b>			-	-
<b>Other material interests</b>	-	-	-	-
<b>Total</b>			-	-

**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)
<b>Preference securities</b> <i>(description)</i>				
Changes during current period				
<b>Ordinary securities</b>	5,151,062	5,151,061	104	104
Changes during current period	15,654	15,654	385	385
<b>Convertible debt securities</b> <i>(description and conversion factor)</i>				
Changes during current period				

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Issued and listed securities (continued)**

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

**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

- gain on sale of Medihoney Pty Ltd of \$3.8 million
- Medihoney contributed a trading loss of \$1.8 million to the group result,
- net foreign exchange losses of \$0.5 million as the Australian dollar appreciated by up to 15% against other currencies, and
- honey purchase price increases of 10% which consumed an additional \$2.1 million due to severe drought conditions.

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)

Not applicable

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

Franking Credits \$2,385,409. 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.

Not applicable

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

Not applicable

**Additional disclosure for trusts**

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

Not applicable

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

Identify:

- Initial service charges
- Management fees
- Other fees

**Annual meeting**

*(Annual statement only)*

The annual meeting will be held as follows:

Place

Crown Plaza Royal Pines Resort  
Ross Street, Ashmore, Q 4214 (Gold Coast)

Date

5 October 2007

Time

1.30pm

Approximate date the annual report will be available

7 September 2007

**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:

  
.....  
(Director/Company secretary)

Date: 17.08.07

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.