



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)

30 June 2004

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

Summary

				\$A,000
Sales revenue or operating revenue	up/down	3.7%	to	86,002
Profit (loss) before abnormal items and after tax	up/down	98%	to	44
Abnormal items before tax		gain (loss) of		-
Profit (loss) after tax but before outside equity interests	up/down	98%	to	44
Extraordinary items after tax attributable to members		gain (loss) of		-
Profit (loss) for the period attributable to members	up/down	98%	to	44
Dividends (distributions)	Franking rate applicable	100%		
Current period	Final	5¢		
	Interim	- ¢		
Previous corresponding period	Final	20¢		
	Interim	- ¢		
Record date for determining entitlements to the dividend, (in the case of a trust distribution)	30/09/04			

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

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	86,002	89,178
Expenses from ordinary activities	(83,951)	(83,726)
Borrowing costs	(1,746)	(1,310)
Share of net profit (loss) of associates and joint venture entities	(286)	-
Profit (loss) from ordinary activities before tax	19	4,142
Income tax on ordinary activities	25	(1,755)
Profit (loss) from ordinary activities after tax	44	2,387
Outside equity interests	-	-
Profit (loss) from ordinary activities after tax attributable to members	44	2,387
Profit (loss) from extraordinary activities after tax attributable to members	-	-
Profit (loss) for the period attributable to members	44	2,387
Retained profits (accumulated losses) at the beginning of the financial period	14,368	13,007
Net transfers to and from reserves		
Net effect of changes in accounting policies		
Dividends paid or payable	256	1,026
Retained profits (accumulated losses) at end of financial period	14,156	14,368

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	44	2,387
Less (plus) outside equity interests	-	-
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	44	2,387

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	83,848	87,815
Net Foreign Exchange Gain	1,738	1,127
Interest Received	214	218
Other	202	18
	86,002	89,178
EXPENSES		
Raw material and consumables	61,312	61,377
Change in inventories of finished goods and work in progress	741	250
Employee benefits	7,846	7,337
Depreciation of property, plant & equipment	1,564	1,600
Amortisation of intangibles	128	1,128
Transportation costs	1,635	2,125
Marketing & Promotion	6,043	6,536
Other	4,682	3,373
	83,951	83,726

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	128	-	128
Total amortisation of intangibles	128	-	128
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	1,680	2,033
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	(1,636)	354

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	3,343	3,694	3,268
Receivable	11,547	12,788	9,491
Investments	-	-	-
Inventories	26,552	21,177	23,815
Other (provide details if material)	806	275	687
Total current assets	42,248	37,934	37,261
Non-current assets			
Receivables	2,030	649	1,429
Investments	173	-	378
Inventories	-	-	-
Other property, plant and equipment (net)	18,117	18,252	17,783
Intangibles (net)	896	1,023	959
Other - Deferred Tax Assets	2,736	2,711	1,919
Total non-current assets	23,952	22,635	22,468
Total assets	66,200	60,569	59,729
Current liabilities			
Accounts payable	7,724	7,018	8,062
Borrowings	4,188	8,494	7,674
Provisions	1,054	1,787	372
Other (provide details if material)	-	-	-
Total current liabilities	12,966	17,299	16,108

Annexure 3A
Half Yearly/Yearly Disclosure

Consolidated balance sheet (continued)

	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Non-current liabilities			
Accounts payable	-	-	-
Borrowings	28,589	18,450	17,119
Provisions	505	446	473
Other (provide details if material)	-	-	-
Total non-current liabilities	29,094	18,896	17,592
Total liabilities	42,060	36,195	33,700
Net assets	24,140	24,374	26,029
Equity			
Capital	5,287	5,287	5,287
Reserves	4,697	4,719	4,693
Retained profits (accumulated losses)	14,156	14,368	16,049
Equity attributable to members of the parent entity			
Outside equity interests in controlled entities			
Total equity	24,140	24,374	26,029
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	87,411	84,146
Payments to suppliers and employees	(89,166)	(91,733)
Dividends received	-	-
Interest and other items of similar nature received	214	218
Interest and other costs of finance paid	(1,414)	(1,137)
Income taxes paid	-	-
Other – GST received	1,324	1,438
Net operating cash flows	(1,631)	(7,068)

Annexure 3A
Half Yearly/Yearly Disclosure

Consolidated statement of cash flows (continued)

Cash flows related to investing activities	Current period \$A'000	Previous corresponding period \$A'000
Payments for purchases of property, plant and equipment	(1,437)	(874)
Proceeds from sale of property, plant and equipment	23	1
Payment for purchases of equity investments	(480)	-
Proceeds from sale of equity investments	-	-
Loans to other entities	(1,694)	-
Loans repaid by other entities	61	(803)
Other (provide details if material)	-	-
Net investing cash flows	(3,527)	(1,676)
<hr/>		
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)		
Proceeds from borrowings	12,305	11,464
Repayment of borrowings	(6,472)	(1,339)
Dividends paid	(1,026)	(769)
Other (provide details if material)	-	-
Net financing cash flows	4,807	9,356
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Net increase (decrease) in cash held	(351)	612
Cash at beginning of period (see Reconciliation of cash)	3,694	3,082
Exchange rate adjustments		
Cash at end of period (see Reconciliation of cash)	3,343	3,694

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.

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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	3,343	3,694
Deposits at call	-	-
Bank overdraft	-	-
Other (provide details)	-	-
Total cash at end of period	3,343	3,694

Ratios

Profit before tax/sales

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

	Current period	Previous corresponding period
	0.02%	4.7%

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

	Current period	Previous corresponding period
	0.2%	9.8%

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
	0.8¢	46.5¢
	0.8¢	46.5¢

NTA backing

Net tangible asset backing per ordinary security

	Current period	Previous corresponding period
	\$4.53	\$4.55

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	214	218
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)	1,564	1,600
Other – Provision for employee entitlements	565	415

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

Reports for industry and geographical segments

Segments

Sales to customers outside the economic entity (*detailed below*)

SEGMENT REPORTING	30 June 2004			30 June 2003		
	Australia \$000	Canada \$000	Consolidated \$000	Australia \$000	Canada \$000	Consolidated \$000
Primary reporting – geographical segments						
Sales to external customers	83,848	-	83,848			
Other revenue	2,154	-	2,154			
Share of net losses of equity accounted associate	-	(286)	(286)			
Total segment revenue	86,002	(286)	85,716			
Segment result	305	(286)	19			
Unallocated revenue less unallocated expenses	-	-	-			
Profit from ordinary activities after income tax expense (before equity accounting)			330			
Total segment assets	66,027	173	66,200	60,569	-	60,569

Secondary reporting – business segments

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

Dividends

Date the dividend is payable

28 October 2004

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

30 September 2004

Amount per security

		Franking rate applicable	%	%	%
<i>(annual report only)</i>					
Final dividend:	Current year – fully franked	5¢	N/A	¢	N/A
	Previous year – fully franked	20¢	¢	¢	¢
<i>(Half yearly and annual statements)</i>					
Interim dividend:	Current year	- ¢	N/A	¢	N/A
	Previous year	- ¢	¢	¢	¢

Annexure 3A
Half Yearly/Yearly Disclosure

Total annual dividend (distribution) per security
(Annual statement only)

	Current year	Previous year
Ordinary securities	5¢	20¢
Preference securities	- ¢	- ¢

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$256	\$1,026
Preference securities	\$ -	\$ -
Total	\$256	\$1,026

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.

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

-

Any other disclosures in relation to dividends (distributions)

-

Annexure 3A
Half Yearly/Yearly Disclosure

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.	(413)	-
Income tax benefit	127	-
Profit (loss) from ordinary activities after tax	(286)	-
Extraordinary items net of tax	-	-
Net profit (loss)	(286)	-
Outside equity interests	-	-
Net profit (loss) attributable to members	(286)	-

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%	-	(286)	-
Total			(286)	-
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 (description)	-	-	-	-
Changes during current period	-	-	-	-
Ordinary securities	5,132,178	5,128,763	103	103
Changes during current period	15	14	446	446
Convertible debt securities (description and conversion factor)	-	-	-	-
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						

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						

Annexure 3A
Half Yearly/Yearly Disclosure

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

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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

The decrease in revenue was mainly the result of lower sales volumes due to continued high selling prices and lower honey receivables. In addition, adverse media reporting concerning allegations of residue contamination in honey had a negative impact on consumer confidence. Food Standards Australia & New Zealand (FSANZ) issued a statement there was no health risk.
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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 are \$2,496,510 It is highly likely that a dividend will be paid next year. If so, the dividend will be fully franked.
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Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

N/A

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.

-

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

Identify:

- Initial service charges
- Management fees
- Other fees

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Annual meeting

(Annual statement only)

The annual meeting will be held as follows:

Place:

Gold Nugget Tabaret 35 High Street, Maryborough VIC 3465

Date

1 October 2004

Time

11.30am

Approximate date the annual report will be available

3 September 2004

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/~~are not~~* *(delete one)* followed as compared with the most recent annual accounts.
- 4 This statement does/~~does not~~* *(delete one)* 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/~~are attached~~ will follow immediately they are available* *(delete one)*.
- 7 The entity has/~~does not have~~* *(delete one)* a formally constituted audit committee.



Sign here: Date: 17 AUGUST 2004
(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.