



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)

31 December 2009

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

Summary

					\$A,000
Sales revenue or operating revenue	<del>up</del> /down	4.3%	to		40,806
Profit (loss) before abnormal items and after tax	<del>up</del> /down	1,236.97%	to		(4,059)
Abnormal items before tax		Gain (loss) of			
Profit (loss) after tax but before outside equity interests	<del>up</del> /down	1,236.97%	to		(4,059)
Extraordinary items after tax attributable to members		Gain (loss) of			
Profit (loss) for the period attributable to members	<del>up</del> /down	1,236.97%	to		(4,059)

Dividends (distributions)	Franking rate applicable	N/A
Current period	Final	¢
	Interim	¢
Previous corresponding period	Final	¢
	Interim	¢
Record date for determining entitlements to the dividend, (in the case of a trust distribution)		N/A

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

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

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**Consolidated profit and loss account**

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	40,806	39,125
Other income	-	881
Expenses from ordinary activities	(41,228)	(38,157)
Borrowing costs	(829)	(1,217)
Goodwill impairment	(2,664)	-
Share of net profit (loss) of associates and joint venture entities	-	-
Profit (loss) from ordinary activities before tax	(3,915)	632
Income tax benefit / (expense) on ordinary activities	(144)	(275)
Profit (loss) from ordinary activities after tax	(4,059)	357
Outside equity interests	-	-
Profit (loss) from ordinary activities after tax attributable to members	(4,059)	357
Profit (loss) from extraordinary activities after tax attributable to members	-	-
Profit (loss) for the period attributable to members	(4,059)	357
Retained profits at the beginning of the financial period	13,241	12,534
Net transfers to and from reserves	-	-
Net effect of changes in accounting policies	-	-
Dividends paid or payable	-	-
Retained profits at end of financial period	9,182	12,891

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

**Profit restated to exclude amortisation of goodwill**

	Current period \$A'000	Previous corresponding period \$A'000
(Loss) profit from ordinary activities after tax before outside equity interests and amortisation of goodwill	(1,394)	357
Less (plus) outside equity interests	-	-
(Loss) profit from ordinary activities after tax (before amortisation of goodwill) attributable to members	(1,394)	357

**Revenue and expenses from operating activities**

	Current period \$A'000	Previous corresponding period \$A'000
<b>Revenue</b>		
Sales Revenue	40,722	39,102
Net Foreign Exchange Gain	-	883
Interest Received	9	15
Other	75	6
	40,806	40,006
<b>Expenses</b>		
Raw Materials and Consumables	28,441	25,239
Employee Benefits	3,725	3,307
Depreciation of property, plant and equipment	779	699
Amortisation of intangibles	47	63
Marketing and promotion	3,381	4,148
Transport	1,456	1,710
Foreign Exchange losses	152	-
Other	3,247	2,991
	41,228	38,157

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

**Intangible and extraordinary items**

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill	2,664	-	2,664
Amortisation of other intangibles	47	-	47
<b>Total amortisation of intangibles</b>	<b>2,711</b>	<b>-</b>	<b>2,711</b>
Extraordinary items (details)	-	-	-
<b>Total extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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	(4,059)	357
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	-	-

**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	353	239	436
Receivables	11,368	10,963	12,315
Investments	564	-	-
Inventories	11,725	17,808	18,761
Other (provide details if material)	533	300	544
<b>Total current assets</b>	<b>24,543</b>	<b>29,310</b>	<b>32,056</b>

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

<b>Non-current assets</b>			
Receivables	-	-	-
Investments	-	897	1,503
Inventories	-	-	-
Other property, plant and equipment (net)	20,238	19,911	19,246
Intangibles (net)	2,643	5,355	5,417
Deferred Tax Asset	3,574	3,727	3,665
<b>Total non-current assets</b>	<b>26,455</b>	<b>29,890</b>	<b>29,831</b>
<b>Total assets</b>	<b>50,998</b>	<b>59,200</b>	<b>61,887</b>
<b>Current liabilities</b>			
Accounts payable	6,304	7,632	10,072
Borrowings	15,100	11,091	1,941
Provisions	-	-	-
Other (provide details if material)	-	-	-
<b>Total current liabilities</b>	<b>21,404</b>	<b>18,723</b>	<b>12,013</b>
<b>Non-current liabilities</b>			
Accounts payable	-	-	-
Borrowings	10,666	18,207	28,133
Provisions	282	316	328
Other (provide details if material)	-	-	-
<b>Total non-current liabilities</b>	<b>10,948</b>	<b>18,523</b>	<b>28,461</b>
<b>Total liabilities</b>	<b>32,352</b>	<b>37,246</b>	<b>40,474</b>
<b>Net assets</b>	<b>18,646</b>	<b>21,954</b>	<b>21,413</b>
<b>Equity</b>			
Capital	5,366	5,366	5,366
Reserves	4,098	3,347	3,156
Retained profits (accumulated losses)	9,182	13,241	12,891
Equity attributable to members of the parent entity	-	-	-
Outside equity interests in controlled entities	-	-	-
<b>Total equity</b>	<b>18,646</b>	<b>21,954</b>	<b>21,413</b>
Preference capital and related premium included	-	-	-

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

**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	40,383	39,126
Payments to suppliers and employees	(36,618)	(38,486)
Interest and other items of similar nature received	9	15
Interest and other costs of finance paid	(655)	(1,062)
Other (provide details if material)	707	868
<b>Net operating cash flows</b>	<b>3,826</b>	<b>461</b>
<hr/>		
<b>Cash flows related to investing activities</b>		
Payments for purchases of property, plant and equipment	(1,106)	(356)
Proceeds from sale of property, plant and equipment	-	1
Proceeds on sale of financial assets	925	-
Payment for purchases of equity investments	-	-
Loans to other entities	-	-
Loans repaid by other entities	-	-
<b>Net investing cash flows</b>	<b>(181)</b>	<b>(355)</b>
<hr/>		
<b>Cash flows related to financing activities</b>		
Proceeds from issues of securities (shares, options, etc.)	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	(3,532)	(983)
<b>Net financing cash flows</b>	<b>(3,532)</b>	<b>(983)</b>

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

<b>Net increase (decrease) in cash held</b>	113	(877)
Cash at beginning of period (see Reconciliation of cash)	240	1,313
Exchange rate adjustments	-	-
<b>Cash at end of period</b> (see Reconciliation of cash)	353	436

**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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**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	353	436
Deposits at call	-	-
Bank overdraft	-	-
Other (provide details)	-	-
<b>Total cash at end of period</b>	<b>353</b>	<b>436</b>

**Ratios**

	Current period	Previous corresponding period
<b>Profit before tax/sales</b>		
Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue	(9.6%)	1.6%
<b>Profit after tax/equity interests</b>		
Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	(21.8%)	1.7%

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

**Earnings per security (EPS)**

	Current period	Previous corresponding period
Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	(78.80¢)	6.93¢
(b) Diluted EPS (if materially different from (a))	(78.80¢)	6.93¢

**NTA backing**

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$2.41	\$2.39

**Details of specific receipts/outlays, revenues/expenses**

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	9	15
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)	779	699
Other specific relevant items	-	-

**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

\$



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

**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	\$

**Reports for industry and geographical segments**

*31 December 2009*

<b>Primary reporting – geographical segments</b>	<i>Australia \$'000</i>	<i>Canada \$'000</i>	<i>Intersegment Elimination \$'000</i>	<i>Consolidated \$'000</i>
<i>Sales revenue</i>	36,278	11,088	(6,644)	40,722
<i>Other revenue</i>	61	23	-	84
<b>Total segment revenue</b>	<b>36,339</b>	<b>11,111</b>	<b>(6,644)</b>	<b>40,806</b>
<b>Segment Result</b>	<b>(1,499)</b>	<b>248</b>	<b>(2,664)</b>	<b>(3,915)</b>
<i>Unallocated revenue less unallocated expenses</i>				-
<b>Loss before income tax expense</b>				<b>(3,915)</b>

*31 December 2008*

<b>Primary reporting – geographical segments</b>	<i>Australia \$'000</i>	<i>Canada \$'000</i>	<i>Intersegment Elimination \$'000</i>	<i>Consolidated \$'000</i>
<i>Sales revenue</i>	37,118	7,847	(5,863)	39,102
<i>Other revenue</i>	17	6	-	23
<b>Total segment revenue</b>	<b>37,135</b>	<b>7,853</b>	<b>(5,863)</b>	<b>39,125</b>
<b>Segment Result</b>	<b>1,219</b>	<b>(613)</b>	<b>26</b>	<b>632</b>
<i>Unallocated revenue less unallocated expenses</i>				-
<b>Profit before income tax expense</b>				<b>632</b>

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

**Secondary reporting – business segments**

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

**Dividends**

Date the dividend is payable

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

-
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**Amount per security**

		<i>Franking rate applicable</i>	%	%	%
<i>(annual report only)</i>					
<b>Final dividend:</b>	Current year	- ¢	-	- ¢	-
	Previous year	- ¢	- ¢	- ¢	- ¢
<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	- ¢	- ¢
Preference securities	- ¢	- ¢

**Total dividend (distribution)**

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$-	\$-
Preference securities	\$-	\$-
<b>Total</b>	\$-	\$-

**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>				
<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 (description)</b>				
Changes during current period				
<b>Ordinary securities</b>	5,151,067	5,151,066	104	104
Changes during current period	-	-		
<b>Convertible debt securities (description and conversion factor)</b>				
Changes during current period				

Exercise price

Expiry date

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

<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

- ♦ The average cost of supplier shareholder honey for the 6 months to 31 December was \$3.53/kg compared with \$3.02/kg the same period last year, an additional cost of \$2.2 million in the 6 months.
- ♦ Actual non-cash impairments of goodwill in the amount of \$2.664 million and of future income tax benefits of \$0.575 million were as a consequence of the exit of selected export market segments made marginal by FX movements and high costs of raw honey.

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)

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

Franking credits available - \$2,385,409

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

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

**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

**Annual meeting**

*(Annual statement only)*

The annual meeting will be held as follows:

Place

Date

Time

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

Approximate date the annual report will be available

**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: 12 February 2010  
*(Director/Company secretary)*

Print name: ROGER D MASTERS

**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.